



ALEATICA

Smart & Sustainable Infrastructure

Integrated Annual Report 2019

aleatica.com



Index

About the Report	03
Message from the CEO	04
ALEATICA Snapshot	06
Our business	10
Philosophy and corporate pillars	10
Safety First	14
Passion for our Team	26
Excellence in service	42
Social and Environmental Sustainability	54
Transparency and Corporate Governance	74
GRI table	86
Report verification	91
Financial report	100

About the report

This 2019 Integrated Annual Report covers the result of the application of sustainability practices, policies, programs and strategies, as well as the financial result, in the year 2019, including the performance and generation of economic, social and environmental value of the company.

The definition of the contents was made based on the materiality analysis, which was carried out globally to identify the relevant aspects of our sector, for our investors and for our main stakeholders, as well as to meet the business objectives and achieve a positive result for the company.

We carry out this report based on the GRI standards (Global Reporting Initiative) and requirements of IFM Investors, our control investor, which is adhered to the Principles of Responsible Investing and establishes some indicators aligned to environmental, social and governance aspects.

ALEATICA decided to include additional GRI on its own initiative that are not verified by a third party; however, it is our commitment to work and report as much information as possible on non-financial information as a consequence of the improvement in operating processes. Those additional GRIs are as follows:

Universal: 102-5, 102-6, 102-10, 102-12, 102-14, 102-16, 102-18, 102-19, 102-20, 102-24, 102-25, 102-26, 102-27, 102-28, 102-32, 102-34, 102-36, 102-39, 102-40, 102-42, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56, 103-1

Economic: 201-2, 202-2, 205-1, 205-3, 206-1

Environmental: 304-3, 304-4, 305-7, 306-2, 308-2

Social: 401-2, 403-3, 403-9, 403-10, 408-1, 409-1, 419-1

About ALEATICA and this Integrated Annual Report:

Website: <https://www.aleatica.com/>

CEO: Mr. Kenneth Frederick Daley

Business Sector: Transport infrastructure operators
Activity: Pure operator of transport infrastructure for highways, corridors, ports, railways and airports

Countries where it is present: Mexico, Spain, Peru, Chile and Colombia

Dissemination of the Non-Financial

Information Annual Report: Website, email, and website of the Global Compact

Report preparation cycle: Annual

Point of contact:

Financial Information:

CFO - Gabriel Nuñez -
gabriel.nunez@aleatica.com

Non-Financial Information:

Global Director of Sustainability and Customer Service
- Vanessa Silveyra -
vanessa.silveyra@aleatica.com

Message from the CEO



This is ALEATICA's second Annual Report. Last year we presented a new company, transport infrastructure operator-only, with strong presence in Latin America and Spain. We also presented our pillars: Safety, Passion for our Team, Excellence in Service, Sustainability and Transparency and Corporate Governance.

In this Report we share with you a 2019 of very committed and firm work on behalf of all of us that are part of this great company. We are passionate of what we do and bring the best of ourselves to offer our customers, neighbors, communities, collaborators and all our stakeholders, an ever evolving and innovating optimal mobility service.



Our mission is to develop a culture within ALEATICA covering the five pillars as the basis of an innovative and outcome-oriented business. Our vision is to become a preferred and top-tier provider of transport solutions, recognized for exceeding customers' and shareholders' expectations, while contributing to the sustainable development of our planet.

ALEATICA has completed the initial transformation from being a part of a construction company to a stand-alone long-term concession company. During 2019 we formed our global teams responsible for each one of our pillars, we incorporated new expertise, recognized the most committed, expert and caring talent within, set best practices as our standard in each one of our areas and developed an objective oriented performance management.

In 2019, we defined and committed ourselves to seven Sustainability Development Goals of the United Nations 2030 Agenda, since our conviction is being a company that contributes to wellness of people, the environment and to the opening of opportunities, equality and diversity.

We are convinced that achieving SDG goals and to thrive as humanity and as a company, is only possible by creating alliances based on trust, joint responsibility, institutionality, transparency, accountability and integrity in everything we do.

Safety is our number one priority, for collaborators, our customers, communities around our roads, ports, light train and airport. Throughout 2019 we incorporated ALEATICA Accident Prevention Program, the Job Hazard Assessment Alive pilot, our Near Miss Project, and adopted IRAP analysis as the standard for the state of all our roads. We set up targets that will keep us gladly committed and totally focused into meeting them, bettering ourselves and our service.

As every company and institution, during 2019 we faced interesting political, social, economic and security challenges globally, and to meet these challenges while providing an optimal mobility service, we strengthened our risk management system, our audit methodology and our compliance strategy. We are a trustworthy company and we are committed to be increasingly so for all our stakeholders.

Social and environmental sustainability is our foundation, we know that true development is only possible if people and nature can flourish. ALEATICA Board is responsible for overseeing the sustainability strategy implementation in each one of our business units. During 2019 we incorporated a diagnosis, project implementation and impact evaluation methodology for truly engraining a sustainable approach to people's lives and their environment.

Every day we align to IFM Investors principles and make ALEATICA's day to day operations to be a worthy service provider for our customers and the right investment for our shareholders. In this sense, among our future actions is to have a clear and consistent both-ways action plan to promote our business values through our day to day actions. We will expand our creativity and good will to better serve our customers and be part of an ever-changing global community.

Our business is happily all about people. We are grateful for the opportunity of being a service company, for being part of people's lives by facilitating their mobility in increasingly sustainable, innovating and creative ways, always giving the best of ourselves.

Please, always, let us know how we can improve. Our aim is to build community in every place we are present. We are committed with your safety and we care about each one of you: customers, neighbours, collaborators and stakeholders.

Sincerely,

Kenneth Frederick Daley
CEO



Business Units and Location

Mexico	Km	AADT ¹ / Customers
Circuito Exterior Mexiquense	110 km	292,700 AADT
Grupo Autopistas Nacionales	123 km	36,569 AADT
Viaducto Bicentenario	32 km	93,118 AADT
Autopista Urbana Norte	9 km	99,897 AADT
Atizapan - Atlacomulco	74 km	Under construction

Spain	Km	AADT - DAI ² / No. of movements
Euroglosa 45	8.3 km	98,861 AADT
Southeast Maritime Terminals	36.5 ha	93,327 No. of movements
Tenerife Containers Terminal	15.3 ha	72,819 No. of movements

Chile	Km	AADT / Tons
Industrial Bridge	6.5 km	Under construction
Nogales Puchuncaví Road	43 km	4,055 AADT and stage under construction
Cerros de Valparaíso Terminal	6.4 ha	1,394,374 Tons

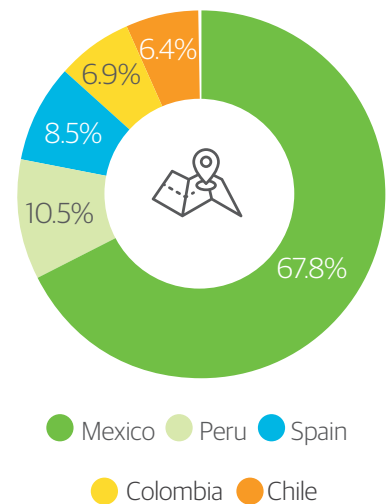
Colombia	Km	AADT
Autopista Rio Magdalena	70 km	1,719 AADT and stage under construction

Peru	Km	AADT
Autopista del Norte	395.7 km	23,853 AADT and stage under construction

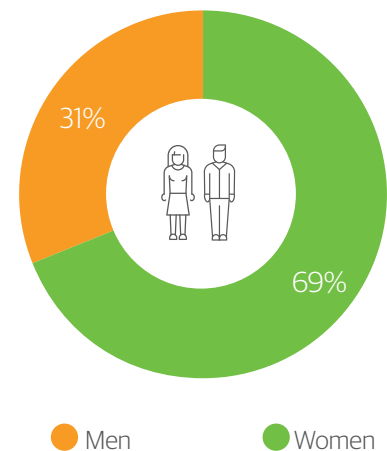
¹ Average Annual Daily Traffic (AADT)
² Daily Average Intensity (DAI)
³ In 2019 Integrated Annual Report, only companies that are consolidated to Grupo ALEATICA are being reported. The following are not included: Vespucio Oriente Toll Road, Toluca International Airport, Elevated Beltway of Puebla, Supervía Poniente, Autovía A-2 - Tranche 1, Western Light Metro.

Personnel distribution and profile

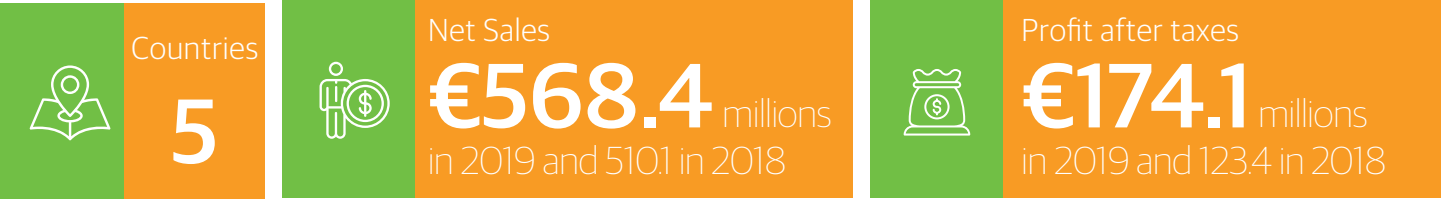
Percentage of employees per country



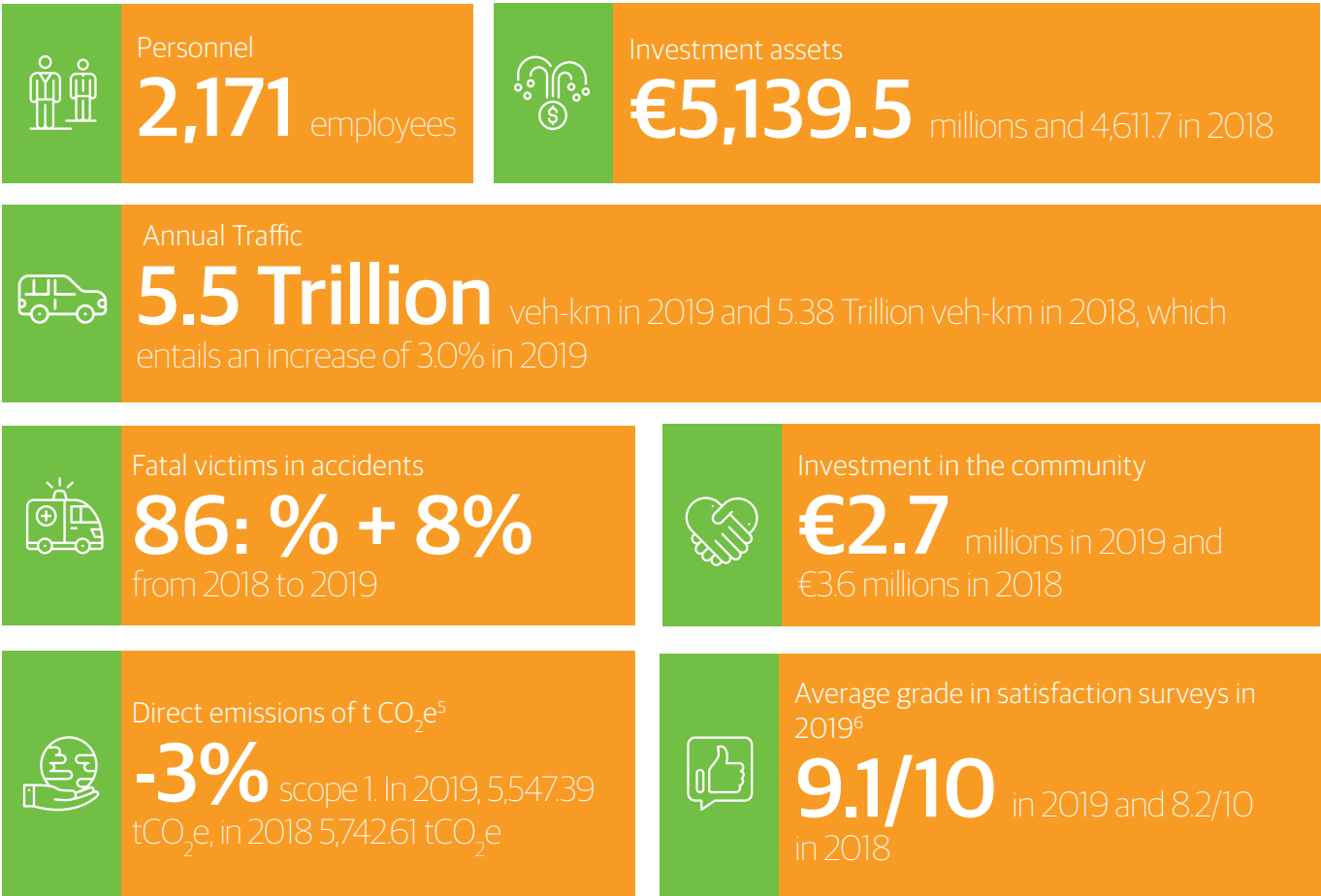
Percentage of employees by gender



Data⁴

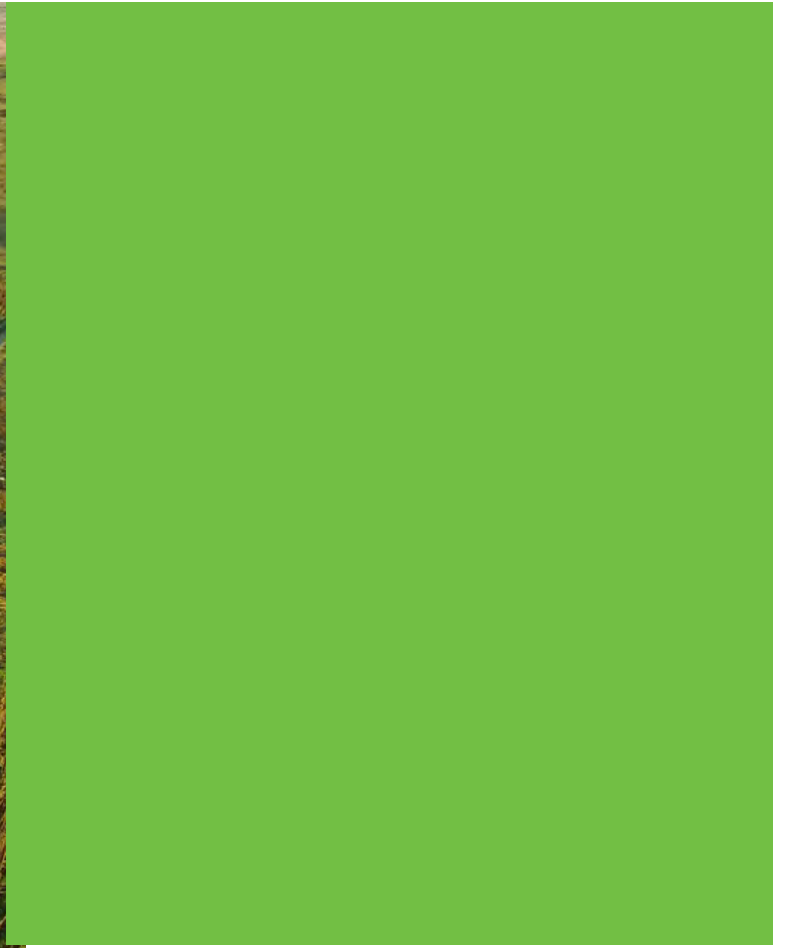


Country	Sales 2019	Profit after taxes 2019	Sales 2018	Profit after taxes 2018
Mexico	429.9	223.3	359.7	238.2
Spain	41.3	(56.1)	43.3	(71.0)
Chile	33.3	1.2	51.5	(24.2)
Colombia	19.0	(6.8)	16.5	1.9
Peru	44.9	29.3	39.1	4.8
Luxemburgo	-	(19.0)	-	(26.0)
Brazil	-	-	-	-
Others		2.2		(0.3)
Total	568.4	174.1	510.1	123.4



⁴ All figures are at closing of 2019

⁵ Scope 1 emissions of 2018 are taken into account.
⁶ Average grade in 2019 satisfaction surveys corresponds to the Companies in the table Satisfaction Surveys on page 45.



Philosophy

ALEATICA provides the smart infrastructure solutions that a world in motion requires.

We work every day to improve the life quality and conditions of our surroundings, we develop technological projects for sustainable mobility and create alliances with organizations that are committed with taking care of our environment.

Through our actions we create safe roads.

This way, the pillars of our company are shown in all our actions and projects.



Safety Comes First

Safety is our top priority, always. We take care of each customer, each person, always. It is an attitude present in the culture of ALEATICA.



Passion for Teamwork

Our team, with their compromise, passion, and vision, make the achievement of results and the mission of our company possible. We reward effort, commitment, and collaboration. We enjoy life in and outside work.



Service Excellence

Our existence is justified by people. We assist and take care of our customers. We follow a systemic and innovating approach, in order to provide high value-added service. We act as allies of our customers.



Social and Environmental Sustainability

For ALEATICA, if what we generate is not sustainable, it is not development. We respect and try to improve the environment and social surroundings where we operate. We promote human rights and encourage social inclusion.



Transparency and Corporate Governance

We follow the highest corporate governance standards. We adopt best international practices to ensure transparency. We seek efficiency and integrity in the service provided.



Aleatica Materiality Analysis

The materiality analysis or analysis of relevant matters on sustainability was carried out with the purpose of identifying relevant aspects on sustainability, considering global challenges of all business units of ALEATICA Group, the environment, and strategy of the company.

Materiality is the process by which economic, social, and environmental processes are identified and prioritized. These matters must show the importance, both for the company and its purposes of creating value, and for the stakeholders and their expectation on the performance of the organization.

The methodology used for the ALEATICA materiality analysis worldwide is as follows:

- Review of the business purposes of ALEATICA and comparison with relevant competitors of the infrastructure sector, ports, airports, and toll road concession holders.
- Identification of relevant players to compile the opinion and perception of relevant matters which must be top priorities of ALEATICA worldwide.
- Valuation and prioritization of matters from executives of all business units of the company.
- Gathering of information through surveys to main stakeholders and analysis of standards and metrics requested by investors regarding the environmental, social, and governance agenda.
- Validation of results and prioritization of sustainability matters worldwide.



Safety First



For ALEATICA, safety is our top priority. This allows us to operate in a responsible manner, avoid risks for our employees and customer, and take care of the sustainability of our business. That is why, together with regulators, critical providers, and sector unions, we create a culture based on safety and good practices in our operation.

Our goal is to achieve excellence in safety matters and become a reference in our sector for our customers and for our employees.

For our employees, the company has focused on strengthening training and strategy through ALEATICA Safety First Plan, which is applicable to all our business units, and which establishes the main commitments of ALEATICA and its affiliates on this matter.

In 2019, the strategy of the area was strengthened, focusing efforts to achieve, in the following three years, results that allow us to consolidate ourselves as a safe and reliable company. We have consolidated as OneALEATICA to continuously improve ourselves as a business and as a team.

The Operations Directorate is composed of three strategic areas, which are the lead by experts on the matter:

- Labor Safety / Labor Risks Prevention
- Road Safety
- Environment

Our commitment for the following years will be focused on maintaining a clear, transparent, and timely record to report the information in real time and make key decisions letting us to take immediate actions.

Some of the initiatives of the Operations area are:

Near Miss Project for employees, which seeks to interiorize the identification of unsafe acts and conditions that, if not solved, may become an incident or work accident in the future.

Job Hazard Assessment Alive Pilot Project for employees, which seeks to actively engage all employees in identifying their dangers and assessing the risks they are exposed to.

Accident Reduction Program (PRA) for our customers, which is a five-year strategic plan to reduce accidents of our customers and, if accidents occur, to identify their causes in order to reduce the seriousness of the events.

Collaboration projects with first-response teams by entering into alliances for training and integrating this knowledge to our emergency or contingency protocols.

Compliance of **Initial Mandatory Safety Requirements (IMSR)** standards, which are Safety mandatory requirements required to contractors to be able to enter into a contract with us.

Road safety projects in schools and communities where we operate.

In view of 2016 to 2019 history indexes, road accident indexes are:



In view of 2018 to 2019 history indexes, road accident indexes are:

Safety for Our Customers

ROAD SAFETY

Through the **Accident Reduction Program (PRA)**, which promotes campaigns for road safety education in our roads to reinforce main concepts of circulation, pedestrian transit and citizenship, in 2019 we achieved an improvement in Mexico of 14% with respect to injuries and an improvement of 23% with respect to customer casualties, respectively, compared to 2018.

Through these programs, ALEATICA is committed to implement short, medium, and long term measures to reduce fatal and serious accidents and contribute to the Decade of Action for Road Safety.

As part of our efforts, during 2019 preventative actions were implemented, such as signposting in troubled points, and corrective actions such as buffers in exit points and removal of dangerous items in roads.

2019 iRAP studies for main roads in operation have been completed. These studies assess roads from road safety point of view and define a rating that is translated into stars, four is the cap. These ratings drive action-taking by addressing several factors that make our roads safer.

Our teams in charge of road safety, accidents, and emergency assistance have continued their work to avoid incidents, identifying and intervening in high-risk spots, evaluating the risks, offering timely assistance and working with vulnerable customers in order to change behavioral patterns that may compromise safety.

Our commitment with road safety is focused on strengthening:

- Quality of infrastructure and equipment
- Clarity of signage
- Character of the culture of the company and behavior of employees
- Care of employees and vulnerable customers
- Timely and quick response from first-aid personnel
- Speed limits and conditions to circulate in the infrastructures

This commitment seeks to reduce accident volume and seriousness and has led to a beneficial evolution of road accident indexes.



On 2019, the following worldwide indexes were reported to the Board of ALEATICA S.A.U. and S.A.B. de C.V.:

Global ALEATICA Indexes	2019
Number of accidents in ships	0
Number of accidents of road customers	1,562
Number of fatal victims in road accidents	86
Number of injured in roads	1,255

EDUCACIÓN VIAL SOMOS TODOS PROGRAM

ALEATICA, as an independent operator of mobility assets, is committed to contribute with a zero-vehicle accident rate. Nowadays, human losses related to road accidents are the number one cause of death for children ages 5 to 14 and youth ages 15 to 29, according to the Global Status Report on Road Safety 2018. Every 24 seconds there is a fatal road loss globally. 99.9% of these accidents can be avoided.

ALEATICA, as a company that is aware of the importance of road safety knowledge to reduce recklessness when driving, is committed with providing training on road safety to our customers and communities surrounding our roads, and proposing technical recommendations to local governments and mobility authorities to improve areas identified as high-risk spots.

Based on the foregoing, Sustainability global team has developed Educación Vial Somos Todos Program in order to strengthen road safety culture in communities and neighbors surrounding our roads. The Program was prepared to be implemented in public schools near our roads and spots with a high accident rate.

The Program is implemented worldwide in our road concessions and in Mexico we are allied with Mexican Red Cross.



Circuito Exterior Mexiquense, Mexico

Circuito Exterior Mexiquense was the first concession implementing Educación Vial Somos Todos in the municipality of Ecatepec, one of the 19 municipalities through which our road crosses and which in 2018⁷ was first place in vehicular accidents with 4 thousand accidents during the year, 29% out of a total of 14,060 in the State of Mexico, and second place in deaths from road accidents.

In alliance with the Red Cross, black spots of accidents in the area were identified from their database of assisted accidents, which allowed defining schools and public spaces closes to such points and to Circuito Exterior Mexiquense, in order to teach road safety trainings.

During 2019, 700 students, parents, administrative personnel, and teachers of Technical Junior High School 59 Jose Vasconcelos, and 400 students, parents, and teaches of Technical Junior High School Nadezha Krupskaya were trained. Furthermore, together with the mobility area of the Municipality, new traffic lights in the crossroad outside the school and vertical signage indicating a school zone were placed. Additionally, with the participation of parents, the pedestrian lines were repainted at the two corresponding road crossings.

The purpose of Educación Vial Somos Todos Program is to contribute to reduce accident rate in compliance with the

United Nations Sustainable Development Goals for 2030, 3 Good Health and Well-being and 11 Sustainable Cities and Communities. Red Cross is member of Global Road Safety Partnership (GRSP) and the decision to formalize our collaboration with this international organization reinforces our commitment with SDG 17, Partnerships for the Goals.

In summary, during 2019, Circuito Exterior Mexiquense trained 1,100 students and school community of two institutions and 70 employees of such concession.

Autopista del Norte, Peru

In Autopista del Norte, safety is our top priority. In compliance with their Environmental Management Plan (PMA) and with Educación Vial Somos Todos Program, this concession holder has a road safety education campaign for customers and communities surrounding Red Vial 4, located on the north coast of Peru, among Lima, Ancash, and La Libertad departments.

The purpose of this activity is to encourage responsible use of road infrastructure through workshops on pedestrian traffic, courses on defensive driving, and dissemination of information material, promoting development of a road culture of responsibility that puts into practice citizenship values and awareness of some risk behaviors on the road. Among its contents, the workshop Peatón Seguro stands out, which consists of talks, games, and participation dynamics that

include a replica of the road and its infrastructure and signage, which invite students, their parents, and teachers who live in the communities surrounding the road to participate using a direct and simple language. Defensive driving courses are mainly targeted to light- and small-vehicle drivers that use this tranche of Panamericana Norte granted under concession and is about the importance of acting with responsibility and respect to traffic signage.

In 2019, this activity directly benefited 1,100 students, 180 parents, and 556 drivers of Chao, Huarmey, and Casma districts, located on the provinces of Viru, Huarmey, and Casma, respectively.

In this way, Autopista del Norte confirms its commitment to keep working for the benefit of the customers and the community of concession Red Vial 4, encouraging interiorization of a culture of road safety as a response to identification of human factor as one of the main causes of traffic accidents in that country.

Autopista Rio Magdalena, Colombia

Reduction of accident rate and fatal victims is the key goal of Autopista Rio Magdalena. That is why, within Educación Vial Somos Todos Program, it periodically executes campaigns of road safety culture for the customers that use the road. In 2019, 158 campaigns of road safety were performed for 4,032 traffic stakeholders.

In the campaigns launched to the different stake holders, the meaning of traffic signage is communicated to prevent risks and events that may occur on the road. Furthermore, in such campaigns, we reiterate the importance of carrying out a technical review of the vehicle before traveling, the documents that must be carried, and safe clothing to be used, specifically for vulnerable drivers such as motorcyclists and cyclists, among others.

In a playful and fun way, and with the staging of characters such as “death”, the knowledge, respect, and compliance to traffic regulations is reinforced.

The campaigns are carried out with the aim of creating a road safety culture for the customers of the concession, such as pedestrians, cyclists, motorcyclists, drivers of private vehicles, public service vehicles, and cargo transportation. Public transportation passengers, neighbors of the road, and companies that have an impact on the direct area of the project are also included. Road culture means making a correct and responsible use of the road, based on respect for all people who use road infrastructure, like us.

ALEATICA knows that creating partnerships with relevant stakeholders and experts improve the effect of our actions and projects; therefore, all safety road culture activities performed by the concession holder are accompanied by personnel of Traffic and Transportation Police, which is the competent institution for assisting traffic events and control operations.



Safety for Our Employees

COMPREHENSIVE SAFETY AND HEALTH SYSTEM

The Health and Safety Management System has a different maturity level in the different companies, due to the several kinds of operations they perform and the stage in which they are.

Due to this, in 2019 we carried out a global diagnosis of the status of management systems, to subsequently standardize criteria and have a single Global Safety System for Grupo ALEATICA.

ALEATICA Global SMS, known as ALEATICA Safety Management System, is a system based on the cycle of continuous improvement, recognized internationally.

In December 2019, the document including management procedures was completed and in 2020 the expansion of the GLOBAL SMS to all companies is proposed, thus integrating the culture of preventive management in all companies and establishing a unification in the operational criteria.

During 2019, in addition to the approval of ALEATICA Global Safety Policy, which applies to all dependent companies and which establishes the main Safety commitments by ALEATICA and its companies, it was possible for 10 concessions to implement the Global SMS, eight obtained the certification of OHSAS 18001 Standard, of which five have already migrated to ISO 45001.



HAZARD IDENTIFICATION, RISK ASSESSMENT AND ACCIDENT INVESTIGATION

During 2019, 100% of ALEATICA companies regularized or updated their hazard identification and risk assessment process through the Hazard Identification and Assessment (IPER) methodology, which is aligned with international best practices and complies with the regulations of each of the countries where these companies perform activities. Likewise, a single criterion was established for the accident communication chain, where they are reported in an orderly manner to the appropriate command lines, at the times set internally and those required pursuant to regulations. Also, where applicable, they are submitted to the corresponding government authorities.

For all accidents occurred in ALEATICA and its companies, the root cause is analyzed, and corrective/preventative actions are established to prevent recurrence.

Regarding communication, a Safety email was created for matters related to the area, through which information capsules with topics such as tag reading, avoiding solo work, falls and slips, and global recommendations are established to avoid recurrence of certain accidents.

During 2019, a global improvement of 20% in employee accidents has been obtained compared to 2018:

Global ALEATICA Indexes	2018	2019
Number of work accidents with sick leave	72	57
Number of days lost due to accident with sick leave	1,077	1,740
Aggregate number of hours worked	5,441,272	5,794,782
Number of deaths from activities or occupational diseases of employees	0	0
Number of contractor workplace deaths	Not reported	3
Incidence Rate (LTIRR, <i>Lost Time Injury Incidence Rate</i>)	2.9	2.20
Severity Rate (LTISR, <i>Lost Time Injury Severity Rate</i>)	0.2	0.30
Frequency Rate (LTIFR, <i>Lost Time Injury Frequency Rate</i>)	13.23	9.83



The main causes of accidents reported are related to falls at the same level and blows or mechanical contact with elements, these representing 80% of the typology of cases.

Of the 57 work accidents with sick leave, 15 have been suffered by female personnel and 45 by male personnel. This means that, of the accidents recorded in 2019, 26% are female and 74% were suffered by male personnel.

During 2019, no deaths were recorded due to employee activities or occupational diseases; however, three fatal events were reported for contractor workers in accidents in Mexican companies.

These events led to the establishment of a crash plan through a contractor shutdown, which led to greater regulation of these events and the establishment of a control group (Safety Control Group), consisting of specialists from ALEATICA, who review all contracts entered into by the companies. This is the way in which ALEATICA establishes mechanisms to evidence compliance of all contractors with Occupational Health and Safety.

HEALTH SERVICES

ALEATICA has medical services as an essential part of monitoring the health of employees.

Medical services are based on a Manual for the Operation of Medical Services, which unifies the operating rules of said medical services by country.

Health oversight is assured for all companies, whether through their own prevention service or through a third-party prevention service. The companies that, due to their size, do not have this possibility, are assisted through the regular doctors of the offices of ALEATICA Spain and ALEATICA Mexico.

The following actions have been carried out to promote health in workers:

- Ensure health oversight by unifying the criteria for conducting medical examinations for employees (entry examinations and periodic examinations).
- Initiation of antidoping process-protocols as an essential process to guarantee the safety of the worker himself and that of workers in the direct environment.
- Health campaigns aimed at improving the health of our employees:

SPAIN CAMPAIGNS

Yoga campaigns

Mindfulness campaigns

Women's health campaign, through gynecological care.

Detection of pathologies in the early stage

Ophthalmological workshop with glaucoma screening and retinopathy

Self-defense workshop for women



MEXICO CAMPAIGNS

Health week campaign for employees, with laboratory service, dental service, and nutrition service

Women's health campaign, preventive talk for early detection of breast cancer

Quick HIV detection campaign



GLOBAL CAMPAIGNS

Flu / influenza and pneumococcal and tetanus vaccination campaigns

Information campaigns on respiratory diseases

Blood glucose measurement campaign for early diagnosis of diabetes mellitus

Breast cancer information campaign

Traveler campaign
Guides of safety and health tips are prepared for employees for each destination country with the following items: required documentation, safety tips, recommended vaccination, health risks, reference hospitals, emergency telephone numbers, addresses of consulates and embassies, travel insurance telephone number, and link of the registry of travelers of the Ministry of Foreign Affairs and link of contact with the Embassy of Spain of the country to which they are traveling

International vaccinations
Four employees attended, at the recommendation of medical service of ALEATICA, international vaccination centers to complete mandatory vaccination schedules for international travel, such as yellow fever

Anti-smoking campaign
Informative dissemination with nicotine dependence test, to encourage de-addiction

Dietary advice campaign to avoid eating in excess on Christmas

Information campaign on world AIDS day

In 2019, Global Health Committee was created, which meets quarterly and where strategies for medical services, codes of ethics in occupational medicine and calendars of global health campaigns for ALEATICA are managed.

TRAINING IN OCCUPATIONAL SAFETY AND HEALTH

The regulation of training programs for workers is divided into three fundamental aspects:

- Basic induction training in occupational health and safety and the environment
- 5-10 min training in daily talks to workers
- Specialized training by third parties on risky jobs

In June 2019 we started measurement on training in Safety topics globally. The progress we have is presented below:



Global ALEATICA Indexes	2019 (Jun 19 to Dec 19)
Total of concessions reported	13
Safety Induction Sessions	833
Aggregate number of employees trained in Safety Induction Sessions ⁸	3,817
Total aggregated hours in Safety training	4,522
Total specialized Safety training sessions	674
Total of aggregate hours of specialized Safety training sessions	13,078

⁸ Based on 2,171 employees at the end of 2019, some were trained more than once, this is the reason for the aggregate number of employees trained during the year.



PARTICIPATION, CONSULTATIONS, AND COMMUNICATION OF HEALTH AND SAFETY SERVICES

In 2019, the ALEATICA Safety First Plan consolidated the different employee initiatives that ensured effective participation. Likewise, an important effort was made to strengthen communication and information channels, improving the communication flow between the areas involved in Safety. Some of the most important actions were:

- Formation of Worker Safety Committees in all countries
- Implementation of the Job Hazard Assessment Alive pilot on Urban toll roads (Autopista Urbana Norte and Viaducto Bicentenario) in Mexico
- Installation of Safety communication boards
- Creation of an area specific emails: safety@aleatica.com
- Preparation of graphic safety material
- Inserting frequent communications in the OneALEATICA Newsletter

With the implementation of the Job Hazard Assessment Alive pilot in Urban Toll Roads in the conservation area, the participation and engagement of workers has been achieved, who have successfully implemented it. By 2020, this program is intended to be extended to all ALEATICA companies.

The Safety Committees of workers allow to ensure their representation in the exchange of related information, and their participation in decision-making related to their safety.

During 2019, the accident statistics of each company were analyzed in the Safety Committees of workers. Tours of the facilities were made to detect potential unsafe conditions that had to be solved and, based on this, mitigating measures were defined to prevent recurrence of accidents.



Passion for Our Team



At Aleatica we believe that excellence comes from within the organization, from a work environment that reflects our values and promotes a corporate culture that motivates the commitment of our employees to our mission. For this reason, during 2019 we have focused on improving the quality of work life for employees, providing better working conditions and strengthening the human rights of employees.

Our human resources policy comprises a set of principles that support our statement of applying the highest standards in the management of human talent in order to guarantee full compliance with local and international laws and our Code of Ethics, ensuring absolute respect for human rights principles, and providing a collaborative work environment that allows the development of the maximum potential of employees.

The principles that guide our actions are:

- Employee safety and well-being are paramount to enabling a productive work environment
- Zero tolerance to any type of abusive behavior and/or mobbing or sexual harassment must always be guaranteed
- Promoting diversity and equal opportunity in the workforce supports progress towards a more inclusive society and drives higher business performance
- The right of association and collective bargaining in the workplace must be respected and promoted regardless of local regulations

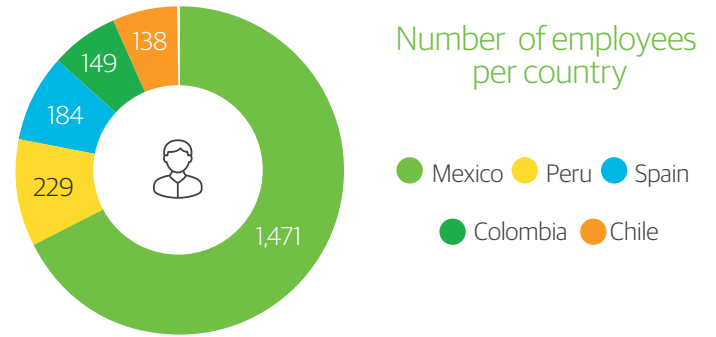
Incorporation of Talent

We recruit people whose personal values correspond to the pillars of the company. Technical skills are as important as attitude. We seek the best adaptation of talent with jobs.

We incorporate the best available talent, men and women trained in various educational institutions and in different productive sectors, with a diversity of creeds, ideologies, and preferences of any order.

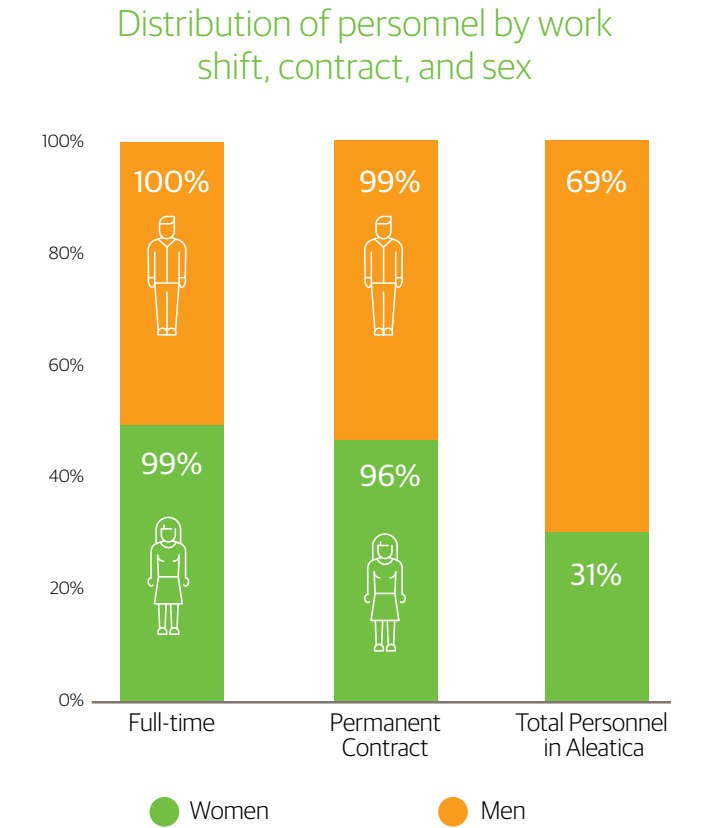
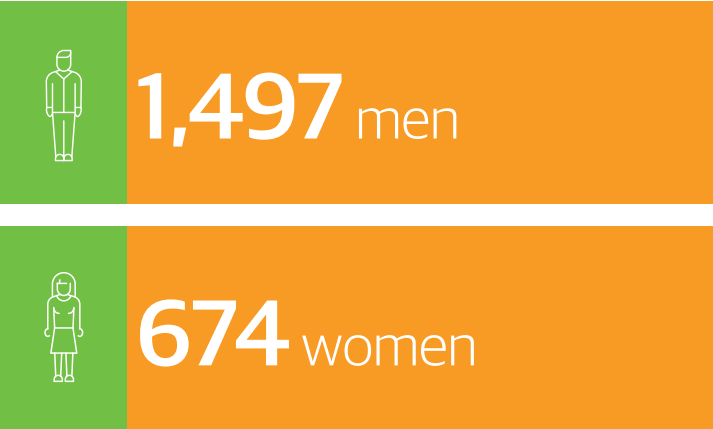
To ensure continuity of the operation and the efficiency of the service to our customers, the significant activities of our value chain are carried out directly by our employees, as well as those of administration of the processes where external specialized services are required, such as major maintenance of roads. The assurance of quality and effectiveness of services is always carried out by our own employees.

As of December 31, 2019, we had a total of 2,171 employees, distributed geographically as follows:



We make sure that our employees have appropriate working conditions, even superior to those provided in local labor laws.

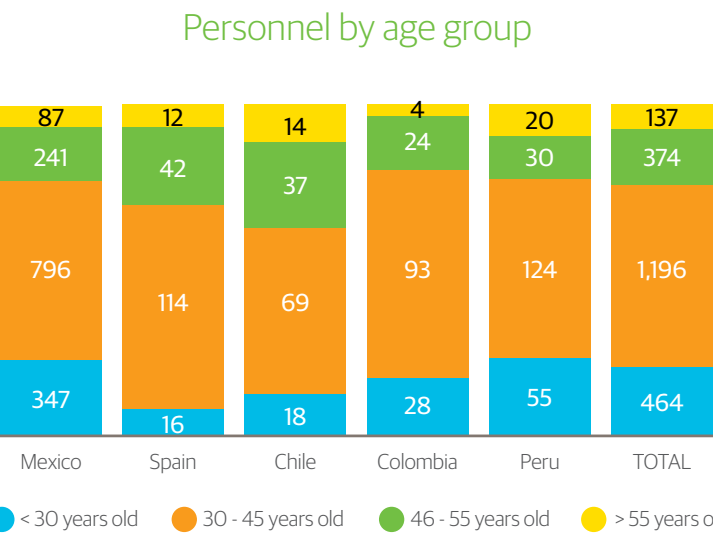
Distribution by sex



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

The 1% of women who do not work full time work part time
The 4% of women and the 1% of men who do not have a permanent contract have a temporary contract

As part of our diversity, our personnel cover different age ranges, thereby ensuring generational inclusion. We have employees between 18 and 71 years old, most of them being between 30 and 45 years old.



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

According to their roles and responsibilities, job positions are divided into three professional groups. To provide the best service to our customers and promote the balance of workforce, we have two types of work shifts: full-time and part-time.



We have temporary contracts that are due to service needs for specific works or time, or because the employees are new and are in training periods. Of the total employees of

ALEATICA, only 12 are hired for part-time according to their personal needs (maternity, care of a dependent, etc.).

Work position	Total	TYPE OF CONTRACT			TYPE OF WORK SHIFT		
		Permanent	Partial	% Permanent	Full-time	Part-time	% Full-time
Executives	137	136	1	99%	136	1	99%
Middle managers	188	186	2	98%	186	2	99%
Back office / Operations	1,846	1,798	48	97%	1,837	9	99%

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

Distribution by age range is the following:

Age Range	Total	TYPE OF CONTRACT			TYPE OF WORK SHIFT		
		Permanent	Partial	% Permanent	Full-time	Part-time	% Full-time
<30	464	444	20	95.7%	462	2	99.6%
30-45	1,196	1,172	24	98.0%	1,188	8	99.3%
46-55	374	371	3	99.2%	373	1	99.7%
>55	137	133	4	97.1%	136	1	99.3%

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

Distribution by sex is the following:

Sex	Total	TYPE OF CONTRACT			TYPE OF WORK SHIFT		
		Permanent	Partial	% Permanent	Full-time	Part-time	% Full-time
Men	1,497	1,476	21	98.6%	1,494	3	99.8%
Women	674	644	30	95.5%	665	9	98.7%

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

The difference between annual average of contracts per gender, sex, and professional position and at closing, is not significant, therefore information at closing is included.

Hiring of Employees



New hires during the 2019

593

The following table shows contracts by country and age range.

Country	AGE RANGE			Total
	<30	30-50	>50	
Mexico	186	241	26	453
Spain	12	9	1	22
Chile	5	5	2	12
Colombia	16	40	4	60
Peru	17	22	7	46
Total	236	317	40	593

Training and Development

We promote professional training that contributes to labor productivity and personal fulfillment of all Group employees. In 2019, the company invested 324 thousand euros in training and development programs to improve the technical and personal skills, specialization, and safety of our workforce, as well as to ensure compliance with our values and principles.





Percentage of women in new hires

41%

Our selection process guarantees equal opportunities and non-discrimination based on gender, race, sexual orientation, religious beliefs, political opinion, nationality, social origin, functional diversity or any other circumstance, respecting at all times the legislation in force in each country. For each open selection process, the same number of female and male candidates must be presented, and the incorporation of personnel with functional diversity will be sought.

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).



The number of training hours was

64,447 hours

The distribution by job category is as follows:

Work position	Hours
Executives	3,537
Middle managers	562
Back office / Operations	60,347

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

Aleatica DNA



In 2019, the organizational skills model was designed, which defines the behaviors that employees must show by living the ALEATICA pillars. Those skills are:

KEY COMPETENCES



LIVE CHANGE

We are able to face any situation in an effective manner, being flexible and adapting. We take new actions resulting from changes in the organization.



EFFECTIVE COMMUNICATION

We communicate clearly and concisely, using the right resources to make communication successful and we show empathy and respect for the person or group we are addressing to.

ADMINISTRATIVE COMPETENCES



INSPIRE WITH OUR EXAMPLE

We are genuinely interested in people. We worry about knowing and understanding others. We are an example of ethical behavior and a role model. Our way of acting positively influence others to achieve extraordinary results.



RESPONSIBLE EXECUTION

We own the situations and problems, taking responsibility for our actions and decisions, without blaming others for failure or difficulties. We work with order and discipline, defining and adjusting priorities, to guarantee timely implementation of our strategy.



VALUE DIVERSITY

We work in a positive environment. We value each person and recognize their contribution to the company. We respect differences and accept personal preferences.



PASSION FOR WHAT WE DO

We understand our internal and external customers. We deeply understand our challenges, strengths and opportunities, in order to anticipate necessities and exceed customer expectations, adding value to all what we do. We enjoy what we do and participate with enthusiasm.

OPERATION COMPETENCES



SOLVE PROBLEMS

We analyze and solve all constraints we face in a logical and agile manner, in accordance with the situation and procedures.



TOGETHER WE ARE STRONGER

We collaborate effectively, identifying common interests and taking advantage of the strengths of each one to achieve goals. We promote communication and build relationships that seek winning.

We began identifying the training needs to strengthen the technical skills of our employees. This action will allow training actions to be better focused on solving clear and specific needs, improving performance and increasing employee satisfaction, also supporting talent development and the integral growth of people.

We also started the construction of a global induction plan, which will be the umbrella for local induction programs. Its purpose is that every new employee, in any country where we operate, perceives and understands the organization, the mission and vision, its pillars, its competencies and strategic objectives so that its approach and its adaptation to the company and its role of work are more accessible and effective.

Structuralia/Pharos was implemented as a corporate tool for global use, with extensive technical content.

Additionally, a module was included within the same platform for the development of personal skills and relationships with the following courses: Listening and empathy, Cooperation, Productive Networking, Commitment to development, Identification with the organization, Persuasion and influence, Effective decision-making, Analysis and synthesis, Initiative and creativity, Adaptation to change, Orientation to achievement, Customer orientation, Effective management, Successful Leadership, Personal effectiveness, Problem

solving, Negotiation skills, Assertive communication, Active listening and the art of asking, Working with quality, and Emotional self-management.

In addition to the corporate offer, locally and according to specific needs, the business units provided training aimed at the following chapters:

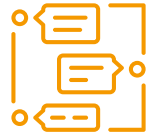
- Technical skills of the position
- Equality, ethics and values: code of ethics, conflict of interests, anti-corruption, and gender equality.
- Skills: self-knowledge and personal development, training of trainers, individual skills and team strengthening, managerial and positive leadership, motivation, organizational synergy, decision-making, and languages.
- Occupational safety and health: bomb threats, principles of occupational safety and health, hot work and confined spaces, civil protection.
- Technical and specialized: assessments on handling, use, and maintenance of articulated cranes.
- Technology and cybercrime.

Talent Management System

We started the configuration of a Talent Management System that will allow us to integrate and standardize the information bases of all our employees, in order to provide them with an internal service of excellence. At the same time, by exploiting the system, we will have better communication and collaboration tools, support mechanisms for performance management, creation and administration of development plans to promote professional and personal growth, as well as plans of labor well-being.

The Talent Management System will be the tool where the performance of the executives will be managed, the objectives with their initiatives and indicators will be recorded, the mid-year progress reviews with their adjustments and the end-of-cycle (calendar year) evaluations will be recorded, together with the development plan required to increase productivity and support the development of employees.

Internal Communication



During 2019 11 OneALEATICA monthly newsletters were issued, which is the means of communication in which we disseminate the actions and events that take place in the countries in which we operate and give meaning to our pillars.



Compensation

Our Remuneration Policy and Control System to which employees have access through the Intranet, considers the performance and work experience of the employee for the allocation of remuneration, taking as reference the market remuneration equivalent to the position of the person within ALEATICA.

To ensure that our compensation practice is competitive with the market and internally equitable, based on the contribution each position makes to the organizational pillars and business objectives, we had the advice of a world-renowned consulting firm. With the results, we will be implementing a new remuneration scheme in 2020. To ensure the updating of our practices, we participate in salary surveys with leading external suppliers in the field.

The ratios of the percentage increase in the total annual compensation of the organization's highest paid person in each country versus the median of the percentage increase in the total annual compensation of all employees (excluding the highest paid person) in the same country, are the following: In Spain is 0.38; Chile 1, Colombia 1.56 and Mexico 0.96.

With respect to Peru, in 2019 salary review was not applied to the majority of workers due to the collective bargaining agreement entered into two years ago, which lasted until 2019. The median of the increases to the rest of the workers was 3.96% while the highest paid person received 2.19%.

As mentioned above, our salaries reward experience, which is consistent with the average annual salaries by age group.

Age Range	Average salary in Euros
<30	6,971
30-45	17,021
46-55	27,110
>55	43,351

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

The evolution of the average remuneration by age indicates that Aleatica has increased compensation in the group of people under 30 and between 30 and 45 years of age, improving the remuneration offered to these groups by between 10 and 18%. This action also encourages the retention of employees of new generations.

Average remuneration by age range	2018	2019
<30	5,736	6,971
30-45	15,425	17,021
46-55	26,967	27,110
>55	49,119	43,351

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

We are committed to the development of women and the promotion of their growth in the organization in positions of greater responsibility to take advantage of the perspectives of female talent.

Gender	Average Remuneration
Men	19,782
Women	13,290

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

Average compensation of women has increased 14.19%. This shows that women are assuming better paying positions within the company.

Average Remuneration by Gender	2018	2019
Women	11,638	13,290
Men	19,884	19,782

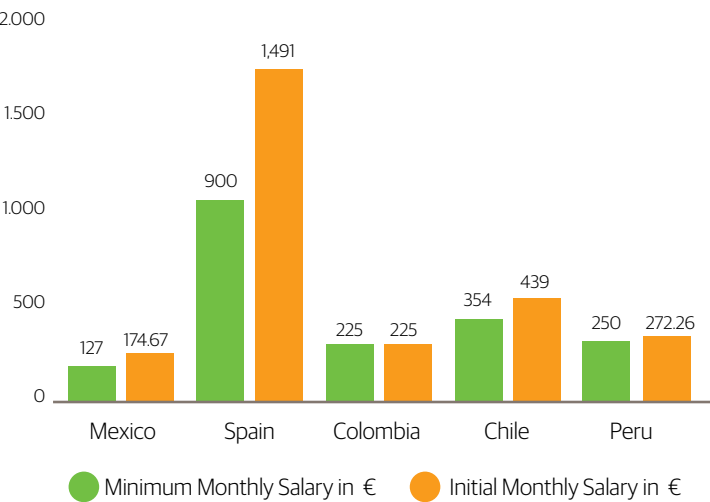
*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

To attract and retain the required talent, we offer competitive compensation.

Work position	Average salary
Executives	118,806
Middle managers	38,042
Back office / Operations	8,798

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

The minimum monthly remuneration at the entry level, in jobs at the entry level of working life, is higher than the general minimum wages of the country in the following measures: Mexico (38%), Spain (34%), Chile (24%) and Peru (9%), except for Colombia, where local minimum applies.



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).



Ratio of base salary and remuneration of men compared to women for each position

Region	Executives	Middle managers	Back office & Operations
Mexico	21.17%	0.25%	-1.73%
Spain	98.97%	11.50%	-4.51%
Colombia	199%	7.84%	-19.25%
Chile	N/A	-1.11%	9.36%
Peru	90.15%	16.32%	21.47%

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

At closing of 2019 we have carried out a new job classification that will facilitate talent management. There are three groups; one comprised of senior management, directors and managers, which is called Executives; another one comprised of middle managers and professionals, which is called Middle managers, and a third one comprised of technical, back office, and operations personnel, called Back office - Operations.

2019	
Executives	110,777
Middle managers	38,042
Back office - Operations	8,798

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

The average monthly salary in 2019 of the company's female executives is 14,002.63 Euros while for male executives it is 19,700.42 Euros. The average monthly salaries of women and men at the executive level, including Board members, is 14,002.63 Euros and 30,531.14 Euros respectively.

Benefits

ALEATICA offers employee benefits in line with local market practices for attracting and retaining talent. Out offer varies in each country. The various benefits include flexible compensation plan, life insurance, major medical expense insurance, disability or sick leave coverage, parental leave, grocery vouchers, savings fund, personal days paid to resolve



personal situations, institutional medical office, preventive seasonal vaccination and discount agreements for the use of services or acquisition of goods.

For the final management of the professional careers of our employees, we provide a retirement pension plan in Mexico.

Working Conditions

In Spain, the implementation of the modifications foreseen in the working conditions must be preceded by a consultation period, with a maximum duration of 15 days, so that the Company Committee and employees evaluate the causes that drive the change, the possible impact in the workforce, and mitigation measures. In Mexico, Chile, Colombia, and Peru this is not applicable.

All companies have staggered or flexible hours of entry and exit. In Spain, during the winter the weekly hours of work increase to have reduced hours in the summer. The breaks are those established in the respective collective bargaining or

individual agreements and in accordance with the applicable local laws.

Work shifts are carried out according to the nature of the activities of each job, always respecting the laws or collective bargaining and individual agreements.

We comply with the occupational health and safety provisions established by the labor laws of the countries where we operate, in addition to the strict internal regulations that assume the safety of our employees and customers as the highest priority as described in the chapter on Safety.

LABOR WELL-BEING

In Mexico, corporate offices were refurbished to improve the distribution of spaces, increase natural lighting inside the offices, communicate with teams, and promote an atmosphere of openness and transparency as part of the new work culture.

The daily practice of offering healthy snacks to employees in Mexico was introduced, as wells the practice of celebrating holidays in accordance with culture and tradition with a brief social gathering in the office.

The offices of Viaducto Bicentenario and Autopista Urbana Norte were changed to a new building in Parque Toreo Mall, which is modern, bright and with an Open Space design, which significantly improved the working conditions of employees.



RECONCILING WORK AND FAMILY LIFE

During 2019 we made progress in generating measures that strengthen the reconciliation of work and family life, as well as digital disconnection in the coming years.



Country	Men	Women	Total
Mexico	36	20	56
Spain	4	3	7
Chile	2	5	7
Colombia	0	4	4
Peru	2	5	7
	48	37	81

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

EQUALITY, DIVERSITY AND INCLUSION

The principle of equality stated in our human resources policy provides for the implementation of various actions in the field of gender equality, in the processes of hiring, internal promotion, training, reconciliation of work and family life, improvements in working conditions, accessibility and internal communication channels that guarantee the right of employees to be informed, file queries, criticisms, complaints and reports.

In 2018, the process of reviewing the equality plan began in order to guarantee its consistency with the new corporate culture and strengthen the incorporation of female talent.

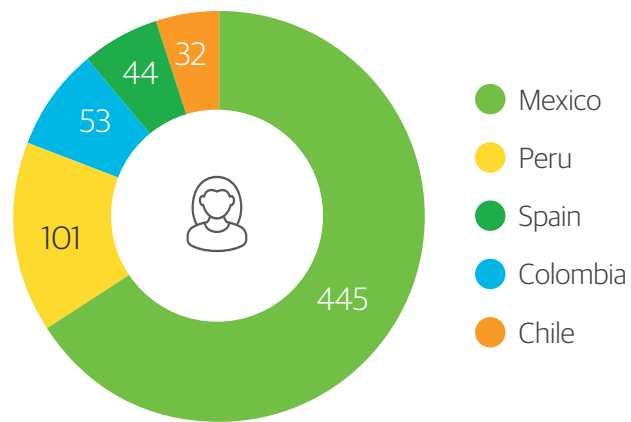
The Gender Equality Policy in force at the end of the year is based on the following guiding principles and guidelines for conduct: equal treatment between men and women, ensuring that no type of direct or indirect discrimination occurs on the basis of sex or gender, prohibition of moral harassment, zero tolerance for sexual harassment and the principle of no retaliation.

ALEATICA has a protocol against harassment, the purpose of which is to prevent and eradicate situations that constitute harassment in all its forms: sexual harassment, harassment based on sex and moral harassment. Our responsibility is to offer a workplace characterized by dignified and respectful treatment that safeguards the physical and emotional integrity of all our personnel. In Mexico, Colombia and Spain, the human resources policy responds to the requirements of the applicable laws in these countries regarding psychological and social factors and promotes physical, mental and emotional well-being of employees.

We firmly believe that diversity and inclusion is key to achieving a healthy and collaborative environment, which is why we have worked on initiatives to provide learning and growth opportunities for men and women.



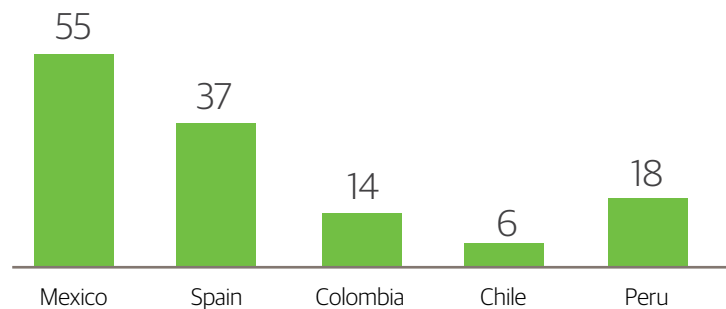
Distribution of women by country



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).



Number of local executives



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

ACCESSIBILITY

We want to strengthen the role of the company as a social actor committed to functional diversity by making our workspaces, communication with our customers and the information offered to the general public accessible.

Our concessions in the investment stage in Mexico (Atizapan Atlacomulco Toll Road) and Chile (Industrial Bridge and CANOPSA) include in their engineering projects the accessibility of their facilities for customers and employees with disabilities. As of today, we do not have employees with any vulnerability that requires accessibility facilities.

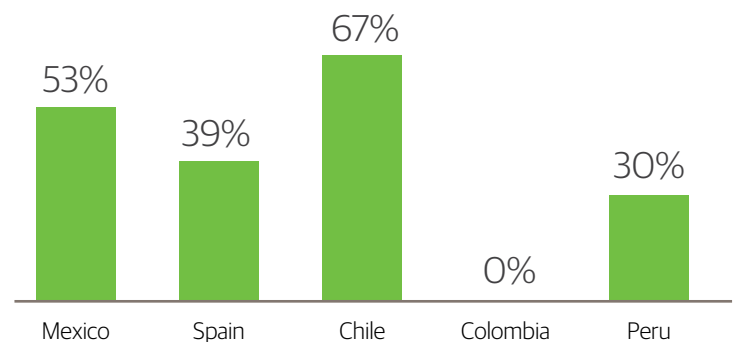
The concessions that do not yet have adapted spaces will initiate the technical processes for evaluating alternatives to evolve the facilities.

COLLECTIVE BARGAINING AGREEMENTS

We actively promote the right of workers to associate and bargain collectively. We maintain proactive communication with unions and workers' associations.

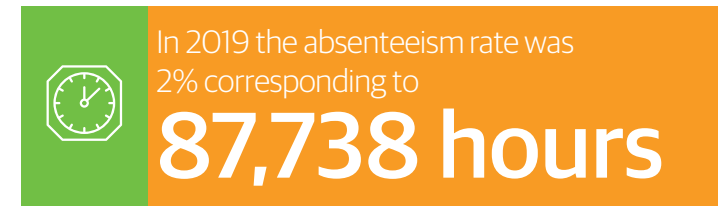
The working conditions of 47% of employees are regulated by collective bargaining agreements.

Employees with collective bargaining agreement



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

ABSENTEEISM AND TERMINATIONS OF EMPLOYMENT



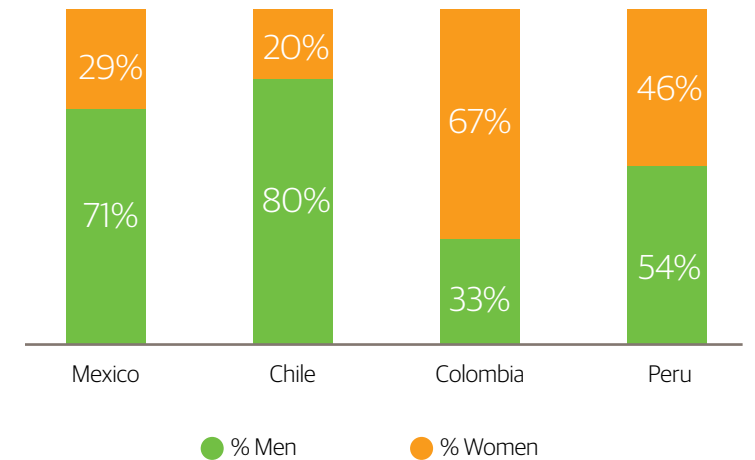
Distribution of absenteeism by country is as follows:

País	Annual worked hours	Absenteeism hours	% Absenteeism
Mexico	3,803,096	48,648	1%
Chile	286,000	10,954	4%
Colombia	293,232	8,544	3%
Peru	461,664	19,592	4%
Total	4,843,992	87,738	2%

Spain did not report absenteeism.

Distribution by gender is the following:

Absenteeism rate by country and gender:



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport) and Chile (Vespucio Oriente).

Spain did not report absenteeism.



684 personnel losses occurred, indicating a rotation of

29% globally

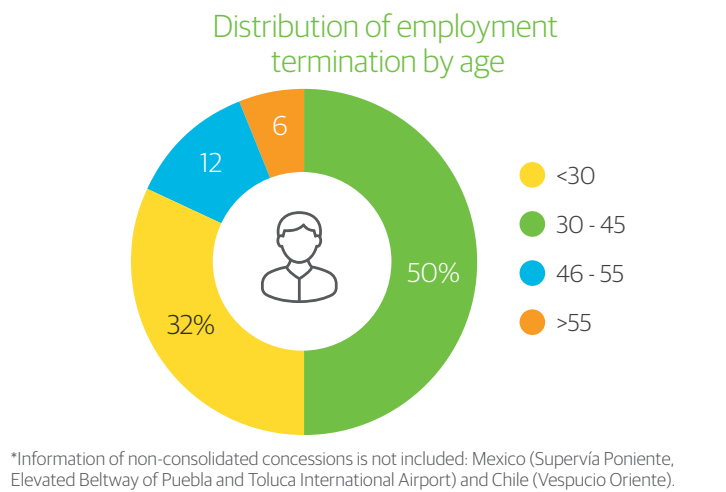
Country	Men	Women	Total
Mexico	384	175	559
Spain	22	7	29
Chile	18	5	23
Colombia	20	7	27
Peru	27	19	46
Total	471	213	684

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport) and Chile (Vespucio Oriente).

Type of employment termination	Men	Women	Total
Voluntary	175	97	272⁹
Involuntary	296	116	412
Total employment termination	471	213	684

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport) and Chile (Vespucio Oriente).

The experience of our employees is essential, which is reflected by having only 6% turnover in our workforce in older employees.



Of the 684 casualties the

68.8% are men and **31.2%** are women

The permanence of our employees is very important, which is reflected in the low number of voluntary employment termination in the different age ranges. Regarding involuntary employment terminations, 50% correspond to personnel between 30 and 45 years of age, which is consistent with the age group to which most of our employees belong and an operational profile that usually has a higher rotation than the rest of the activities.

Age Range	Voluntary employment termination	Involuntary employment termination	Total employment termination
<30	98	124	222
30 - 45	135	208	343
46 - 55	24	57	81
>55	15	23	38

Total employment termination	272	412	684
-------------------------------------	------------	------------	------------

Our culture and our vision as a sustainable company result in the percentage of voluntary terminations of our executives and middle managers being only 8% globally. Operation positions, as in other industries, tend to have a higher turnover.

Work position	Voluntary employment termination	Involuntary employment termination	Total employment termination
Executives	6	9	15
Middle managers	43	73	116

Operations / Back office	223	330	553
--------------------------	-----	-----	------------

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport) and Chile (Vespucio Oriente).

When the employment relationship with an employee ends for causes attributable to the organization, an outplacement service is offered.

9 This quantity of voluntary employment termination is common in companies with so many operative positions.
10 The majority of involuntary terminations relate to employees not returning to work without communicating they are voluntarily leaving

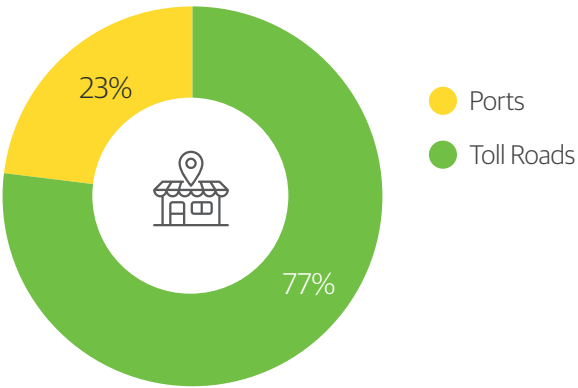




Global Vision

The mobility service we provide is for people; people are our reason for being. That is why we focus on generating solutions that allow us to offer an excellent service which provides our customers with safe, reliable, and calm routes. ALEATICA has three ports and ten toll road concession holders.

Participation in served markets



Country	Toll Roads	Ports	Total
Chile	2	1	3
Colombia	1		1
Spain	1	2	3
Mexico	5		5
Peru	1		1
Total	10	3	13

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

Road assistance, operation, maintenance, safety and customer service teams work for operational excellence and make available to our customers various means of contact to listen to them, solve their needs and attend to their suggestions. Each contact received is attended personally and immediately.

Means of Contact	Mexico					Peru	Colombia	Spain		Chile	
	CEM	AuNorte	VB	GANA	Televía	AuNor	ARM	TCTenerife	TMS	TCVAL	CANOPSA
Web Page	●	●	●	●	●	●	●	●	●	●	●
Email	●	●	●	●	●	●	●	●	●	●	●
Telephone service	●	●	●	●	●	●	●	●	●	●	●
Control/emergencies Center	●	●	●	●		●	●			●	●
Service center	●	●	●	●	●	●	●			●	
Twitter	●	●	●		●		●				
Facebook	●	●	●		●		●				
Youtube	●	●	●		●		●				
WhatsApp					●						
App					●						

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).

Customers Support



The Global Customer Service team specializes in opening and managing communication channels that serve our customers, in addition to promoting a process of continuous improvement in our mobility service, which has contributed to generating a new way of working and guarantee an excellent service in collaboration with the Operations team.

Our objective is that when making use of the ALEATICA infrastructure, our customers know that they are in good hands and that we participate with them in the responsibility of taking care of ourselves as drivers, travelers and providers of an excellent service.

The team promotes the continuous improvement of processes related to our customers to generate a way of working that evolves, aimed at offering an excellent service.

To know the opinion of our customers, we carry out consultations through different means of contact about the service we provide, as well as a website, social networks, email and control centers. Through these mechanisms, our customers are a special guarantee of continuous improvement.

The satisfaction surveys carried out in 2019 resulted in an average rating of 9.1/10 where, in the case of CEM, AuNorte, VB, GANA and AuNor, these surveys correspond to those made after providing a Roadside Assistance service to the customer. In the port sector, TMS carried out its satisfaction survey on its services to shipping companies, obtaining an average value result of 3.89 (9.7/10). In the case of TCVAL, the survey was carried out on 27.5% of the customers who were invoiced in 2019 and answered that they felt satisfied with the service provided.



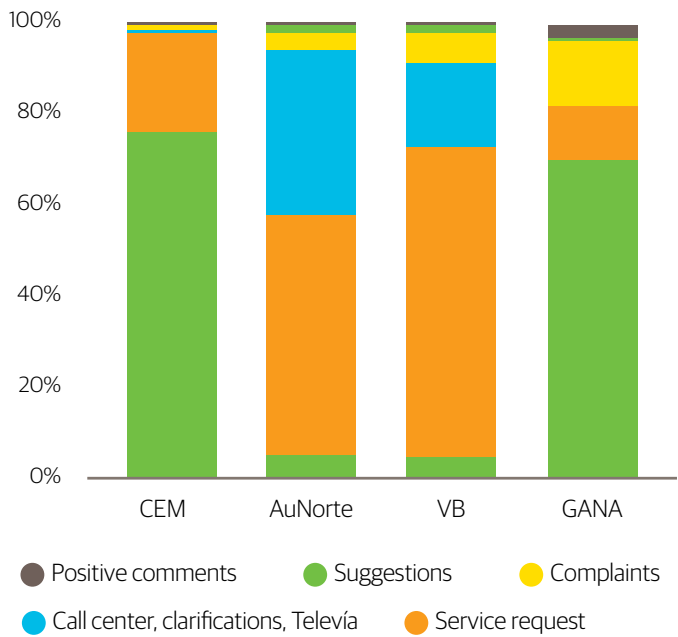
Satisfaction Surveys 2019

Business Unit	Grade
CEM	8.1/10
AuNorte	8.8/10
VB	8.8/10
GANA	7.9/10
AuNor	9.9/10
TCVAL	10/10
TMS	9.7/10

*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente). The Port of Tenerife conducts its satisfaction survey every two years, the last one was done in 2018. CANOPSA does not carry out customer surveys.

We generate an integrated monthly report of the types of contact we have with our customers; suggestions, requests for information, complaints, service requests, positive comments and service offers.

2019 Contacts in Mexico



*Information of non-consolidated concessions is not included: Mexico (Supervía Poniente, Elevated Beltway of Puebla and Toluca International Airport), Spain (Autovía A-2 and Western Light Metro) and Chile (Vespucio Oriente).



Admissible Complaints

At Customer Service we manage each and every one of the complaints received in the different concessions. In 2019, there are no registered substantiated claims regarding breaches of customer privacy and loss of customer data.

Main Aspects	Concessions
Staff support	Circuito Exterior Mexiquense, Grupo Autopistas Nacionales
Damages to ships, goods, and containers	TCTenerife, TMS
Physical state of the highway	Circuito Exterior Mexiquense, AuNorte
Invoicing	Grupo Autopistas Nacionales
Automatic links	AuNorte, Viaducto Bicentenario
Road Aid	Grupo Autopistas Nacionales, AuNorte
Waiting time	TCVAL
Irregular Public Transportation	Viaducto Bicentenario

*No se incluye información de las concesiones no consolidadas: México (Supervía Poniente, Libramiento Elevado de Puebla y Aeropuerto Internacional de Toluca), España (Autovía A-2 y Metro Ligero Oeste) y Chile (Vespucio Oriente).



Customer Support

MEXICO

Circuito Exterior Mexiquense

With the aim of sensitizing employees about the importance of providing a good service and improving the perception of customers of the Circuito Exterior Mexiquense, we provide support material for operating service personnel to improve the service process and efficiency during incoming calls to the Contact Center and Control Center. The support material consists of a Q&A guide that includes the most frequently asked questions by customers, such as billing issues and general information on the road. Templates were also delivered for sending emails, so that a more personalized and standardized service is offered.

Similarly, training and customer service and training workshops were carried out for three customer service groups: cashiers, treasurers and shift managers.

Autopista Urbana Norte and Viaducto Bicentenario

A workshop on customer care was given to 67 employees who have direct contact with the customers, managers and road operators, control center operators and road aid officers. There were four sessions, which totaled 16 hours per participant.

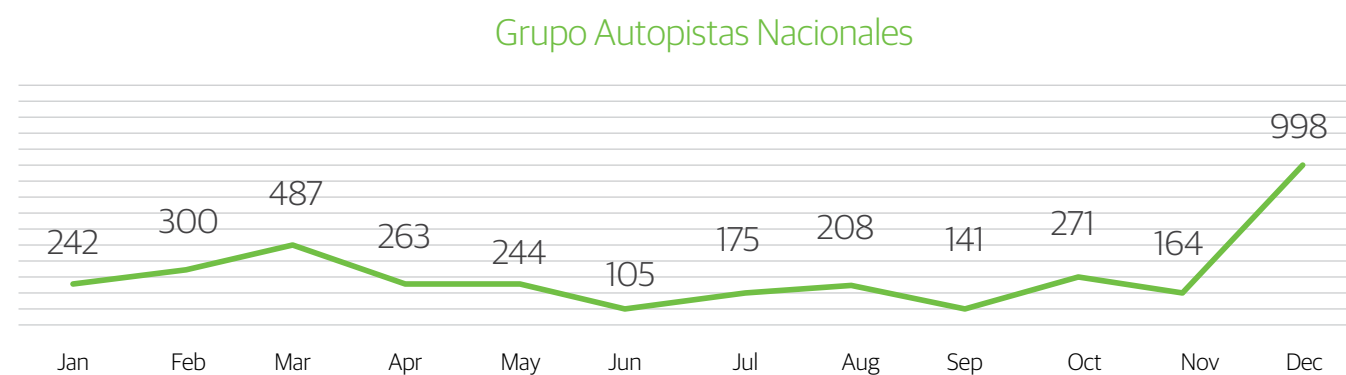
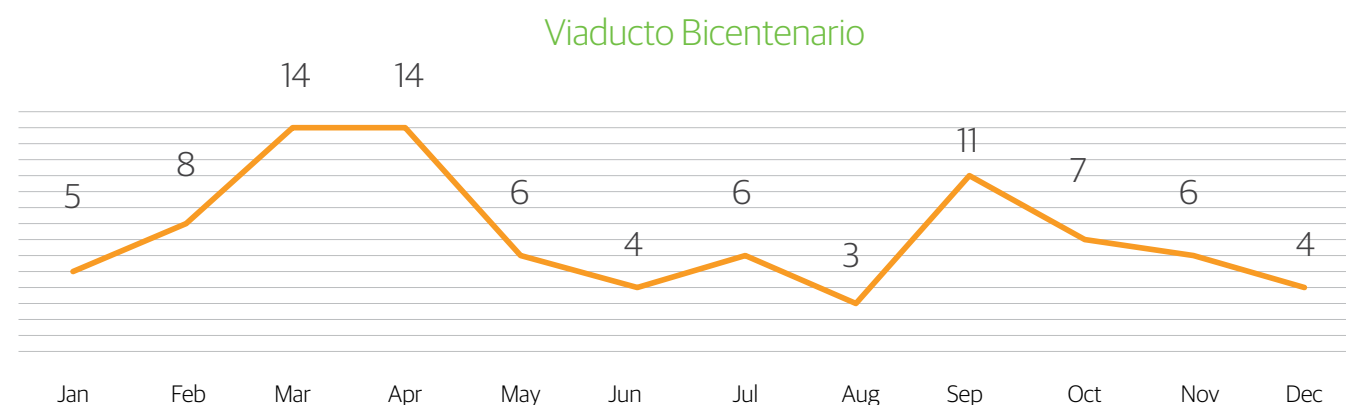
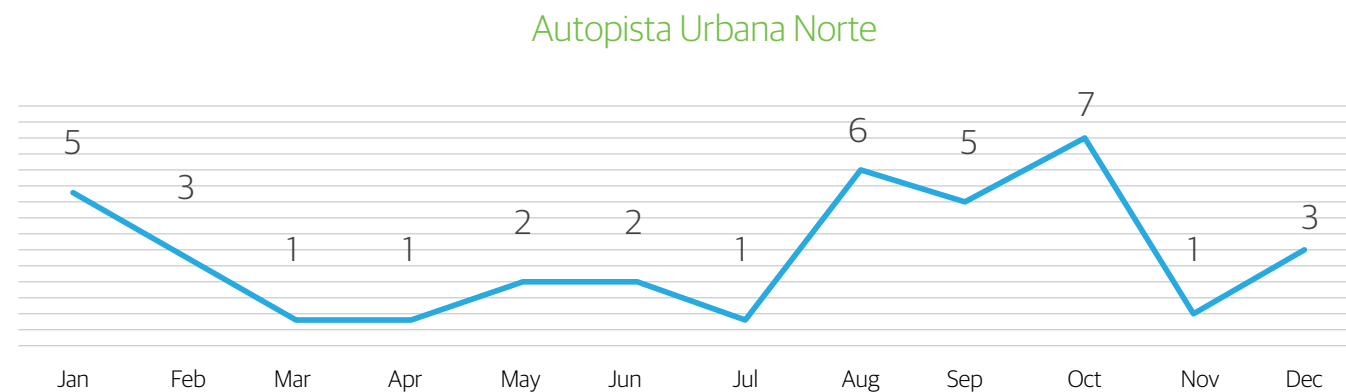
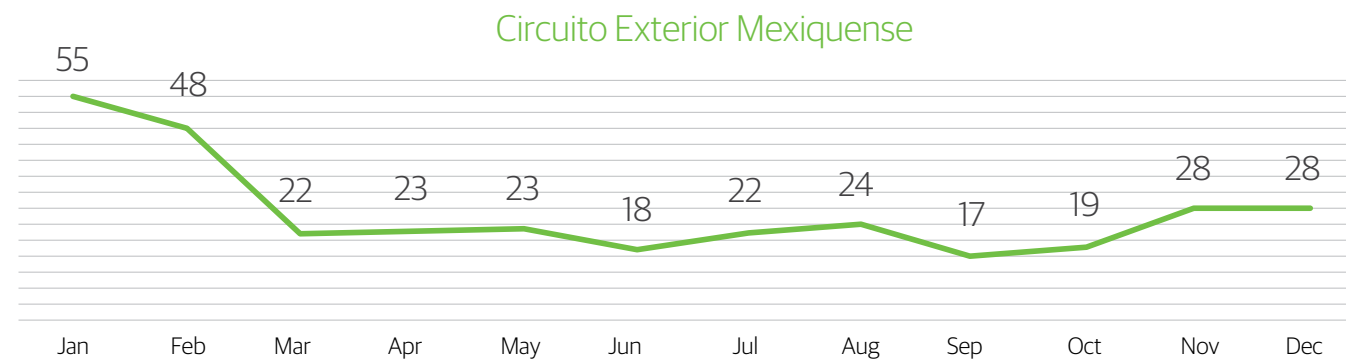
Likewise, given the increase in complaints about automatic links on Autopista Urbana Norte and Viaducto Bicentenario, as a mitigation measure, in the last quarter of 2019, a customer service workshop was taught to the security company's guards. The talks were given in conjunction with the area of Operation and Physical and Patrimonial Security. Three sessions were held, for a total of three hours per participant for 45 people. This initiative is part of a plan to improve service on our roads.

Grupo Autopistas Nacionales

117 employees from the operations area were trained, which have positions associated with contacting customers. The Excellence in Customer Service training course was held in the Cuapixtla and Cantona booths.

Similarly, in Grupo Autopistas Nacionales (GAN), a new billing portal for customers was developed (www.gana-mexico.com.mx), the purpose of which is to reduce complaints about this matter and provide an efficient and customized billing service. To offer a fast billing service, customers do not need to register to invoice, however, we invite them to do so, so that they have up to two months of invoices stored and receive a better support if clarification is needed. Additionally, if they register, it is possible to have a customer database, which allows us to know them, focus the campaigns aimed at them and send evaluation surveys of our service.

In the portal, the means of contact of the Call Center and the mail of customer service is shown, which makes it possible to concentrate, register and measure the calls that come in through this means.



The increase in complaints from GANA in December was due to the new billing portal launching, which presented errors that were not in the test mode. The provider corrected them during the first days of the portal functioning.

TeleVía

Our payment method company provides its services on toll roads and is based on a solid transactional and multichannel customer service platform, developing innovative solutions based on its latest generation technology, offering confidence, efficiency and flexibility.

Currently, TeleVía manages 462,466 electronic transactions on a daily basis on toll roads where it provides its services and where they are part of interoperability. The tags are read in more than 1,900 lanes nationwide and it receives 93,000 customer contacts monthly through its service platform.

Based on the satisfaction surveys that TeleVía carries out through its website, Facebook, Twitter and Instagram, 85% of its customers are satisfied with the service provided.

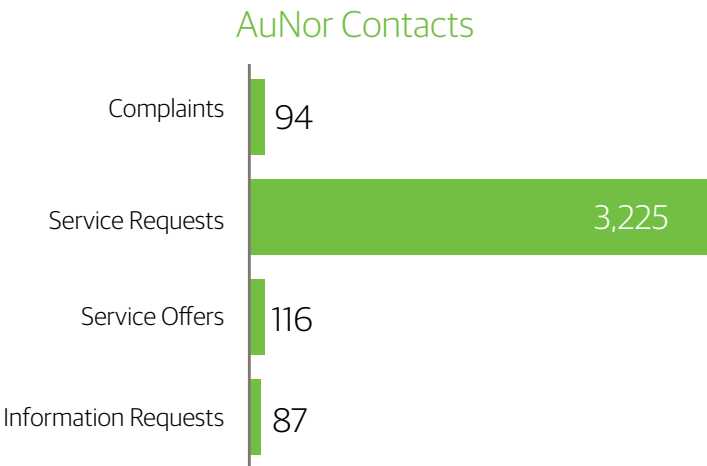
To provide a more efficient service, TeleVía improved the process of updating bank details of customers who were considered reliable - whose criteria were established according to the customer's compliance profile - and whose credit card is about to expire. This allows us to improve the service experience for our customers. During 2019, 1,272 were served.

PERU

Autopista del Norte

The concession provides customers with the following services:

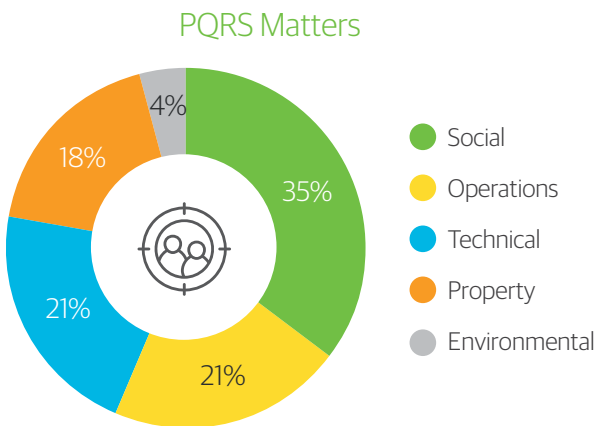
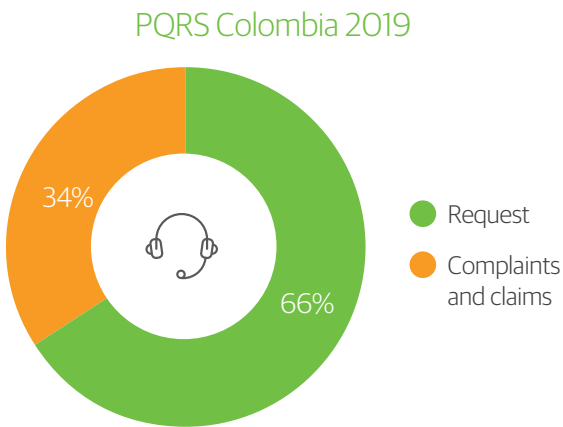
- Emergency Aid Central 24 hours a day
- 35 SOS emergency communication posts every 10 kms
- Three type II care ambulances
- Five mechanical and tow trucks for light and heavy vehicles
- Hygienic services in the four toll booths



COLOMBIA

Autopista Río Magdalena

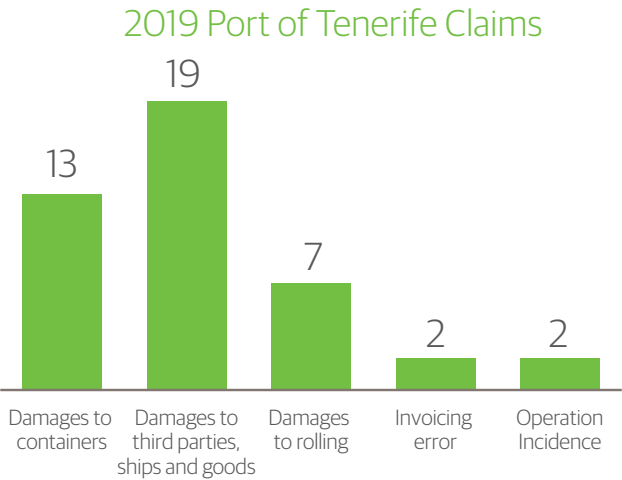
The Autopista Río Magdalena Customer Support Program has a system of requests, complaints, claims and suggestions (PQRS) where, in 2019, a total of 99 PQRS were received, of which 65 were requests, 34 complaints and claims.



SPAIN

Tenerife Containers Terminal

In the Port of Tenerife, current customers are shipping companies that have ships to transport merchandise in containers.

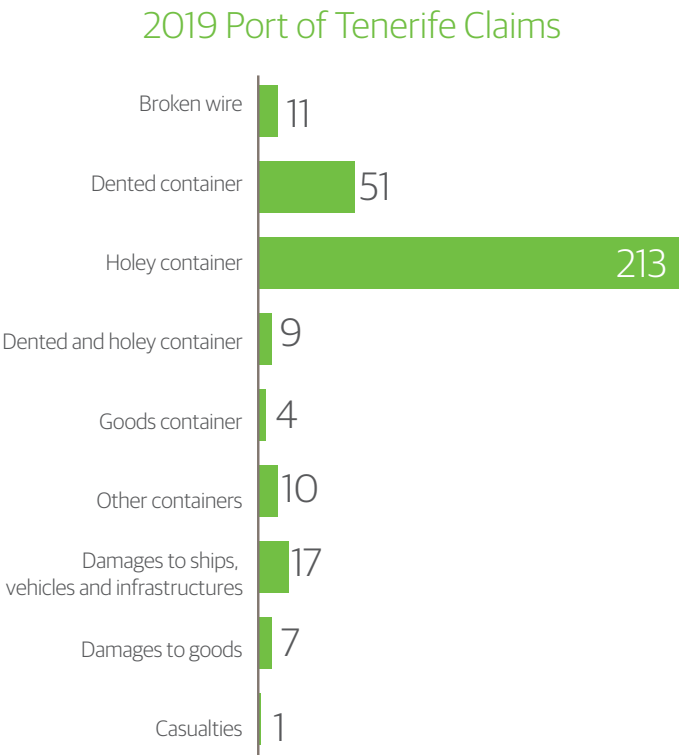


Southeast Maritime Terminal

The Port of Alicante has as its main customers the shipping companies that carry freight in LO-LO containers (Lift On-Lift Off). In addition, there is a main customer for passenger traffic with Algeria during Paso del Estrecho.

As secondary customers, there are the shipping companies that carry freight in RO-RO (Roll On-Roll Off) traffic of containers and vehicles, as well as two bulk importing companies by their own installation on the TMS land.

On the other hand, there are some customers who manage businesses in the passenger terminal, who lease premises.

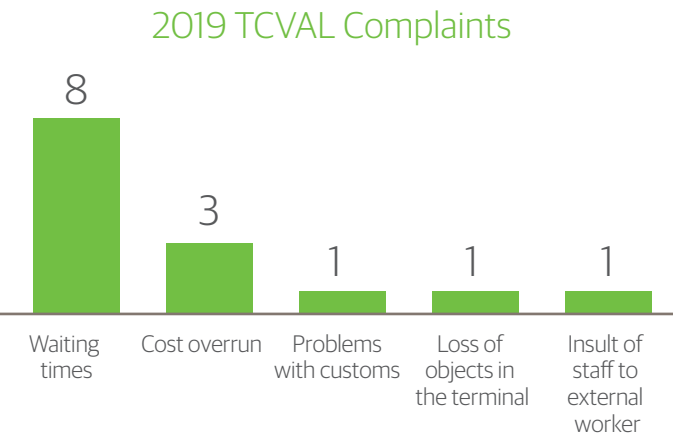


CHILE

Cerros de Valparaíso Terminal

The main customers are iron and steel importers who bring their product as fractional cargo (not containers). We also serve fruit ships, project cargo and passengers. On the other hand, we have Empresa Portuaria Valparaíso (EPP), as a state player and main customer. Complaints and claims are received via email and phone.

Cerros de Valparaíso Terminal received an award from the Labor Safety Institute (IST), given the considerable 93.6% drop in the accident rate since the company's inception in December 2013 to date.



Nogales - Puchuncaví Road

The current concessioned route (Route F-20) of Nogales - Puchuncaví Road (CANOPSA), has a length of 27.1 km, with a bidirectional asphalt road 7 m wide and sectors with third lanes, this road begins in the Junction of Route 5 North and ends south of Puchuncaví, where it connects with Route F-30-E through a link. The project is about increasing the level of services on the route, increasing its capacity and improving its trafficability by adding a second road parallel to the current one, or third lanes, readjusting the structures and bridges, building new uneven links, walkways and others.

Road Safety Campaigns for Customers

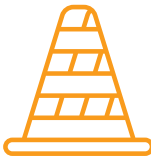
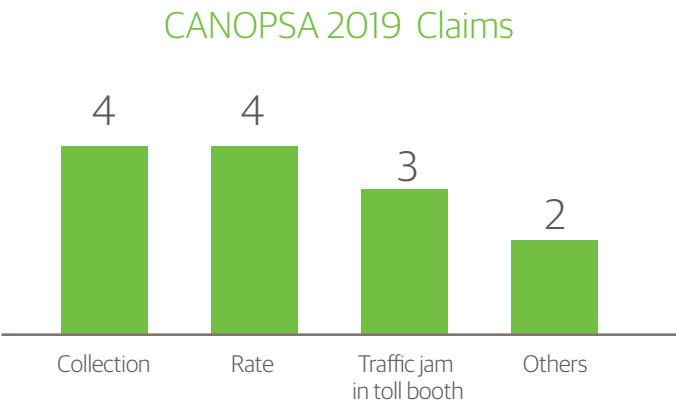
After having carried out a satisfaction survey of our customers in Mexico, the result of which was that road safety and signaling are the most relevant elements for customers, the Customer Service and Operations teams took measures in this regard.

Globally, in 2019 road safety campaigns were carried out on social networks and on the roads during Easter and summer vacations with messages of responsible vehicle driving without alcohol, without the use of cell phones, without speeding , tire care recommendations, etc.



Canvas placed at km 39 of Grupo Autopistas Nacionales. Urban Roads social media campaign

Two detours are added to the current concession on the F-30-E route (Ventanas and Puchuncaví), the total length of the concession being 43 km. In total, the concession will have four collection points.



ELEVATED BELTWAY OF PUEBLA

The Visual Monitoring Center was put into operation, which has six led screens and six monitors that allow the visibility of the 35 cameras that were placed on main lines. This Center has integration with the ITS System (Intelligent Transportation System), which makes it possible to streamline work in the area of roadside assistance.

GRUPO AUTOPISTAS NACIONALES

The proximity signaling of the Audi booth was reinforced in all four directions, placing 13 vertical signs, reinforcing the road information of the Audi junction area to give more information to customers about the section in which we operate, since sometimes there are sections that are not part of Grupo Autopistas Nacionales and the customer does not know it.

Means of Contact with Customers



One of the purposes of Circuito Exterior Mexiquense is to provide valuable information to our customers, so that during their journeys we offer them safety, speed and excellent service. As a result of the foregoing, in 2019 the new website was launched, which includes the crane infographic to communicate to the customer the scope of the free service we offer, as well as the service of cranes with cost regulated by the Ministry of Mobility.

On the other hand, to reinforce the benefits that our customers obtain by paying their toll, a Q&A document was published to proactively inform insurance coverage and exclusions, generating a positive change in the perception of the service, since parallel to the publication, both roadside assistance operators and customer service team have the information that allows them to immediately answer questions during interactions with our customers.

Six billboards of Urban Roads were placed at strategic points in Mexico City and the State of Mexico for two months, in which Facebook, Twitter and Customer Support telephone numbers were disseminated.

TeleVía disseminated infographics on the automatic recharging and post-payment process, information on its Customer Service Centers (CACs), which include the address and hours of operation, tag sales points and means of contact. The infographics were disseminated through the social networks of TeleVía



With the aim of serving the different generational groups that circulate on our roads, and having diversified means of contact to listen to them, during 2019 the following means of contact were opened:

- LEP WhatsApp, 55 7051 2089
- YouTube channel of Autopista Urbana Norte and Viaducto Bicentenario (Urban Roads), to promote the audiovisual content of the concessions.
- Webpages of Viaducto Bicentenario and Autopista Urbana Norte: <http://www.viaductobicentenario.com.mx/>
<http://www.aunorte.com.mx/>
- Instagram of TeleVía, making the support and personalized attention available to the customer. Currently 150 customers have been served.
- Autopista Rio Magdalena makes available to customers mechanical repair, crane and ambulance services, as well as the contact numbers for the Emergency Response Center (CAE), to the telephone line 8326778 where an operator listens and assigns the service required. This dissemination is through quarterly magazine Conéctate al Magdalena, webpage www.autopistamagdalena.com.co and through TV program of Autopista Rio Magdalena, available on YouTube.

MEANS OF CONTACT WITH CUSTOMER BY BUSINESS UNIT

Business Unit	Telephone numbers	Email	Webpage	Social Networks	Attention
CEM	Call center:1328 1236 Switchboard: 4163 1460 Control Center: *ACEM (*2236) and telephone 1320 1236	tuopinion@circuitoexterior.mx informes@circuitoexterior.mx	http://circuito.mx/	Twitter: @Circuito_Mx Facebook: @ElCircuito.Mx YouTube: CircuitoMx	Toll booth, rail mailbox and booths
Aunorte y VB	Call center: 5998 1830 Option 5 Switchboard Aunorte: 5998 0800 Switchboard VB: 5998 1800 Control center: 5513282361	atencionusuarios.vu@viasurbanas.com.mx	Aunorte: 'http://www.w.aunorte.com.mx/ VB: 'http://www.viaductobicentenario.com.mx/	Twitter: @ViasUrbanas Facebook: Vias Urbanas Oficial YouTube: Vias Urbanas	Office
GANÁ	Call center/Switchboard: 800 836 8580 y 800 836 3580 Includes Road Aid option	atencionusuarios.gana@ganamexico.com.mx	'http://www.gana-mexico.com.mx/home		Tool Booth
TeleVía	Call center: 5265 8855 Switchboard: 5265 8855	atencionclientes@televia.mx facturasscc@televia.mx www.televip.mx notificacionesTeleVia@televia.mx ecotag@televia.mx	televia.com.mx televia.mx televiashop.com.mx televip.mx	Twitter: @TagTeleVia Facebook: @TeleVia Instagram: tag_televia YouTube: tagtelevia WhatsApp: 55 6165 5268 App: TeleVía y TeleVIP	Customer Service Center (CAC)
Aunor	Switchboard Lima: +51 6254500 Switchboard Chimbote: +51 043 604000 Control center: +51 043 604014 +51 999216057 +51 987947810	cae@aunor.pe	https://www.aunor.pe/		Toll booth service

Business Unit	Telephone numbers	Email	Webpage	Social Networks	Attention
ARM	Telephone: (4) 8326779	info@autopistamagdalena.com.co	http://www.autopista-magdalena.com.co/	Twitter: @Ariomagdalena Facebook: Autopista Río Magdalena YouTube: Autopista Río Magdalena	Suggestions mailbox and mobile offices
TCTenerife	+34 922 990 430	info@tctenerife.es	http://www.tctenerife.es/		
TMS	+34 965 984 923	tms@tmsalc.com	http://www.tmsalc.com/		
TCVAL	Telephone: (32) 3142400	contacto@tcval.cl	http://www.tcval.cl/		Invoice / Collection Offices; Errázuriz 755 Of. 708
CANOPSA	+56 32 2448905	plazapeaje.cns@canop-sa.cl	https://www.canopsa-cl/		Office

Personal Data Privacy

At ALEATICA we pay special attention to ensuring the privacy of personal information to guarantee the right to data protection of all individuals who are related to companies of the group. Thus, we ensure respect for the right to honor and privacy in the treatment of personal data and, in particular, the establishment of common principles and guidelines for action that should govern the group in the field of data protection, ensuring compliance of the applicable laws in this matter in all the countries where the Group is present.

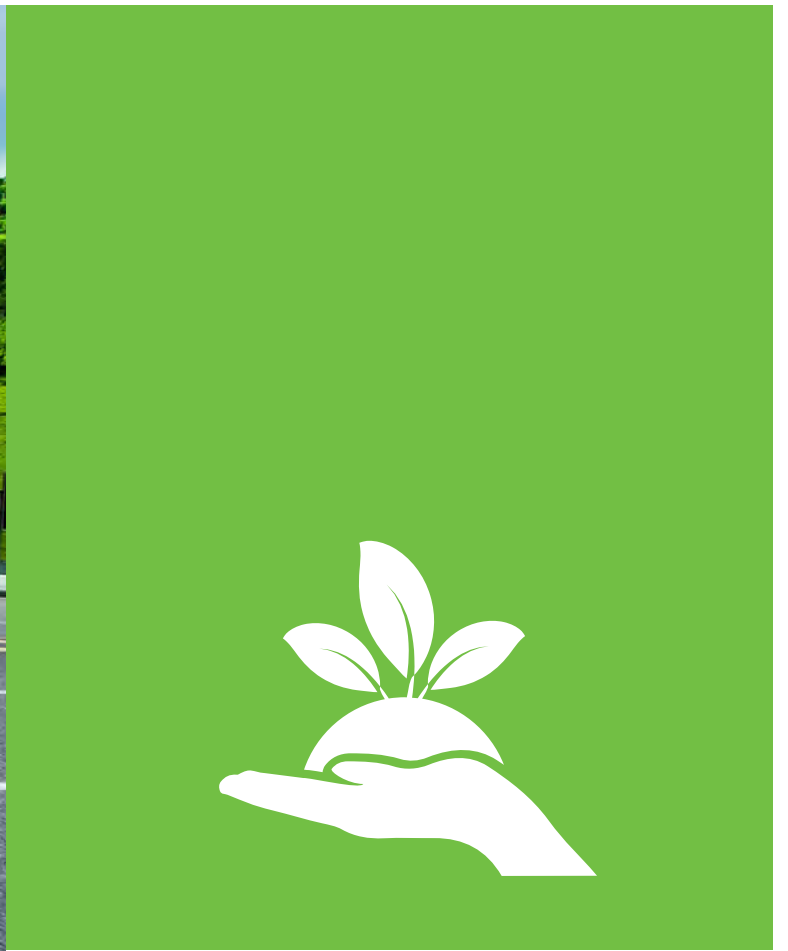
In 2019, we finalized the adaptation to the different data protection regulations, however, prior to this adaptation, no complaint about data privacy or violation of this requirement has been reported to the authorities. After the adaptation, we have also not received any claim on this matter.

Additionally, we have developed a global strategy for the protection of personal data, which establishes the general criteria and the global governance model for the protection of personal data and defines the coordination mechanisms and responsibilities in this area.

Globally, there are two actions that allow us to strengthen the protection of personal data:

- Data Protection Officer who is in charge of supervising the implementation of the global strategy for the protection of personal data in each country, taking into account the particularities of its territory.
- Training in Data Protection, which is refreshed through recurring communications.





Social and Environmental Sustainability

For ALEATICA, if whatever we develop is not sustainable, it is not development. This is why we established an integrated social and environmental program through which we quantify our contributions to the UN's 2030 Agenda Sustainable Development Goals.

In 2019 we invested a total of 2.7 million Euros in projects that support the communities where we operate and managed to reduce 3% of our scope 1 carbon emissions in comparison to 2018.

ALEATICA is adhered to Global Compact Spain and Global Compact Mexico, a United Nations initiative that encourages companies to align their strategies and operations to the Ten Principles regarding human rights, labor, environment and anti-corruption.

Through this initiative, the 2030 Agenda Sustainable Development Goals (SGDs), which have the purpose of generating an international movement of sustainable

companies in partnership with governments and civil society to reach a sustainable development for our planet, are promoted in the private sector.

Through our sustainability strategy we align to six of the 17 Sustainable Development Goals.



Through our roads and ports, we interact with neighbors and communities with whom we construct reliable, productive and friendly long-lasting relations through our social and environmental actions, that align to the surroundings and the nature of our business.

At ALEATICA we strive to be a well-being agent that contributes socially and environmentally through the development of projects and programs that respond to the identified internal and external necessities and that generate a quantifiable impact, as well as contribute to the sustainability of the business.

The principles that govern us are:

- Add value to ALEATICA's stakeholders, such as customers, communities, shareholders, employees and third parties, through internal and external social and environmental investment.

- Integrate a social and environmental sustainability culture to ALEATICA, through the implementation of national and international standards.
- Collaborate in the compliance of norms, social, environmental and legal requirements as well as others that apply to the organization.

In 2019 we opened the Sustainability and Customer Assistance Global Management position and the Global Sustainability Strategy was defined and approved by the ALEATICA board. Since then, the Global Sustainability team was conformed, which derived into 12 team committees, that have sustainability as a starting point of a renewed paradigm. This implementation consisted of:



Cultural Sustainability

Promoting a cultural sustainability at the corporate offices and the business units, through the understanding and adoption of international standards and best practices based on ALEATICA's business nature.



New Sustainability Methodology



DIAGNOSIS

Through a Materiality Assessment, which has the purpose of identifying internal and external social and environmental matters that are the most relevant for business units and corporate stakeholders.

IMPLEMENTATION OF PROJECTS

Attending the identified relevant matters, which allow risk prevention and understanding the communities' necessities, our shareholders' and other stakeholder's expectations to continue successful projects with their corresponding improvements.

IMPACT ASSESSMENT

Ensure that our resources are destined for internal and external, social and environmental projects that represent an investment that positively changes the beneficiaries' reality.

2019 was a year of betting on the renewal a culture of social and environmental investment, where the starting point was a diagnosis that allowed us to implement projects that attend specific necessities, adding value to stakeholders and the company.

Commitment with the communities where we operate

Improving and maintaining a good relationship with the communities where we operate is a priority for ALEATICA's continuous operations, as well as multiplying positive impacts for people and the environment.

By the end of 2019, 63% of our established business units, seven of our 11 business units had operations with participation programs in the communities where they operate.

RELATIONS IN PUBLIC AREAS, CIRCUITO EXTERIOR MEXIQUENSE

At the Circuito Exterior Mexiquense, a public area relation project was implemented. This project consists of having

activities with the Granjas Ecatepec community to promote a collaborative, friendly and understanding relationship with our communities. This was done through a cleanup session with the participation of the Colonia Granjas de Ecatepec Citizen Council and the Niños Heroes de Chapultepec Elementary School. Our participation consisted in the loaning of materials, in collaboration with the conservation personal and the organization among different groups in the community.

One of the main problems of the community is the presence of people who consume alcohol and drugs in unattended public spaces, reason for why families avoid this area. Through the activities developed with this initiative, these spaces become safe interaction spots.



CERROS DE VALPARAÍSO TERMINAL ENVIRONMENTAL SCHOOL PROGRAM

At the Cerros de Valparaíso terminal, through the Mar de Chile Foundation, the environmental school program is implemented. Through this program we generate petitions to spread environmental measures to the students, professors and educational community of 10 vulnerable schools in Valparaiso.



EXECUTION OF THE SOCIAL CONTRACTUAL MANAGEMENT PLAN, RÍO MAGDALENA FREEWAY

Río Magdalena continues promoting business growth. The third version of the Emprende tu Futuro Contest was implemented, where the most innovative productive ideas were awarded. In 2019, we had entrepreneurs participating from the Vegachi, Remedios, Yolombo and other municipalities. This commercial space improves the economy since it allows entrepreneurs to sell and make their farming products and local handcrafts more visible.

Given the participation in this commercial space and the trainings in the freeway provided in partnership with other territorial entities, there was a success case from the Ambo del Campo company, which specializes in the transformation of the squash as a raw material for the production and

commercialization of food, beverages and granola. Apart from being a finalist in 2018, this program turned out to be the Innovantioquia award winner from the Fondo Emprender y Mujeres Líderes Emprendedoras of the Antioquia government.

SEA OF OPPORTUNITIES, TCTENERIFE

TCTenerife, in partnership with the Factoría de Cohesión association, has a communication program with schools and teaching centers that has the purpose of integrating the port with the community through contests, school training, visits to the port and activities in which TCTenerife participates, such as the Port2Empleo, to promote employment at the port and integration with the city.

URBAN ROAD DONATION

The Marillac y Citlalitzin foundations received donations from the old offices of the Autopista Urbana Norte and Viaducto Bicentenario (Vías Urbanas) such as furniture and information processing equipment. The Marillac foundation provides scholarships and housing for women with low income who academically stand out so they can study nursing. Both types of articles will be used in the studying and library areas by people coming from various parts of the country. The Citlalitzin foundation trains low income women in communities nearby the Aquixtla Community Center in Puebla.

Additionally, 48 boxes of new hospital material were donated to the San Agustín Hospital, which was done through the Mexico City Private Assistance Board.



SPLIT 60K ALEATICA, GRAND FONDO MX AND RETO NAUCALPAN

With the purpose of promoting sports and sustainable mobility, the Split 60K ALEATICA and the Grand Fondo MX cycling races were carried out at the Viaducto Bicentenario and the Autopista Urbana Norte, as well as the Reto Naucalpan race in VB.

The Split 60K ALEATICA stands out because of its inclusive and environmental focus, managing an attendance of approximately 1,200 people, of which 25 were professional para-cyclists. In collaboration with Ciclismo para Todos, we invited 30 persons from the Mexico City Social Reinsertion Program to be part of the mechanical service. In addition, more than 50 bicycle parts were delivered to our partner Ecotenka and will be destined for recycling and reuse of products.

Gran Fondo MX race in which 5,000 people participated in three different distances; 60, 100 and 160 km. To promote sustainability, participants were invited to take unused bicycle parts to donate them, take their own water bottle, avoid the use of plastics and have their electronic ticket rather than a printed one.

To promote inclusion, a para-cycling category was part of the race. Additionally, there were special discounts for our employees, to increase their participation and promote exercise and health in the company.

Reto Naucalpan was a race that had a participation of 1,430 runners at Viaducto Bicentenario. This is the only race that is run at the second floor of the highway and is aimed towards experienced runners that are training either for a 21 km race or for a marathon, as this route's altimeter represents a great challenge for those who participate in it.



WASTE COLLECTION AT THE AUTOPISTA URBANA NORTE AND VIADUCTO BICENTENARIO

Cleanup and waste management were done at the roads, successfully moving around 63 m³ of concrete triblocs and more than 80 lamps to a final confinement, located in Naucalli. Up to the 31st of December, 2,255 kg of paper, 2,920 kg of plastic, 120 kg of aluminum, 715 kg of scrap and 30m³ of inorganic waste were gathered at AuNorte and 51m³ at Viaducto Bicentenario.



RECYCLING AND REUSE AT CERROS DE VALPARAÍSO TERMINAL

The Cerros de Valparaíso Terminal in partnership with Reúso, a local recycling company carried out a recycling and reuse program so the waste generated at the terminal may be reused and not landfilled. The materials are paper, cardboard, plastic, cans, glass, batteries, metals, wood and waste.

On the other hand, there have been savings of 50,801 kWh of energy, 12,575 kg of CO₂, 441 trees and 447 m³ of water.

MAINTENANCE OF LIVING FENCES AT THE LIBRAMIENTO ELEVADO DE PUEBLA

From the construction of the Libramiento Elevado de Puebla*, certain environmental measures were implemented, formalizing a commitment with the San Diego La Mesa community in the Tochimilco municipality in Puebla, where there are more than five hectares in constant reforestation with 5,545 planted trees, as well as the protection of flora

and fauna of the region. Through this action, 20 people have been directly benefited as they maintain and care for such trees, assuring the survival of all the planted individuals, as well as the maintenance of the living fence located under the highway's bridges.

PROMOTION OF
ARCHEOLOGICAL RESCUE AT
AUTOPISTA DEL NORTE

In 2019, the Autopista del Norte concession published a book called Partial archeological rescue at Cerro La Horca (Rescate arqueológico parcial en Cerro La Horca), a 450-page edition that compiles research results with photography. This educational material was distributed free of cost to education and cultural institutes in the area of influence of the Red Vial 4 concession, among 88 schools, museums and libraries at the north coast of Peru. Additionally, to promote conservation and the value proposition of this important cultural patrimony, the Autopista del Norte concession organized various presentations with the neighboring province and district municipalities of the archeologic site, as well as the Right of Way Management of the Ministry of Transport and Communications of Peru.

This is the third publication of its kind done by the Autopista del Norte concession in partnership with the Ministry of Transport and Communications of Peru. In 2014, an archeological rescue book at "La Virgen" farming and fishing was published and in 2018 the Partial rescue of Manchán was published. Both

publications, as well as the Partial archeological rescue at Cerro La Horca, contain results of a preliminary research of the archeological remains found during the construction phase of the second Panamericana Norte roadway, at a concessioned stretch of the Autopista del Norte, that goes from Pativilca to Trujillo.

OTHER PARTNERSHIPS

As part of the strategy to improve our relationship with the communities where we operate, as well as with our stakeholder, some of the established partnerships are:

- U.S. GREEN BUILDING COUNCIL™ LEED Certification of the Parque Toreo, CEM
- Instituto Nacional para la Educación de los Adultos (INEA), employee education, CEM
- Mexican Red Cross, Educación Vial Somos Todos Programa, CEM
- John Langdon Down Foundation (FJLD), TeleVía
- Cámara Colombiana de Infraestructura, ARM
- Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP), AuNor
- Asociación para el Fomento de la Infraestructura Nacional (AFIN), AuNor



Environment and
Climate Change



All of ALEATICA's societies work to comply all environmental requirements, regarding the obligations derived by the environmental impact assessment as well as the strict compliance to legislation and other applicable environmental requirements such as the obligation of the Autopista del Norte to meet the Equator Principles¹².

With the motivation to go beyond the observed legislation, seven of ALEATICA's societies have an Environmental Management System certified by the ISO 14001 norm. One more certification than in 2018, since the Autopista del Norte (AUNOR, Peru) earned the certification.

CLIMATE CHANGE

We measure our carbon emissions through the implementation of ALEATICA's Carbon Emission Protocol, which establishes the governance, communication and management methodologies of the greenhouse gas (GHG) emissions, resulting from our activities. This protocol will allow us to continue making progress in the reduction of energy consumption and the progressive carbon decrease of our assets.

*CO ₂ e Emissions	**2018 Total	2019 Total	Difference 2018/2019 (%)
Scope 1 direct emissions (t CO ₂ e)	5,742	5,547	-3%
Scope 2 direct emissions (t CO ₂ e)	4,600	3,939	-14%
Scope 3 direct emissions (t CO ₂ e)	4,309,215	4,705,509	9%

Scope 1: direct GHG emissions
Scope 2: indirect GHG emissions
Scope 3: transport and electricity distribution losses; includes use of products and trips

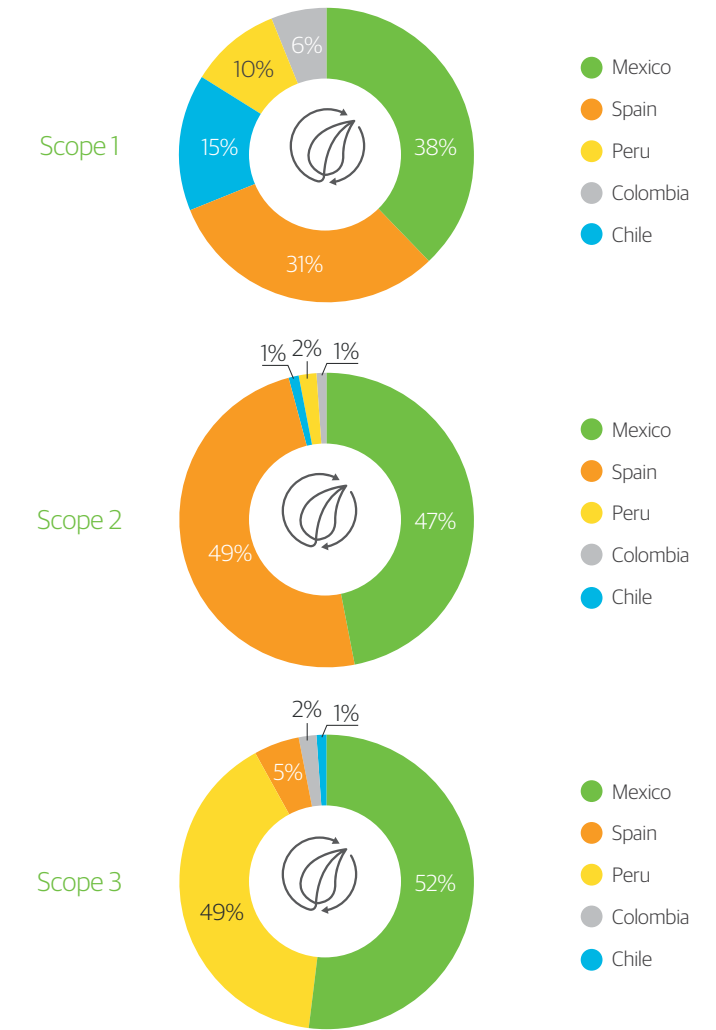
*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente).

¹² <https://equator-principles.com/>

Greenhouse gases	Total (ton)
CO ₂	1,174,422
CH ₄	547
N ₂ O	13,288

*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente).
** 2018 scope 1 and 3 are slightly different than those reported in the 2018 report without effect in the indicator result.

Emission distribution by geographical area



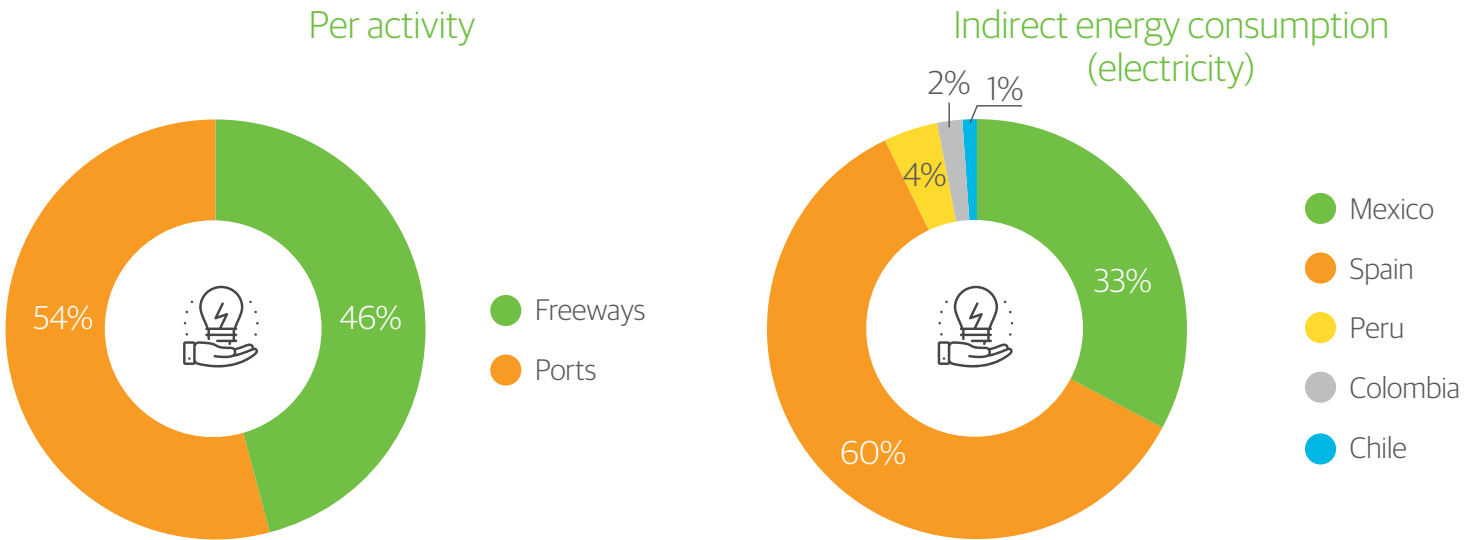
ENERGY CONSUMPTION AND REDUCTION MEASURES



We continue progressively promoting our bet on the improved energy efficiency of our infrastructure, mainly through our three axis, efficient technology, solar energy and more sustainable vehicles, which we managed to increase during 2019.

	Unit	*2018 Total	*2019 Total	Difference 2018/2019 (%)
Electricity consumption	kWh	12,808,919	10,710,632	-16
Gasoline consumption	Liter	626,632	552,542	-12
Gasoil consumption (Diesel)	Liter	1,312,525	1,198,549	-9
Liquid gas consumption (LPG, Butane, Propane)	Liter	476,890	506,681	6
GLP/electric vehicles	Nº	53	79	49
Natural gas consumption	m³	0	0	
Consumption of energy generated by own facilities	kWh	759,115	752,332	-1

*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente); as well as TeleVía.



EFFICIENT TECHNOLOGY

GANa, Aunorte, VB, AuNor, ARM, CANOPSA, TMS, TCTenerife and TCVAL have made changes to LED technology during 2019, meeting the objective of annually increasing the LED installed capacity.

SOLAR ENERGY



Start of the operations at Granja Solar Naucalli KM04+200, Cuerpo B of the Viaducto Bicentenario, which has 190 solar panels with 250W each. The total installed capacity is estimated to generate up to 47.5 kW, supplying 100% of the energy required for the connection located at Naucalli.

Circuito Exterior Mexiquense managed to generate solar energy in its own facilities in comparison to 2018, reducing 23% of the energy consumption of its operation.



120 panels were installed at Puerto Alicante, providing a total installed power of 64.2 kW. The estimation of annual production of this installation is expected to be 58,350 kWh, the same as 16 ton of CO2 equivalent. This installation complements the two photovoltaic installation projects that were implemented in the previous years. This new set up would allow a consumption of 10% energy by the facilities.



SUSTAINABLE VEHICLES

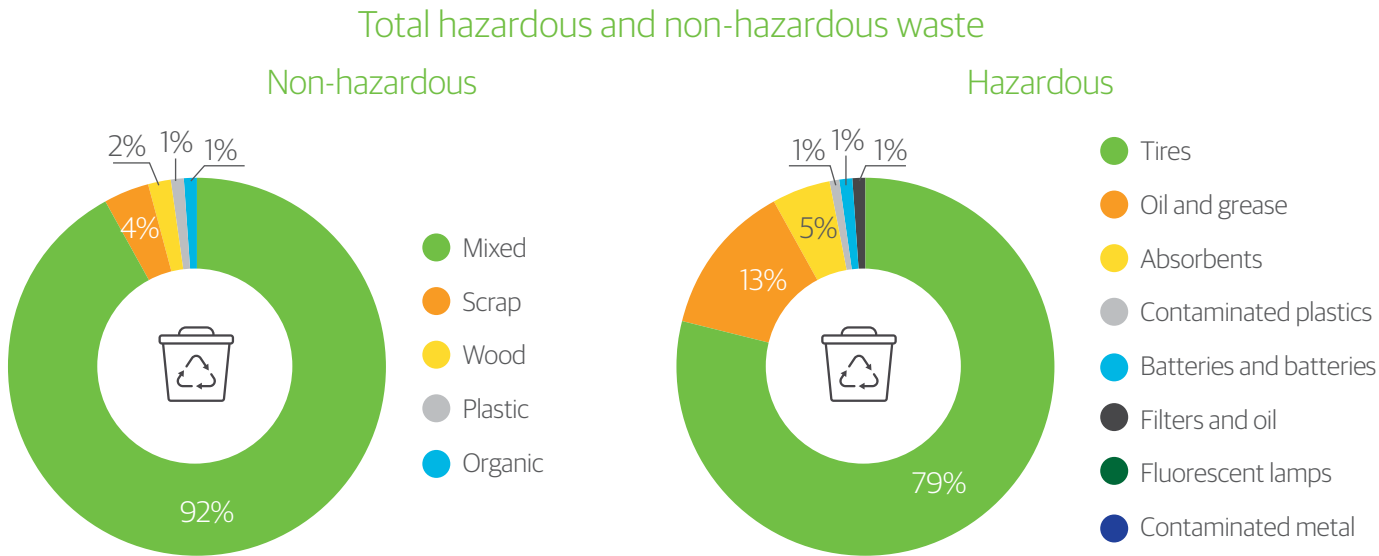
We continued with the conversion and substitution of our gasoline fleet for liquid petroleum gas (LPG), which is more energy efficient, by having a higher calorific value than gasoline or gasoil. This is how we managed a reduction of gasoline and gasoil with 12% and 9% respectively, increasing by 6% the LPG consumption while also expanding our fleet by 49% as compared to 2018.

As part of our commitment to meet more sustainable mobility solutions, we promoted strategic partnerships to reduce emissions linked to the use of our infrastructure. The EcoTag initiative, promoted by TeleVía in 2017, which applies discounts for customers with hybrid or electrical vehicles through the toll highways in Mexico City, supports the reduction of 21% of CO2 emissions as compared to those emitted by gasoline or gasoil vehicles. During 2019, 1,059 EcoTags were activated, this all adds up to a total of 2,593 active EcoTags from 2017 to 2019.



WASTE

We promote integrated waste management through initiative encouraged by our work team to contribute to an efficient, competitive and low environmental impact economy. Waste is currently disposed as based on the normative, legal or regulatory framework of each country.



*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Liger Oeste) and Chile (Vespucio Oriente).



Both types of waste, mostly come from waste left by users on our roads, which are collected and separated during cleaning tasks.

Non-hazardous waste	Total Kg
Quantity of waste	36.21
Quantity of scrap waste	115.68
Quantity of plastics	49.90
Quantity of organic waste	47.33

Non-hazardous waste mix (urban)	3,059.45
---------------------------------	----------



Hazardous waste and scrap tires	Total Kg
Contaminated plastic waste (containers included)	1.26
Contaminated metallic waste (containers included)	0.47
Oil filter waste	1.240
Grease and oil waste	15.53
Contaminated absorbent waste (rags, sepiolite, etc.)	6.15
Battery waste	1.560
Fluorescent/ lamp waste	0.086
Scrap tires	98.18

BIODIVERSITY, ECOSYSTEM RECOVERY AND REFORESTATIONS



ALEATICA's effects on biodiversity due to the infrastructure are evaluated at the investment phase of each concession through the identification, assessment and establishment of approved mitigation and offset measures by the regulatory entities of each country.

The main impacts are the fragmentation and transformation of habitats, reduction of species and noise pollution, among others. During the operation phase, if the infrastructure crosses a protected natural area, the main impact, which will remain from the construction phase is habitat fragmentation, an irreversible impact.

ALEATICA promotes certain actions for the recovery of deteriorated areas and biodiversity protection. The initiatives that stand out from 2019 were executed by the teams in Mexico and Colombia.

Through our roads in Mexico, various reforestation and maintenance of green spaces initiatives have been developed as part of the activities for the voluntary environmental impact resolutions.

The Circuito Exterior Mexiquense has carried out reforestations for the existing flora and fauna within the highway section, that, according to the Mexican norms, some are classified as at risk. Such is the case for the reforestation at the Texcoco, Coatlinchan municipality where we planted 1,000 tree species such as pines, pirul, acacia, maguey

and mesquite in 1 hectare with the participation of 130 volunteers including employees, their families, Probosque, suppliers and the community. Within this activity, 176 hours of environmental training were offered to 496 employees along with 208 hours of environmental toolbox meeting for 1,215 employees.

The Viaducto Bicentenario maintained 2,450 m₂ of green spaces through Circunvalación, at the Municipality of Tlanepantla, in the state of Mexico.

At Grupo Autopistas Nacionales, in collaboration with the Secretaría de la Defensa Nacional (SEDENA), we managed a reforestation of 5,000 trees along the highway.

The Atizapán- Atlacomulco highway affects the natural area protected by the touristic and recreation ecologic park Zempoala La Bufo, known as Parque Otomí, and the Santuario del Agua and forestal subcuenca tributaria Arroyo Sila state park. As part of the continuous 2018 reforestation and conservation activities, during 2019, 85.6 hectares have been reforested with different native species that sum up to the 90.6 hectares reforested in 2018*, which give a total of 176.28 hectares of reforested area until December 31st, 2019. Additionally, a total of 60,823 vegetable organisms of diverse species have been rescued, of which 28,633 are at a maintenance phase, the remaining organisms are being relocated. Also, 8,400 diverse fauna organisms have been relocated to areas established by the Environmental Ministry.



*The 2018 integrated report expressed a scope of 95,5 reforested hectares; this is updated because 5 hectares were not validated through the survival rate reported in 2019.

Through the execution of the Social and Environmental Responsibility Plan of the Río Magdalena highway in Magdalena, Colombia, there have been activities to recover and develop strategic ecosystems such as La Chiquita, El Encanto and El ahogado swamps, as general well-being, cultural and economic generators for fishing associations in the area of influence of the project and the region in general. These interventions have been done through environmental consciousness with the surrounding communities and waste collection activities. In 2019 we managed to recover approximately 22.00 lineal meters of water mirrors, along with a reforestation of 3,200 native species and the revegetation of 17,000 native species. These actions have implied 289 hours of environmental training for 174 employees.

Our objective is to create awareness about the importance of the environment for our concessions, which is why we actively and progressively provide trainings, attaining a total of 1,750 employees who had environmental training and 4,806 trained employees through toolbox meeting.



WATER CONSUMPTION

99% of water consumption comes from the water distribution network (pressure pipes, scoring and irrigation canals); additionally the Circuito Exterior Mexiquense, Grupo Autopistas Nacionales, Autopista Río Magdalena and Cerros de Valparaíso Terminal have water treatment plants, where we ensure the total water consumption is physically and biologically treated previous to a watering use or disposal to a sewage, underground or water bodies. The consumption of water per employee is 32 m³.

	*2019 (m³)	*2018 (m³)	%
Water distribution network consumption (pressure pipes, scoring and irrigation canals)	87,086	71,103	22%
Surface water consumption (rivers, lakes, canals, reservoirs, etc.)	744	379	96%
Underground water consumption (wells)	0.00	13,960**	-100%
TOTAL WATER CONSUMPTION	87,830	85,442	3%

*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente); as well as TeleVía.

** The 2018 consumption reported as underground water in 2018, changes standard and is identified as distribution

MATERIAL CONSUMPTION

The main material consumed by the societies that make ALEATICA, are made by a bituminous and asphalt mix, acquired directly from suppliers, which represent more than 94% of the materials used in the principal minor and major infrastructure maintenance tasks. Subsequently, paint makes up the next most important material, although it is not as relevant as the mix, as it only contributes to 2.3% of the total.

Our material consumption may significantly vary, reducing or increasing from one year to another due to specific maintenance and growth necessities of a specific period of time.

	Ton	%
Quantity of paint consumption	92.50	2.34%
Quantity of grease and oil	16.84	0.43%
Quantity of polish consumption	9.22	0.23%
Quantity of bituminous and asphalt mix consumption, acquired directly from suppliers	3,824.98	96.89%
Quantity of metal consumption (barriers, tracks, containers)	0.14	0.00%
Quantity of fertilizer consumption	0.52	0.01%
Quantity of salt consumption	3.47	0.09%
Quantity of refrigerant gas consumption	0.01	0.00%
Quantity of isolation gas consumption	0.00	0.00%
Total	3,947.68	100%

*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente); as well as TeleVía.



ENVIRONMENTAL RISKS

Disasters caused by natural phenomena, have worsened because of climate change and have been identified as the main environmental risks of the Group. The geographical location of certain infrastructures make them especially vulnerable with so many earthquakes and tsunamis, as well as pouring rain and flooding, which is why we have drills for these types of natural disasters.

During 2019 we collaborated in an emergency preparation and response plan for the Group, where each society identified the environmental risks of the surrounding area as well as the implementation of actions to mitigate each of these risks.

One of the main emergency preparation and response plans, the DOS-SST-PRCS-14 of the Reforma 222 (corporate offices in Mexico), was disseminated to all employees that work at this place with the purpose of following the procedures in case of fire, earthquake, environmental contingency, volcanic eruption, flooding, protests, medical emergencies and bomb threats. All concessions have run drills according to the annual plan.

During 2019 no non-compliances to any environmental norms or laws were registered in any of our societies.



Supply chain

The Code of Ethics, Anticorruption Policy, Responsible Procurement Policy and the Internal Supply Norm are our main axis for the recruitment and procurement management processes. We also comply with the ALEATICA's RHS-NORM-01 Procurement norm, which is part of our internal ALEATICA documents, and the employees have access to them through our Intranet.

The standards require the following criteria for a hiring and purchasing process:

- Company is certified either in quality, environment or occupational health, has an ISO 9001 and/or ISO 14001 and/or OHSAS 18001 norm or an equivalent certificate emitted by a recognized certifier. The standardization will be provided only for those objects included in the certificate scope and will be stored and verified.
- Certified product: have a certificate of a product aligned to an application norm emitted by a recognized certifier. Standardization will be only given to the included purchased products in the scope of the certificate. The certificate will be stored to verify its scope and validity.
- Experience: have an experience from previous contracting for any of ALEATICA's companies and/or documented references through work, products or reports of other companies or organisms that validate its contract.
- Facility visits: in situ technical inspections that guarantee the supplier meets the conditions to provide the service or product.

PROCUREMENT STRUCTURE

The organizational structure that is responsible for general services, mostly business units. Some purchases are centralized.

During the second semester of 2019, to strengthen the procurement process, the Process Continuous Improvement General Management, along with the Risk, Compliance and Auditing Management, examined the supply chain to integrate new corporate and operation global functions to the procurement area: identification of purchases, quotation requests, price comparison, supplier assessment, purchase orders, supplier payments, payment consolidation, etc.



The following table shows the distribution by country.

Country	No. of suppliers	Local	Foreign
Mexico	615	540	75
Spain	4,411	4,382	29
Chile	702	702	0
Colombia	154	154	0
Peru	411	362	49
Total	6,293	6,140	153

*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente).



Country	Purchase volume (Mn €)
Spain	16.33
Mexico	148.26
Chile	17.89
Colombia	9.76
Peru	25.65
Total	217.91

There have been new suppliers and some dismissals in function of the business' necessities, choosing the best techno-economical options.

SUPPLIER ASSESSMENT

To assure the operational continuity and service for our customers, there is a risk assessment done by the Global Risk Management where operational risks are identified and classified among operative risks, originating from offers, subcontracting and suppliers, construction execution, exploitation management, labor, environmental, technology and systems.

Our suppliers' alignment to our norms of conduct and ethics is formalized through a contractual subscription that includes a clause about the knowledge and compliance to our Code of Ethics as a condition to start any type of relation with any company of the Group. We additionally have a due diligence process for our critical suppliers to ensure their best practices.



The Code of Ethics includes, among other things the compliance of the following guiding principles:

- Respect the law
- Respect human rights
- Equality and non-discrimination
- Diversity
- Occupational health and safety
- Elimination of forced and child labor
- Confidential information and data privacy
- Respect free competition
- Prevent money laundering and financial terrorism
- Environmental conservation

Additional to the reference and signing of ALEATICA's code of Ethics, a commitment is included to avoid any type of corruption and strictly meet all antibribery and anticorruption applicable laws, norms and procedures as well as follow the international guidelines such as those proposed by the OECD and the United Nations.

The purpose of the due diligence process is to guarantee a correct risk assessment that may come from a potential relation with critical suppliers. In each business and corporate unit, the operational unit that maintains a direct relation with the supplier starts the assessment through the scope definition as well as a development analysis perspective: compliance, technical and financial assessment.

The perspective of the compliance analysis identifies risks associated to the regulatory, legal, norm or reputation principles. Through the financial analysis the solvency index, cash flow, and indebtedness are calculated based on the available financial statement of the third party (supplier) and the qualitative information will be assessed and referred

to events and financial capacity. The technical perspective that nurtures internal sources of information: previous experience; and external: project references, incidents and level of conflict.

All the countries are protected by the way they contract and follow their legislation, as well as the operation's direct supervision.

During 2019, no operations and/or suppliers were out of the norm, guaranteed by the External Due diligence process Survey for third parties (Suppliers), emitted by the Compliance area and filled out and signed by the supplier. In this survey relative information regarding the procedures and policy control were implemented to ensure their employees meet the current legislation in the country they work in as well as information regarding security, labor norms and human rights.

To guarantee there are no suppliers with a significant operational risk, we have a Responsibility Statement emitted by the Compliance area, which is signed by the supplier,

declaring to meet the legal framework and comply with ALEATICA's Code of Ethics as well as the Anticorruption Policy. During 2019 no forced or child labor operations were identified within the operations.

We do not currently have a social assessment; however, during the due diligence process, some technical visits to offices are done as well as valid certifications that provide proof of the operational practices and norm compliance. In our Human Rights Policy we involve suppliers by indicating that all actions where ALEATICA is involved, stakeholders should respect human rights and public liberties included in the UN's Human Rights Declaration.

Depending on the activities that are being hired with a supplier, certain environmental criteria and due diligence processes are included, among which environmental certifications and due diligence studies are involved. The concession that has started with an environmental impact assessment is the Circuito Exterior Mexiquense and is done through an identification and classification matrix regarding the environmental impacts.

Tax contribution

Tax contribution and transparency are fundamental pillars of our Group's Tax Policy, therefore, also an important part of our economic activity management. These principles are expressed through the diligence when all tax obligations are met including the tributary and collaboration with tax authorities in each jurisdiction where we operate.

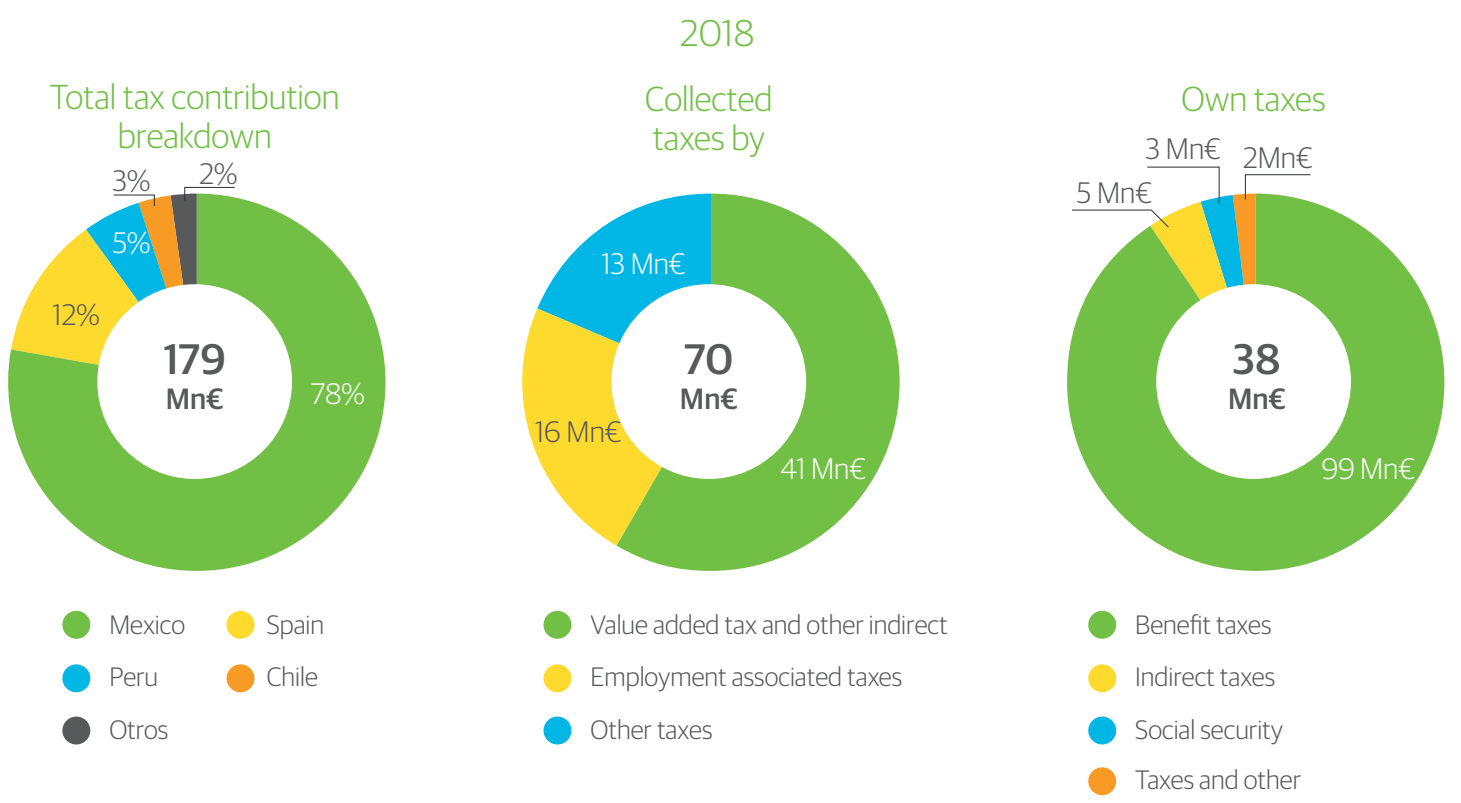
Our economic and social contribution is not only expressed through our tax payment but also by entering public arks of each jurisdiction, taxes and contributions on behalf of other taxpayers as a consequence of our economic activity such as indirect taxes.

Complying with this commitment at a highest transparency we proceed to quantify the total tax contribution that ALEATICA has provided for all the jurisdiction where it has presence.

According to the previous year's data, there is a relevant variation in the taxes paid in 2019 vs 2018, since it paid the taxes of the OPI (CONMEX) and OPCEM sale done by ALEATICA, S.A.B. de C.V. to IFM in 2017, these were earned during 2018. The taxes paid during 2018 were atypical, 2019 reflects the financial behavior of our normal operation.

There are two main categories Supported taxes and Collected taxes differentiating taxes that have an effective cost or are collected by other taxpayers, respectively.

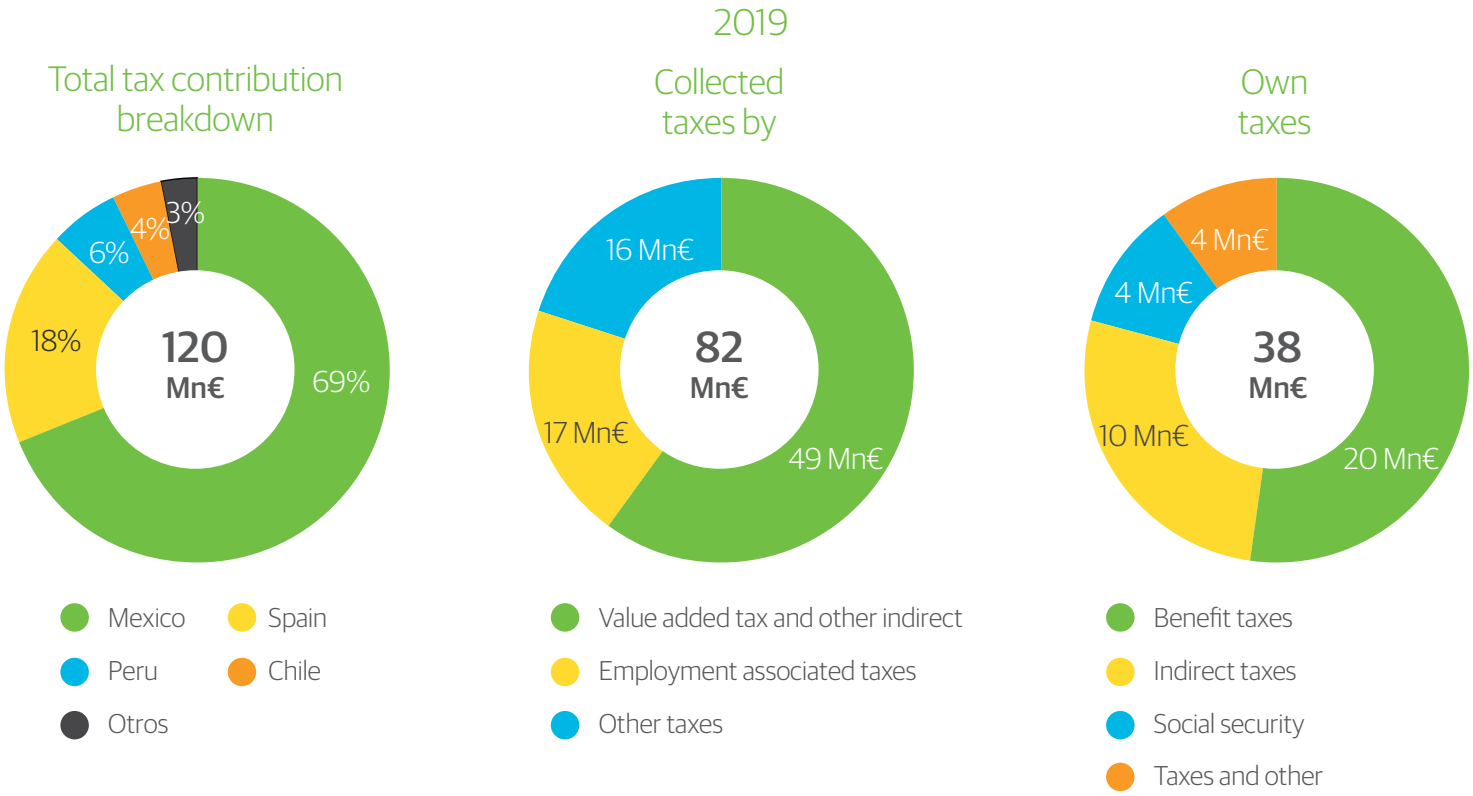
Each category has some distinctions that differentiate generic types of taxes and contributions depending on its nature, all of these following the cash criterion.



*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente).

GRANTS

No significant grants were received during 2019.



*Information of non-consolidated concessions are not included: Mexico (Supervía Poniente, Libramiento Elevado de Puebla and Toluca International Airport), Spain (Autovía A-2 and Metro Ligero Oeste) and Chile (Vespucio Oriente).





Transparency and Corporate Governance

Corporate Governance

One of the most important pillars of ALEATICA is transparency and corporate governance, because our business seeks to build a relationship of trust with all our stakeholders: customers, collaborators, suppliers, allies, governments, communities where we impact and any group or person that relates to us.

In order to ensure that decision-making and the transparency of our information is clear and precise, we have taken firm steps in our governance structure and in ALEATICA's Compliance program, which contains international best practices and has been endorsed and approved by the Board of Directors.

As ALEATICA we promote and adopt the transparency mechanisms necessary to guarantee a reliable and equitable service. We have the support and experience of IFM Investors, our controlling shareholder, which is a signatory to the United Nations Principles for Responsible Investment.

Members of our governing bodies are committed to regulatory compliance with the international regulations and the law in the countries where we operate.

ALEATICA in Mexico is listed on the Mexican Stock Exchange and is part of the FTSE4Good index for emerging markets in Latin America.

Grupo ALEATICA has its head office in ALEATICA, S.A.U., which is a Spanish company with domicile in Madrid, and holds shares in all the group companies directly or indirectly. Currently, ALEATICA group has holding subsidiary companies from which the concessionaires in turn derive in the following countries: Spain, Mexico, Colombia, Chile and Peru. The legal nature of ALEATICA, S.A.U. is a limited company, with a single shareholder.

Meanwhile, ALEATICA S.A.B. de C.V. is the parent company of the ALEATICA group in Mexico. This Mexican company is listed on the Mexican Stock Exchange and is the direct or indirect holder of the group's shares in the country.

ALEATICA S.A.U.

- Four-member board of directors that meets regularly.
- Two Committees have been created within the Board: Appointments and Remuneration, and Audit and Risk.

It has a Board of Directors made up of four members, one of whom occupies the position of president, and the other that of the CEO. The secretary is not a director. In turn, two specialized Committees have been created within the Board: Appointments and Remuneration, Audit and Risk. The sole partner, Global Infracore Spain, S.L., is the one who appoints the directors, taking into account the criteria of experience,

solvency and professionalism. The board of directors is the one who designates the positions within the board itself, that is, president, secretary and CEO. It is also the body in charge of appointing the members of the specialized committees.

Regarding performance evaluation, there are no mechanisms to evaluate the highest governance body's performance with respect to management, nor are there self-evaluation mechanisms, although the Group plans to establish them in the medium term.

The internal regulation N-JUR-01 of composition and operation of the administrative bodies of subsidiaries and affiliates of ALEATICA aims to provide homogeneous criteria for determining the structure of the administrative body of subsidiaries and affiliate companies and the appointment of their representatives in said governing bodies.

Regarding Head Companies, as a general rule, these companies must have a Board of Directors as the highest administrative body. The composition and structure of the Board of Directors will be proposed by the CEO of ALEATICA S.A.U. to the Board of Directors. The CEO will preferably include the following representatives in his proposal:

- The Chief Executive of the Operational Division
- The General Director of Economy and Finance
- The General Director of Legal Services

The appointment of the representatives of ALEATICA in the administrative bodies of the subsidiaries and affiliates must have the approval of the CEO. Depending on the number of administrators that designate ALEATICA, the proposal for the appointment of representatives will be formulated in the following order:

- The Chief Executive of the Operational Division
- The General Director of Economy and Finance
- The General Director of Legal Services

If it corresponds to ALEATICA to appoint more than three representatives, excess appointments to the first three will fall to ALEATICA's employees appointed by the CEO at the

proposal of the Chief Executive of the Operational Division.

In the event that the administrative body is a Board of Directors, every effort will be made to ensure that the position of secretary falls to the person designated by ALEATICA through the General Directorate of Legal Services.

ALEATICA S.A.B. DE C.V.

- Board of Directors made up of nine members, of whom six are independent directors, that is, more than half of the composition of the Board of Directors is independent.
- The Board has created two Committees within it: the Audit Committee, made up exclusively of independents, and the Corporate Practices Committee, also formed exclusively by independents.

The fact that ALEATICA S.A.B. de C.V. is listed on the Mexican Stock Exchange attracts the company to the supervision of the National Banking and Securities Commission and the application of the corresponding regulations, among others, the Securities Market Law, the Single Circular of Issuers and the New Unique Circular of External Auditors (CUAE). These standards guarantee the transparency and integrity of the financial information that the Mexican group provides to the market.

The highest governance body is the Board of Directors, which is made up of nine directors, six independent and three patrimonial, appointed normally by the Ordinary General Meeting of Shareholders (art. 24 Securities Market Law-LMV), which may appoint one or more alternates.

The administration of the company is in charge of the Board of Directors and the General Director (General Director functions art. 44 LMV) within the scope of their respective powers; the Board of Directors shall designate a secretary and an alternate secretary who are not members of the Board of Directors and shall also designate the persons who occupy the other positions that may be created for the best performance of their functions.

Shareholders holding voting rights, even limited or restricted, who individually or jointly have 10% of the company's capital stock, will have the right to appoint and revoke a member of the Board of Directors at the General Shareholders' Meeting.

Administration. Such appointment may only be revoked by the other shareholders when, in turn, the appointment of all other directors is revoked, in which case the substituted persons may not be appointed in such a capacity during the 12 months following the revocation date.

Once such appointments have been made, the other members of the Board will be appointed by simple majority of votes, without counting the votes that correspond to the minority shareholders who have made the aforementioned appointment or appointments (art. 50 LMV).

In accordance with the provisions of the Statutes of ALEATICA S.A.B. de C.V., the members of the Board of Directors will last in office for one year, ratifying their appointment at the Annual Meeting. The directors will continue in the performance of their functions even when the term of one year for which they have been appointed has ended, or by resignation of the position up to a term of 30 calendar days. In the absence of the appointment of the substitute or when they don't take possession of their position, without being disposed to the subject by article 154 of the General Law of Mercantile companies-LGSM.

The Board of Directors may designate provisional directors, without the intervention of the Shareholders Assembly, in the cases in which the term for which they have been appointed has ended, the director has resigned or the assumption of article 155 of the LGSM is updated (cases of revocation of appointment of administrators).



The Shareholders' Meeting of the Company will ratify said appointments or designate substitute directors at the Assembly following such event. The supervision of the management, conduct and execution of the business of the company and of the legal entities controlled by the company, will be in charge of the Board of Directors through the Corporate Practices Committee and the Audit Committee, as well as through the legal entity that performs the external audit of the Company.

In the selection of purposes, values and strategy, directors in the diligent exercise of the functions that the LMV and the Bylaws confer upon them must act in good faith and in the best interest of the company and legal entities that it controls (duty of diligence -art. 30 LMV). Likewise, they must keep confidentiality with respect to the information and matters that they become aware of due to their position in the company, when said information or matters are not of a public nature (duty of loyalty-art. 34 LMV).

In developing, approving, and updating the organization's objective, mission or value statements, strategies, policies, and objectives related to economic, environmental, and social issues, the Board of Directors in performing its duties abides by the pillars of Grupo ALEATICA: Security, Sustainability, Excellence in Service, Transparency and Corporate Governance, and Passion for the Team. Additionally, it complies with the provisions of the Code of Ethics and the Anti-Corruption Policy and the rest of the policies and standards approved by Grupo ALEATICA.

Compliance and Risks

At ALEATICA we are exposed to a wide range of challenges and risks derived from the nature of the operations and the countries in which we operate, which could affect our performance and prevent us from achieving our objectives. That is why Risk Management is essential to reduce the impact and / or likelihood of the risks to which we are exposed.

ALEATICA has the Compliance Directorate with an independent status, which supervises compliance with the regulations by the group, in particular with the Code of Ethics and the ALEATICA regulatory system; likewise, it identifies and monitors the risks inherent in the business, which are addressed through the established channels.

Risk Management System

Risk Management is an institutional process present in each business unit and is promoted by the ALEATICA Board of Directors and Senior Management, from where it is promoted as part of the corporate culture.

Active risk management at all levels of ALEATICA seeks to ensure that it is integrated and applied in all activities and projects developed by ALEATICA, serving as the basis for the decision-making process.

ALEATICA has a Risk Management Policy that was approved by the Board of Directors. This policy establishes the principles, guidelines and methodology to identify, evaluate, control, monitor and report the most significant risks to which each business unit is exposed in the course of its operations. Likewise, it defines the roles and responsibilities of all participants in this Risk Management framework, as well as the reporting mechanisms.

Business units and functional directors are responsible for identifying and managing risks under their area of responsibility. All risks are assessed considering their impact and likelihood. Meanwhile, control activities and mitigation plans are documented and continuously monitored.

The Risk Department promotes the Risk Management framework and ensures that it is adopted by all business units. Each risk is assigned an owner who is responsible for ensuring that the risks are properly managed.

Periodically, the Risk Management, together with the business units and functional directors, monitor the evolution of risks and report any material changes. There is an inventory of risks for each of the business units and at Group level which are reviewed by Senior Management and submitted and discussed in the Committees and Councils of each of the business units.

While we focus our efforts on mitigating risks, some of these are beyond our control, for example, changes in regulations, political, economic or social conditions, and volatility of exchange rates among others.

ALEATICA classifies all the identified risks with the aim of analyzing the risk exposure considering its interaction with other risks and not only individually. Risks are grouped into four types:

Strategic: Risks related to ALEATICA's activities and environment.

Operational: Risks related to ALEATICA's operations.

Compliance: Risks derived from violations or non-compliance with laws, rules, regulations or internal practices.

Financial: Risks related to financial markets and the integrity of financial information.

Some of the main risks that could affect the achievement of ALEATICA's objectives are described below:

Risk	Description	Mitigation measures
Sociopolitical	Political and social events that may occur in some of the countries where we operate could adversely affect our business, financial model, results of operations and projections.	Continuous monitoring of the regulatory and legislative processes that could affect our activities, analyzing the applicable regulatory changes, drawing up the corresponding action plans and implementing the appropriate legal guarantees.
Insecurity in the environment	In recent years, insecurity in Mexico has experienced a growing period of crime. This situation could worsen and negatively affect vehicle traffic on motorways since the perception of insecurity in the environment of our infrastructures could generate a change in routes (use of alternate roads) and with it a reduction in traffic, affecting our businesses and financial results.	Greater presence and coordination with local and federal authorities. Installation of surveillance equipment throughout the infrastructure.
Cyber attack	ALEATICA's business depends to a large extent on the proper functioning of the computer technologies and automated systems in place that allow operations to be administered and managed. Because these systems are critical to our activities, any significant disruption to our systems or theft of information can affect our financial situation, interrupt the operation or damage our reputation.	Cybersecurity framework in all business units in order to reduce data theft or unauthorized access to company systems. Training programs.
Natural disasters	Some regions and countries where ALEATICA operates experience torrential rains, floods, strong winds, and earthquakes. Natural disasters could disrupt our operations, damage our infrastructure, and adversely affect our operating results and financial conditions.	Secure our assets Business continuity plans are being adopted and, for some businesses, there is a Disaster Recovery Center. Training and drills
Health and Safety Risks	The nature of our activities can cause injury to our staff and contractors. Accidents at work within our infrastructures could have legal and regulatory consequences and cause reputational damage.	Safety Management System Job Hazard Assessment Occupational Risk Prevention Training

Risk	Description	Mitigation measures
Ethics and fraud	Given the large number of relationships and actors in the different countries in which we operate, we are exposed to the risk that our companies, employees, managers, suppliers, partners, etc., will be involved in violations of the Code of Ethics (e.g. acts of corruption). Failure to comply with the laws and regulations that apply to us could lead to fines and penalties affecting our reputation, business continuity and results of operations. In Zero Tolerance to Corruption section, risks are identified.	We have a Code of Ethics signed and accepted by all employees.
		We have developed an Anti-Corruption Policy, as well as different rules that govern ethical behavior inside and outside the organization, such as: Purchases, due diligence, Gifts, Entertainment and Representation Expenses, Conflicts of Interest, Interaction with Public Officials, etc.
Legal procedures	ALEATICA's operations have been and could continue to be subject to legal procedures whose resolution could have an adverse effect on the business, financial condition and reputation.	Compulsory training in Compliance (see Zero Tolerance to Corruption section).
		Analysis of the possible means of conflict resolution (conciliations, arbitrations or legal proceedings).
Financial	We are exposed to different financial risks, including interest rate, exchange rate and liquidity, among others (detail in Financial Report).	Monitoring and management of open litigation against ALEATICA.
		Mitigation measures are described in the Consolidated Annual Accounts. (detail in the Financial Report).



Code of Ethics and Anti-Corruption Policy



The Code of Ethics is a simple and fundamental tool for ALEATICA, so that our work team, in accordance with our values, principles and basic guidelines for conduct, act in any situation. Therefore, it is a basic element to strengthen our corporate sustainability strategy.

All of us who are part of ALEATICA, from the Board of Directors to executives and collaborators, without exception, are committed and obliged not only to comply with it more strictly, but also to ensure that our Code of Ethics is the compass that guides relationships. with our

stakeholders, partners, customers, collaborators, suppliers, subcontractors, allies, governments, communities, and any group or person that relates to us.

During the 2019 financial year, all our collaborators have certified the understanding and acceptance of the Code of Ethics and the Anti-Corruption Policy¹³. Similarly, all employment contracts include a clause with the obligation to comply with them, as well as contracts with our suppliers and contractors.

Crime prevention model

ALEATICA has a crime prevention model in Spain in which the criminal risks to which the company is exposed due to the activity it carries out and based on its organizational structure are identified. Said risks are evaluated in terms of impact and probability and based on the results, the controls that mitigate the probability of materialization of each criminal risk are identified. These internal controls are documented with the attributes that characterize them, including: responsible management, frequency of performance, description of the activity and evidence or evidences that support said control. The model is updated based on the legal and organizational changes that are taking place, and it will be gradually implemented in the different countries where ALEATICA is present, taking into account local applicable regulations.

During the 2019 financial year, ALEATICA carried out a review exercise of the criminal risks associated with the Company, as well as the controls defined to mitigate those risks, with the aim of adapting the model to the changes produced in the organization.



13 Review our Code of Ethics here: <http://www.transparencia-ALEATICA.com.mx/ALEATICA-docs/politicas/C%C3%B3digo%20de%20C3%89tica%20ALEATICA.pdf> y la Política Anticorrupción en: <http://www.transparencia-ALEATICA.com.mx/ALEATICA-docs/politicas/Pol%C3%ADtica%20Anticorrupci%C3%B3n%20ALEATICA.pdf>

Zero Tolerance to Corruption

ALEATICA is a group determined to guarantee transparency and the prevention of corruption. This has implied that we achieve, for the second consecutive year, the number one position in the IC500 ranking, developed by Transparencia Mexicana and Mexicanos Contra la Corrupción y la Impunidad. These are Civil Society Organizations in Mexico, leaders in the anti-corruption agenda, which evaluate the quality of anti-corruption policy, considering internal norms, reporting channels, the existence of a conflict of interest policy, among others, of the 500 most important companies in Mexico. This ranking is published by Expansión, a leading magazine on private sector issues¹⁴.

On the other hand, the Risk Department carried out an assessment of corruption risks, both for corporate and for the different concessions. In 2019, the main risks related to corruption were: bribery and influence peddling, as well as corruption in business, because ALEATICA has a direct relationship with public officials in all the countries where it operates.

Communication and awareness-raising efforts in anti-corruption matters have also been reinforced by issuing periodic communications and designing posters that have been arranged by all the companies that make up ALEATICA.

To strengthen compliance with Zero Corruption Tolerance, the following training sessions were carried out:

- For collaborators with computers, the online course Ethics in decision-making was taught.
- For collaborators who do not have a computer, the classroom course Code of Ethics, Anti-Corruption Policy and Whistleblowing Channel was given
- Face-to-face course for ALEATICA executives on key Compliance issues.



Conflict of Interests

At ALEATICA there is a rule that regulates the conflict of interest of employees, which indicates that all ALEATICA Directors and Managers must comply annually with a declaration of interests. Likewise, if during the year any situation that could entail a conflict of interest is modified, the Director or Manager has the obligation to communicate it to the Compliance Department, which is in charge of managing and requiring all collaborators to make this annual declaration.

Likewise, in the event that a collaborator is immersed in a conflict of interest, they must notify the Compliance Department at the time when the potential or actual conflict of interest in commercial relations with customers, suppliers or any other organization with which ALEATICA has some kind of relationship is known.

Said communication must be made in writing by the collaborator who is involved in the conflict of interest or who

must make the decision and must act diligently regarding it until it is resolved. Thus, since the collaborator has notified the existence of the conflict of interest, they must take the following measures:

- Refrain from making decisions that could impair ALEATICA's decision-making processes.
- Refrain from using the information obtained by the exercise of their functions at ALEATICA for their own benefit or that of third parties.

The Compliance Department analyzes the information received about the conflict of interest to determine the impact that establishing a commercial or employment relationship could entail in the event of such a conflict. In 2019, there were no cases of conflict of interest.



Unfair Competition

Unfair competition is a practice that we seek to eradicate at ALEATICA, such as those practices that are contrary to good business faith and that do not meet the ethical standards necessary to be considered honest. In 2019, there were no cases of unfair competition in any of our operations.

¹⁴ Plataforma IC500: <https://www.integridadcorporativa500.mx/>
Publicación Expansión IC500: <https://expansion.mx/empresas/2018/12/17/ranking-2018-500-empresas-frente-a-la-corruption>

Ethical Channel

The Global Director of Compliance and Risks is the person who arbitrates the ALEATICA Ethical Channel, which guarantees the confidentiality and protection of all the people who use this mechanism. The Ethical Channel is available to all people who are part of ALEATICA and to all its stakeholders through an external provider, with the aim of guaranteeing independence and objectivity, as well as ensuring the confidentiality and protection of the customers who use it.

In order to make any query or report illegal behavior, irregularities and non-compliance with ALEATICA's internal policies and the Code of Ethics, the following means of contact are available:

Intranet > Applications> Ethical Channel

Internet:
<http://www.ALEATICA.com/responsabilidad-corporativa/transparencia/>
<https://www.lighthouse-services.com/ALEATICA/>

E-mail: reports@lighthouse-services.com

Phones:
Spain: 900-839197
Mexico: 01-800-099-0713
Colombia: 01-800913-5293
Peru: 0-800-78317
Chile: 800-800-914-722
Other countries: (Country code) + 844-383-5474

During 2019, no reports were received related to the violation of human rights, the rights of indigenous peoples or the non-compliance with laws and regulations in the social and economic fields.

Complaints received
102

Received through the Ethics Channel
91

Complaints made through a direct email to the G Compliance Office
11

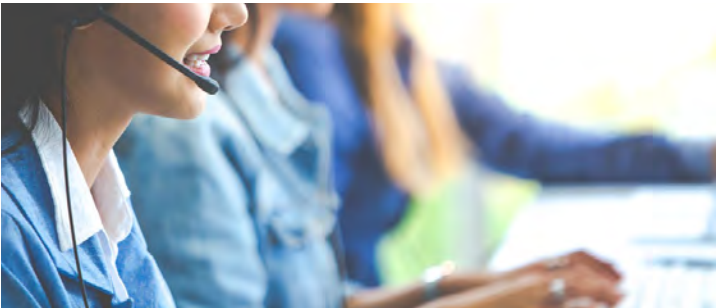
La gran mayoría de ellos se refieren a temas laborales habituales.

WEBSITE ABOUT TRANSPARENCY

In 2019, as an additional initiative and based on our commitment with transparency and accountability, we developed and released the following website: <http://www.transparencia-ALEATICA.com.mx/#/> which objective is to be a source of reference to all the people and organizations that want to know the history, the functioning and the surroundings of Viaducto Bicentenario and Circuito Exterior Mexiquense, two of our most relevant roads in Mexico.

At this website, it is possible to find the physical features, as well as relevant information that goes from the public bidding to the last modification to the title of concession. Plus, it contains the main construction, operation, preservation and maintenance actions, the financing obtained and, of course, the values that govern our team.

Likewise, this website contains the sustainability projects that contribute to the development of our team, our customers, the communities and the environment of the areas where we act, as well as the initiatives to ensure transparency and the corporative government of the concession.



Human rights



Through our Human Rights Policy¹⁵, we set an institutional commitment on respect and protection of human rights of our employees, customers and suppliers, as well as the communities and any other interest group related to ALEATICA.

These are the main initiatives and guidelines that are our reference to work and ensure at every time the human rights compliance:

- Universal Declaration of Human Rights
- United Nations Global Compact
- International Labour Organization (ILO) Tripartite Declaration of Principles on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights

ALEATICA's Human Rights Principles:

- To eliminate forced labor
- To embrace equality and to fight discrimination
- To offer decent jobs
- To ensure people's safety and health
- To respect minorities and indigenous communities
- To foster the freedom of association and collective bargaining
- To eliminate child labor
- To protect people's environment
- Physical safety, safety companies and human rights

The actions we take to prevent and to address any violation of human rights are described here below:

- Compliance of the applicable labor legislation and the goods and services procurement processes
- Training on human rights to 100% of physical security staff with a direct contract. In case of external suppliers we require this requisite to be fulfilled.
- The Code of Ethics that governs our staff
- The Responsible Purchasing Policy, which includes terms to ensure human rights observation and protection
- The Due Diligence Process with human rights requirements for critical suppliers.
- Human rights terms in our suppliers' contracts
- Terms in all employment contract of all the Group companies, which turn mandatory the observance and compliance of our Code of Ethics.
- Our Ethical Channel available online, over the phone and via e-mail for reference, doubts or complaints
- An assessment of the work environment of our cork centers to prevent and to solve any situation that might infringe our employees' human rights.
- All the companies belonging to Group have adopted processes and practices to ensure the observance and protection of human rights, the freedom of association rights and the elimination of forced labor and/or child labor.
- In 2019, we had no record or complaints of human rights violation in our organization submitted by contractors or other stakeholders.

15 Review our Human Rights Policy here: <https://empleados.aleatica.com/?wpdmdl=15537>

Non-Financial Information

Table of Contents

Content	Reporting Criteria	Page
Business model		
Business model description	GRI 102-1, GRI 102-2	10 y 11
Geographical presence	GRI 102-3, GRI 102-4	8
Objectives and strategies	GRI 102-7	10 y 11
Main factors and tendencies that affect future evolution	GRI 102-15	78, 79 y 80
Social matters regarding personnel		
Management approach	GRI 103-2	10 y 11
Employment		
Number and distribution of employees by country, gender, age and professional classification	GRI 102-8	27 y 28
Distribution of work modalities and annual average by gender, age and professional classification	GRI 102-8	29
Total annual indefinite, temporary and part time contracts by gender, age and professional classification	GRI 102-8	29
Number of dismissals by gender, age and professional classification	GRI 401-1	39 y 40
Remuneration by gender, age and professional classification	GRI 405-2	34 y 35
Salary gap	GRI 405-2	35
Remuneration by type of position	GRI 405-2	35
Average remuneration for management positions including variable retributions, diets, compensation, long-term savings and any other earnings divided by gender	GRI 102-35, GRI 405-2	35
Implementation of cut measures	GRI 103-2	36 y 37
Disabled employees	No procede	
Work management		
Worktime management	GRI 102-8	32 y 36
Number of absent hours	GRI 403-2	39
Measures destined to ease conciliation and promote responsible parenting for both parents	GRI 401-3	36 y 37

Content	Reporting Criteria	Page
Health and safety		
Health and safety conditions at work	GRI 103-2, GRI 403-1, GRI 403-5, GRI 403-6	10, 11, 20, 21, 22, 23, 24 y 25
Work accidents (frequency and severity) divided by gender	GRI 403-2	21
Professional illness (frequency and severity) divided by gender	No procede	
Social relations		
Social dialogue, including the procedures to inform and consult employees and negotiate with them	GRI 402-1	36
Percentage of employees covered by a collective bargaining agreement	GRI 102-41	38
Balance of collective bargaining, particularly in the occupational health and security field	GRI 403-4	22, 23, 24 y 38
Training		
Policies implemented in the training field	GRI 103-2, GRI 404-2, GRI 412-2	31, 31 y 32
Total quantity of training hours by professional category	GRI 404-1	30
Accessibility		
Universal accessibility for disabled people	GRI 103-2	37 y 38
Equality		
Measures adopted to promote equal treatment and opportunities for men and women	GRI 103-2, GRI 405-1	37 y 38
Equality plans	GRI 103-2	37 y 38
Adopted measures to promote employment	GRI 103-2, GRI 404-2	27 y 30
Protocols against sexual abuse divided by gender	GRI 103-2	27 y 37
Integration and universal accessibility for disables people	GRI 103-2	37 y 38
Policies against any type of discrimination and diversity management	GRI 103-2	27 y 37
Human Rights		
Management approach	GRI 103-2	10 y 11
Human Rights		
Application of due diligence in human rights	GRI 103-2	10, 11 y 85

Content	Reporting Criteria	Page
Prevention of risks that vulnerate human rights and in such cases, measures to mitigate, manage and repair possible abuses	GRI 412-1, GRI 410-1	84 y 85
Complaints vulnerating Human Rights	GRI 411-1	84
Promotion and compliance of the ILO dispositions regarding freedom of association, eliminating work discrimination, child and forced labor	GRI 103-2	85
Information regarding the fight against corruption and bribery		
Management approach	GRI 103-2	10 y 11
Corruption and bribery		
Adopted measures to prevent corruption and bribery	GRI 103-2, GRI 205-2	79, 80 y 82
Measures to fight money laundering	GRI 103-2, GRI 201-1	79, 80 y 82
Contributions for foundations and non-profit entities	GRI 103-2, GRI 415-1	60
Society information		
Management approach	GRI 103-2	10 y 11
Company commitment to sustainable development		
Impact of activity in employment society and local development	GRI 204-1	68 y 69
Impact of activity in local population	GRI 203-1	54 y 55
Relations with other local community actors and dialogue mechanisms	GRI 102-43	56, 57, 58, 59 y 60
Association and sponsor actions	GRI 102-13	60
Outsourcing and suppliers		
Inclusion of social, environmental and gender equality aspects in the procurement policy	GRI 102-9	68, 69, 70 y 71
Consideration of outsourcing and supplier relations as part of social and environmental responsibility	GRI 407-1	68, 69, 70 y 71
Supervision and auditing systems	GRI 102-9	68, 69, 70 y 71
Consumers		
Measures for consumers' health and security	GRI 103-2	10, 11, 16, 17, 18, 19 y 20

Content	Reporting Criteria	Page
Grievance mechanisms, complaints and solutions	GRI 102-17, GRI 418-1	45, 46, 47, 48, 49 y 50
Fiscal Information		
Benefits by country	GRI 201-1	8
Tax over payed benefits	GRI 201-1	8
Received public grants	GRI 201-4	73
Environmental information		
Management approach	GRI 103-2	10 y 11
General		
Current and expected effects of activities regarding the environment, health and safety	GRI 102-15, GRI 102-29, GRI 102-31	10, 11, 54, 55, 78, 79 y 80
Environmental certification and assessment procedures	GRI 102-15	61 y 68
Resources dedicated to the prevention of environmental risks	GRI 102-29, GRI 102-30	78, 79 y 80
Application of precautionary principle	GRI 102-15	78, 79 y 80
Supplies and guarantees for environmental risks	GRI 307-1	68
Communication		
Measures to prevent, reduce or repair effects of carbon emissions on the environment, considering any type of atmospheric pollution activity such as noise and light pollution	GRI 103-2, GRI 302-4, GRI 305-5	10, 11, 61, 62 y 63
Circular economy and waste prevention and management		
Measures to prevent, recycle, reuse and eliminate waste. Actions to fight food waste	GRI 103-2, GRI 301-1	56, 57, 58, 59 y 60
Sustainable use of resources		
Water consumption and water supply	GRI 303-1, GRI 303-3	66 y 67
Raw material consumption and measures to adopt a more efficient use	GRI 103-2, GRI 301-1	10, 11 y 67
Energy: Consumption, direct and indirect; energy efficiency measures, use of renewable energy	GRI 302-1, GRI 302-3, GRI 302-4	61, 62 y 63
Climate Change		
Greenhouse Gas Emissions	GRI 305-1, GRI 305-2, GRI 305-4	61
Measures adopted to adapt to climate change consequences	GRI 102-15, GRI 103-2, GRI 201-2	10, 11 y 61

Content	Reporting Criteria	Page
Voluntarily established goals and long-term efforts to reduce GHG emissions	GRI 103-2	10, 11 y 61
Biodiversity Protection		
Measures to conserve and protect biodiversity	GRI 103-2, GRI 304-2	10, 11, 65 y 66
Impacts caused by activities and operations in protected areas	GRI 304-1, GRI 304-2	65 y 66

COVID-19 CONTINGENCY

The outbreak of the Coronavirus COVID-19 in January 2020 in China and its recent global expansion to a great number of countries has motivated this viral outbreak to be classified as a pandemic according to the World Health Organization on the 11th of March 2020.

The Parent Company Management has run a preliminary COVID-19 impact assessment on the Group. In this sense the geographical condition of the places where the Group operates, mainly Mexico and Latin America, are at a limited date and therefore there is a limited probability of having an impact on cash flow and operations that attend financial projects of concession assets.

The Parent Company Management has also done a preliminary assessment of the following matters regarding non-financial information:

Business model: current circumstances may reconsider some business model characteristics and for that many teams have started to assess which measures to take and follow up on the evolution of this crisis.

Environmental matters: The impact is expected to be low. However, special attention will be paid to, so activities such as the treatment, recovery, reuse and/or waste removal are not neglected and policies and actions against pollution are managed.

Employee matters: there will be measures to ease virtual work of employees at the Group with the purpose of maintaining work activity levels.

Health and security matters: Measures to ensure health and security for the Group’s employees and infrastructure customers will raise to mitigate any impact of absence index.

Supply chain matters: certain measures will be taken to ensure a supply chain along with the health and security of the Group’s suppliers.

Finally, it is important to emphasize that the Parent Company Management is constantly supervising the evolution of the situation, with the purpose of successfully confronting possible impacts, considering the financial and non-financial impacts that may occur.

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of Aleatica, S.A. (Sole-Shareholder Company),
Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aleatica, S.A. (Sole-Shareholder Company) (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2019, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are Independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our Independence.

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

Emphasis of Matter

As indicated in Note D.5 to the accompanying consolidated financial statements, the Group has net assets totalling EUR 181.7 million relating to the investment in the Autopista Río Magdalena concession arrangement in Colombia. Also, as a performance bond for the project the Group has provided guarantees amounting to EUR 66.9 million to the concession grantor. In this context, certain circumstances in the course of the construction of the toll road led the Group to file a claim for arbitration to request that the concession grantor extend the deadline for the entry into operation of certain stretches of the concession infrastructure currently under construction; this deadline was initially set for 2019, and failure to meet it would constitute grounds for termination of the concession arrangement. At the date of this report talks with the grantor to adapt the aforementioned deadlines for entry into service to the current reality of the construction process were at an advanced stage. Consequently, there is an uncertainty in relation to the resolution of the aforementioned process which, if it is not concluded on the terms estimated by the Parent's directors, could have an adverse effect on the Group's equity. Our opinion is not modified in respect of this matter.

Most Significant Audit Matters

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

Financial position

Description

As indicated in Note D.1.1.1 to the accompanying consolidated financial statements, the Group has bank borrowings maturing in 2020 amounting to EUR 188,648 thousand and other borrowings and payables maturing in 2020 amounting to EUR 642,599 thousand and EUR 34,952 thousand, respectively. In this connection, the Group is in negotiations with the lenders to adapt the maturity dates of its financial obligations to the cash flow generation projections of the projects financed by them and which are expected to be completed successfully in the short term; in particular, project finance with a security interest in all the shares representing the share capital of Autopista del Norte, S.A.C. Involving current bank financing of EUR 93,772 thousand.

Accordingly, the Parent's directors prepared the consolidated financial statements for 2019 in accordance with the going concern basis of accounting, assuming that the Group's financial capacity and, consequently, the continuity of its operations were guaranteed by the available liquidity, the cash flows from its operating activities and the successful extension of the short-term maturities of the Group's borrowings. This conclusion is based on the express representation received from the Parent's sole shareholder that it will not demand repayment in the next 12 months of the loan granted and the related interest totalling EUR 642,599 thousand and envisages the favourable renegotiation of the project finance associated with the Autopista del Norte concession in Peru indicated above.

The assessment by the directors as to whether or not a material uncertainty related to going concern exists requires them to make significant estimates and exercise their judgement, as a result of which the situation described was considered to be a significant matter in our audit.

Procedures applied in the audit

Our audit procedures included, among others, obtaining and analysing the Group's cash plan for 2020, evaluating the reasonableness of the assumptions used and the sufficiency of the inflows and outflows of funds envisaged in the aforementioned estimates, as well as the liquidity available to cover the Group's financial needs.

In addition, we evaluated the probability that the maturity of the financing of the Autopista del Norte project in Peru would be extended based on the current status of the negotiations and the evidence of the temporary waiver granted by the sole shareholder in relation to the debt payable.

Also, we evaluated the sensitivity analyses prepared by the Group on the assumptions most sensitive to changes.

Lastly, we checked that the disclosures included in Notes C.15, C.16, C.17 and D.1.1.1 to the accompanying consolidated financial statements in connection with these matters were in conformity with those required by the applicable accounting regulations.

Investments in concession arrangements

Description

At 31 December 2019, the Group had recognised EUR 8,369,197 thousand as investments in infrastructure concession arrangements, regulated for accounting purposes by IFRIC 12, the remuneration of which depends on the terms and conditions of the various concession arrangements entered into with the respective grantors. These arrangements include most notably certain concession arrangements in Mexico totalling EUR 7,370,337 thousand, which include, as a form of remuneration, certain mechanisms that guarantee an unconditional right for the concession operator to obtain a minimum return.

The measurement of the investments in the concession arrangements is a significant matter in our audit since it requires the Parent's directors to make judgements in relation to the estimates that take into account the users of the various infrastructure items, the actions envisaged in relation to operation and maintenance, replacements and major repairs, CPI curves and the effects that the COVID-19 crisis situation described in Note E could have on the Group's future operations, among others, on the basis of which the calculations of their recoverability are made.

In particular, the measurement of the investment in the Autopista del Norte concession arrangement in Peru, with concession infrastructure amounting to EUR 267,637 thousand and associated project finance amounting to EUR 93,772 thousand at 2019 year-end, envisages, inter alia, the extension to long term of the maturity of the borrowings, currently maturing in 2020 and under negotiation as described in the *Financial position* significant matter in our audit, and in relation to which there is a security interest in all the shares representing its share capital as security for the repayment thereof.

Procedures applied in the audit

Our audit procedures included, among others, the evaluation of the assumptions used by the Group for its main estimates of users of the various infrastructure items, the actions envisaged in relation to operation and maintenance, replacements and major repairs and CPI curves, and the probability that the maturity of the financing of the Autopista del Norte project in Peru would be extended.

Also, we checked the consistency of the actual records with the estimates considered in the economic and financial models of prior years.

In addition, we performed sensitivity analyses on the key assumptions most sensitive to changes.

Lastly, we checked whether there were any changes in the various concession arrangements that might modify the terms and conditions thereof and evaluated the impact of any such changes on the accounting treatment applied by the Parent's directors.

Notes B.6.2, B.6.5, C.2 and E to the accompanying consolidated financial statements contain the disclosures on the assets relating to the various concession arrangements and, specifically, the accounting estimates and judgements made by the directors, including the information on the effects that the COVID-19 crisis situation could have on the Group's future operations.

Recognition of other income arising from guaranteed minimum revenue

Description

As a consequence of the concession arrangements awarded to the Group in Mexico, which have guaranteed minimum revenue clauses granting the concession operator the unconditional right to recover, as appropriate, either the capital invested or the total investment made, plus an annual guaranteed internal rate of return, the Group recognises income from collection rights up to the guaranteed minimum revenue pursuant to the terms and conditions of the related concession arrangement under "Other Operating Income" in the consolidated statement of profit or loss for the year.

The recognition of this income, which involved recognising EUR 615,288 thousand in 2019, is complex and requires the Parent's directors to use significant judgement and estimates in calculating it. These amounts will be recovered through the obtainment, in subsequent years, of revenue in excess of the guaranteed revenue in the normal course of the operation of the concessions or, if the time to return the concessions is reached without the guaranteed minimum revenue having been obtained, by means of a final payment in cash. Accordingly, this matter was an area of significant auditor attention in our audit.

Procedures applied in the audit

Our audit procedures included the analysis of the correct recognition of the income from collection rights up to the guaranteed minimum revenue to be recovered for the year pursuant to the terms and conditions of the related concession arrangement and the applicable accounting legislation.

Also, we checked whether there were any changes in the various concession arrangements that might modify the terms and conditions thereof and evaluated the impact of any such changes on the accounting treatment applied by the Parent's directors.

Notes B.6.2, B.6.14 and C.21.2 to the accompanying consolidated financial statements contain the disclosures on the assets relating to the various concession arrangements.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2019, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the information contained in the consolidated directors' report is defined in the audit regulations in force, which establish two distinct levels of responsibility in this regard:

- a) A specific level that applies to the consolidated non-financial information statement, which consists solely of checking that the aforementioned information has been provided in the consolidated directors' report, or, as the case may be, that the consolidated directors' report contains the corresponding reference to the separate report on non-financial information as provided for in the applicable legislation and, if this is not the case, reporting this fact.
- b) A general level applicable to the other information included in the consolidated directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above was presented in the separate "consolidated non-financial information statement" report to which a reference was included in the consolidated directors' report, and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2019 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Parent's Directors for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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.

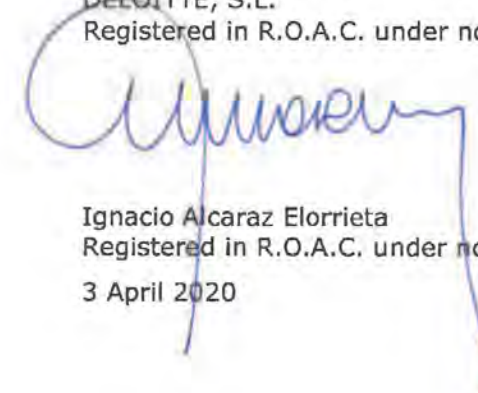
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 the audit regulations in force 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 financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description, which is on pages 8 and 9, forms part of our auditor's report.

DELOITTE, S.L.
Registered in R.O.A.C. under no. S0692



Ignacio Alcaraz Elorrieta
Registered in R.O.A.C. under no. 20.687
3 April 2020

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the use by the Parent's directors 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 financial statements 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

From the significant risks communicated with the Parent's directors, we determine those risks that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

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



ALEATICA

Smart & Sustainable Infrastructure

Annual accounts
consolidated and report
corresponding management
to the year ended
December 31, 2019

Contents

CONSOLIDATED FINANCIAL STATEMENTS

• Consolidated balance sheets as at 31 December 2019 and 2018	1
• Consolidated statements of profit or loss for the years ended 31 December 2019 and 2018	3
• Consolidated statements of comprehensive income for the years ended 31 December 2019 and 2018	4
• Consolidated statements of changes in equity for the years ended 31 December 2019 and 2018	5
• Consolidated statements of cash flows for the years ended 31 December 2019 and 2018	6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A.- GENERAL INFORMATION

A.1 – Company name and registered office	7
A.2 – Lines of business	7
A.3 – Profit for the year, changes in equity attributable to the Parent and changes in cash flows	7
A.4 – Proposed allocation of loss	8
A.5 – Earnings per share	9

B.- BASIS OF PRESENTATION AND BASIS OF CONSOLIDATION

B.1 – Basis of presentation	9
B.2 – International Financial Reporting Standards (IFRSs)	10
B.3 – Functional and presentation currency	13
B.4 – Responsibility for the information and use of estimates	13
B.5 – Basis of consolidation	13
B.6 – Accounting principles and policies and measurement bases used	16

C.- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C.1 – Intangible assets	30
C.2 – Concession infrastructure	31
C.3 – Property, plant and equipment	39
C.4 – Financial assets	40
C.5 – Investments accounted for using the equity method	41
C.6 – Non-current assets classified as held for sale	42
C.7 – Trade and other receivables	42

C.8 – Cash and cash equivalents	43
C.9 – Share capital	43
C.10 – Share premium and other shareholder contributions	43
C.11 – Reserves	44
C.12 – Valuation adjustments and translation differences	45
C.13 – Non-controlling interests	46
C.14 – Debt instruments and other marketable securities	48
C.15 – Bank borrowings	49
C.16 – Other financial liabilities	51
C.17 – Other liabilities	55
C.18 – Trade and other payables	56
C.19 – Provisions	56
C.20 – Tax matters	57
C.21 – Income and expenses	62
C.22 – Consolidated statement of cash flows	66

D.- OTHER DISCLOSURES

D.1 – Risk control	67
D.2 – Number of employees	74
D.3 – Related party transactions	74
D.4 – Concession arrangements – years elapsed and years remaining	76
D.5 – Contingent assets and liabilities	76
D.6 – Remuneration of directors and senior executives	79
D.7 – Fees paid to auditors	80

E.- EVENTS AFTER THE REPORTING PERIOD

F. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

Appendix I. – Detail of the companies included in the scope of consolidation at 31 December 2019	83
Appendix II. – Identification of the most significant companies composing the consolidated Group at 31 December 2019	84
Appendix III. – Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2019	85
Appendix IV. – Detail of the changes in the scope of consolidation at 31 December 2019	86

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2019 AND 2018

EQUITY AND LIABILITIES	Notes	31/12/19	31/12/18
EQUITY			
Share capital	C.9.	167,455	167,455
Share Premium	C.10.	432,624	432,624
Other shareholder contributions	C.10.	5,054	5,054
Reserves	C.11.	13,789	44,622
Reserves of consolidated companies	C.11.	2,040,996	1,920,432
Valuation adjustments	C.12.	(399,166)	(552,327)
Consolidated profit for the year attributable to the Parent	C.22.	174,052	123,394
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT		2,434,804	2,141,254
Non-controlling interests	C.13.	2,813,835	2,419,191
TOTAL EQUITY		5,248,639	4,560,445
NON-CURRENT LIABILITIES			
Debt instruments and other marketable securities	C.14.		
Corporate bond issues		222,058	210,687
Bond issues of concession operators		731,587	653,549
		953,645	864,236
Bank borrowings	C.15.		
Mortgage and other loans		126,350	95,434
Loans of concession operators		892,171	786,354
		1,018,521	881,788
Other financial liabilities	C.16.	39,056	3,491
Deferred tax liabilities	C.20.	1,711,575	1,451,973
Provisions	C.19.	113,278	121,027
Deferred income		57	54
Other non-current liabilities	C.17.	24,549	50,994
TOTAL NON-CURRENT LIABILITIES		3,860,681	3,373,563
CURRENT LIABILITIES			
Debt instruments and other marketable securities	C.14.		
Corporate bond issues		12,561	4,301
Bond issues of concession operators		7,469	6,438
		20,030	10,739
Bank borrowings	C.15.		
Mortgage and other loans		5,996	65,979
Loans of concession operators		157,298	240,214
Unmatured accrued interest payable		4,292	3,758
Unmatured accrued interest payable of concession operators		4,549	4,797
		172,135	314,748
Other financial liabilities	C.16.	646,931	615,007
Trade and other payables	C.18.		
Customer advances		7,888	7,781
Accounts payable for purchases and services		81,820	80,730
Notes payable		20	188
		89,728	88,699
Provisions	C.19.	51,375	51,807
Current income tax liabilities		21,509	24,679
Other current liabilities	C.17.		
Payable to associates		732	720
Remuneration payable		10,634	4,546
Tax payables	C.20.	42,492	29,745
Other non-trade payables		40,198	62,219
Guarantees and deposits received		63	60
Other		442	6,856
		94,561	104,146
TOTAL CURRENT LIABILITIES		1,096,269	1,209,825
TOTAL EQUITY AND LIABILITIES		10,205,589	9,143,833

Note: the accompanying Notes A.1. to F and the Appendices are an integral part of the consolidated balance sheet as at 31 December 2019.

Thousands of euros

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2019 AND 2018

ASSETS	Notes	31/12/19	31/12/18
NON-CURRENT ASSETS			
Intangible assets	C.1.		
Other intangible assets		27,871	8,683
Accumulated amortisation		(13,311)	(7,018)
		14,560	1,665
Concession infrastructure	C.2.		
Intangible asset model		805,140	761,811
Financial asset model		7,564,057	6,529,405
		8,369,197	7,291,216
Property, plant and equipment	C.3.		
Land and buildings		2,381	2,502
Machinery		10,107	10,500
Other fixtures, tools and furniture		7,253	8,600
Advances and property, plant and equipment in the course of construction		645	238
Other items of property, plant and equipment		18,543	15,268
Accumulated depreciation and impairment losses		(23,073)	(22,062)
		15,856	15,046
Non-current financial assets	C.4.		
Investment securities		11,641	11,116
Other receivables		39,472	50,197
Deposits and guarantees given		64,599	830
		115,712	62,143
Investments accounted for using the equity method	C.5.	346,042	361,321
Deferred tax assets	C.20.	369,897	355,737
TOTAL NON-CURRENT ASSETS		9,231,264	8,087,128
CURRENT ASSETS			
Non-current assets classified as held for sale	C.6.	32,140	-
Inventories			
Embodiment items, fungibles and replacement parts for machinery		1,337	1,545
Auxiliary shop projects and site installations		1	1
Advances to suppliers and subcontractors		8,346	40,484
		9,684	42,030
Trade and other receivables	C.7.		
Trade receivables for sales and services		19,467	14,358
Receivable from associates		12,215	12,881
Employee receivables		347	447
Tax receivables	C.20.	50,778	35,858
Sundry accounts receivable		109,005	76,961
Write-downs		(2,054)	(1,389)
		189,758	139,116
Current financial assets	C.4.		
Other receivables		299,337	263,002
Deposits and guarantees given		32,984	91,372
Write-downs		-	(1)
		332,321	354,373
Current income tax assets		16,410	21,725
Other current assets		11,418	12,245
Cash and cash equivalents	C.8.	382,594	487,216
TOTAL CURRENT ASSETS		974,325	1,056,705
TOTAL ASSETS		10,205,589	9,143,833

Note: the accompanying Notes A.1. to F and the Appendices are an integral part of the consolidated balance sheet as at 31 December 2019.

Thousands of euros

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A.U. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS
OF PROFIT OR LOSS FOR THE YEARS
ENDED 31 DECEMBER 2019 AND 2018**

	Notes	2019	2018
Revenue	C.21.	568,413	510,056
Other operating income	C.21.	647,497	713,877
TOTAL OPERATING INCOME		1,215,910	1,223,933
Changes in inventories of finished goods and work in progress	C.21.		
Procurements		(118,946)	(108,476)
Staff costs		(83,034)	(74,597)
Depreciation and amortisation charge		(21,441)	(34,753)
Changes in provisions and allowances		(39,492)	(49,632)
Other operating expenses	C.21.	(75,959)	(124,272)
PROFIT FROM OPERATIONS		877,038	832,203
Finance income	C.21.	55,467	60,263
Finance costs		(275,744)	(295,395)
Net exchange differences		4,404	(5,449)
Net gains (losses) on remeasurement of financial instruments at fair value	C.21.	892	(466)
Result of companies accounted for using the equity method	C.21.	28,495	27,862
Impairment and gains or losses on disposals of financial instruments	C.21.	(14,213)	1,080
PROFIT BEFORE TAX		676,339	620,098
Income tax	C.20.	(211,846)	(199,336)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		464,493	420,762
Profit/Loss for the year from discontinued operations, net of tax		-	-
CONSOLIDATED PROFIT FOR THE YEAR		464,493	420,762
Profit from continuing operations attributable to non-controlling interests	C.13.	(290,441)	(297,368)
CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT	C.21.	174,052	123,394
Earnings/(Loss) per share:			
Basic = Diluted	A.5.	1.04	0.74

Note: the accompanying Notes A.1. to F and the Appendices are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2019.

Thousands of euros

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A.U. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS
OF COMPREHENSIVE INCOME FOR THE YEARS
ENDED 31 DECEMBER 2019 AND 2018**

	2019	2018
CONSOLIDATED PROFIT FOR THE YEAR	464,493	420,762
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	266,946	203,312
Arising from cash flow hedges	(26,034)	12,394
Translation differences	285,058	194,492
Tax effect	7,922	(3,574)
TRANSFERS TO PROFIT OR LOSS	(195)	2,032
Arising from cash flow hedges	(278)	2,715
Tax effect	83	(683)
TOTAL COMPREHENSIVE INCOME	731,244	626,106
Attributable to the Parent	299,932	220,746
Attributable to non-controlling interests	431,312	405,360

Note: the accompanying Notes A.1. to F and the Appendices are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2018.

Thousands of euros

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A.U. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018**

	Equity attributable to the Parent					Non-controlling interests	Total equity
	Share capital	Share premium, other shareholder contributions and reserves	Consolidated profit for the year attributable to the Parent	Valuation adjustments	Total equity attributable to the Parent		
Balance at 31 December 2017	167,455	2,742,372	228,073	(649,679)	2,488,221	2,014,263	4,502,484
Effect of initial application of IFRS 9	-	(615)	-	-	(615)	(392)	(1,007)
Balance at 1 January 2018	167,455	2,741,757	228,073	(649,679)	2,487,606	2,013,871	4,501,477
Total comprehensive income	-	-	123,394	97,352	220,746	405,360	626,106
Transactions with shareholders or owners	-	(567,637)	-	-	(567,637)	-	(567,637)
Extraordinary dividend	-	(567,637)	-	-	(567,637)	-	(567,637)
Other changes in equity	-	228,612	(228,073)	-	539	(40)	499
Transfers between equity items	-	228,073	(228,073)	-	-	-	-
Other changes	-	539	-	-	539	(40)	499
Ending balance at 31 December 2018	167,455	2,402,732	123,394	(552,327)	2,141,254	2,419,191	4,560,445
Total comprehensive income	-	-	174,052	125,880	299,932	431,312	731,244
Other changes in equity	-	89,731	(123,394)	27,281	(6,382)	(36,668)	(43,050)
Transfers between equity items	-	123,394	(123,394)	-	-	-	-
Other changes	-	(33,663)	-	27,281	(6,382)	(36,668)	(43,050)
Ending balance at 31 December 2019	167,455	2,492,463	174,052	(399,166)	2,434,804	2,813,835	5,248,639

Note: the accompanying Notes A.1. to F and the Appendices are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2019.

Thousands of euros

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

	2019	2018
Cash flows from operating activities	322,683	240,383
Profit before tax	676,339	620,098
Depreciation and amortisation charge	21,441	34,753
Other adjustments to profit (Note C.22.)	(375,097)	(414,468)
(Increase)/Decrease in working capital	(72,590)	438,120
(Increase)/Decrease in current assets (less cash and cash equivalents)	(40,318)	460,654
Increase/(Decrease) in non-financial current liabilities	(32,272)	(22,534)
Other proceeds (payments) relating to operating activities	(100,527)	(186,912)
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES	149,566	491,591
Investments	(73,277)	(7,372)
Property, plant and equipment	(5,664)	(5,641)
Concession infrastructure	(36,976)	16,781
Intangible assets	(16,276)	(385)
Current and non-current financial assets	(47,043)	(5,387)
Investments accounted for using the equity method	32,682	(12,740)
Disposals	(625)	39,250
Property, plant and equipment	2,286	258
Concession infrastructure	2	-
Intangible assets	208	14
Non-current financial assets	(14,213)	1,080
Investments accounted for using the equity method	11,092	37,898
TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES	(73,902)	31,878
Dividends paid	-	(567,637)
Increase/(Decrease) in borrowings	(8,422)	26,839
Non-current	132,716	(212,333)
Current	(141,138)	239,172
Net interest	(214,981)	(241,047)
Finance income per statement of profit or loss	55,467	60,263
Finance costs per statement of profit or loss	(270,448)	(301,310)
Capital increases and other shareholder contributions	-	5,054
Other proceeds (payments) relating to financing activities	29,392	219,837
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES	(194,011)	(556,954)
TOTAL NET CASH FLOWS FOR THE YEAR	(118,347)	(33,485)
Cash and cash equivalents at beginning of year	487,216	507,290
Exchange differences on foreign currency cash and cash equivalents	13,725	13,411
CASH AND CASH EQUIVALENTS AT END OF YEAR	382,594	487,216

Note: The accompanying Notes A.1 to F and the Appendices are an integral part of the consolidated statement of cash flows for 2019.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes B and F). In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A. (SOLE-SHAREHOLDER COMPANY) and
SUBSIDIARIES

Notes to the Consolidated Financial Statements
for the year ended 31 December 2019

A.- General information

A.1.- Company name and registered office

ALEATICA, S.A. (Sole-Shareholder Company) ("the Parent") was incorporated under the name of OHL Concesiones as a private limited liability company in Madrid (Spain) on 27 November 2000 and its registered office is in Madrid at Paseo de la Castellana, 259 C - Torre Cristal.

On 28 June 2011, the corporate resolution to convert the private limited liability company (sole-shareholder company) into a public limited liability company (sole-shareholder company) was executed in a public deed.

On 20 July 2018, the corporate resolution to change the company name of the Parent from OHL Concesiones, S.A. (Sole-Shareholder Company) to the new name of ALEATICA, S.A. (Sole-Shareholder Company) ("ALEATICA, S.A.U.") was executed in a public deed.

On 12 April 2018, all of the shares of the Parent were transferred to its sole shareholder, Global Infraco Silver Spain, S.L.U. (a company controlled by IFM Investors Pty Ltd.).

A.2.- Lines of business

The objects of the companies composing the ALEATICA Group are the design, construction, execution, operation, management, administration, upkeep and concession of all manner of infrastructure and construction projects, mainly toll roads.

A.3.- Profit for the year, changes in equity attributable to the Parent and changes in cash flows

a) Profit for the year

The profit for 2019 attributable to the Parent amounted to EUR 174,052 thousand, representing 30.6% of revenue and a 41.1% increase on the figure for 2018.

	Thousands of euros		
	2019	2018	% change
Revenue	568,413	510,056	11.4
EBITDA	937,971	916,588	2.3
Depreciation and amortisation charge and change in provisions and allowances	(60,933)	(84,385)	(27.8)
EBIT	877,038	832,203	5.4
Financial and other results	(200,699)	(212,105)	(5.4)
Profit before tax	676,339	620,098	9.1
Income tax	(211,846)	(199,336)	6.3
Profit from continuing operations	464,493	420,762	10.4
Profit/Loss from discontinued operations, net of tax	-	-	N/A
Consolidated profit	464,493	420,762	10.4
Non-controlling interests	(290,441)	(297,368)	(2.3)
Profit attributable to the Parent	174,052	123,394	41.1

Note: EBITDA is calculated as profit from operations (EBIT) plus the depreciation and amortisation charge plus the change in provisions and allowances.

b) Changes in equity attributable to the Parent

The changes in the equity attributable to the Parent in 2019 and 2018 were as follows:

	Thousands of euros
Balance at 31 December 2017	2,488,221
Effect of initial application of IFRS 9	(615)
Balance at 1 January 2018	2,487,606
Net profit for 2018	123,394
Valuation adjustments:	
Hedging reserves	7,405
Translation differences	89,947
Extraordinary dividend	(567,637)
Other changes	539
Balance at 31 December 2018	2,141,254
Net profit for 2019	174,052
Valuation adjustments:	
Hedging reserves	(6,600)
Translation differences	159,761
Extraordinary dividend	-
Other changes	(33,663)
Balance at 31 December 2019	2,434,804

c) Changes in cash flows

The cash flows in 2019, classified into those arising from operating activities, investing activities and financing activities, compared with those for 2017, are summarised as follows:

Net cash flows	Thousands of euros		
	2019	2018	Difference
Operating activities	149,566	497,234	(347,668)
Investing activities	(73,902)	26,235	(100,137)
Financing activities:	(194,011)	(556,954)	362,943
Changes in borrowings	(8,422)	26,839	(35,261)
Other changes	(185,589)	(583,793)	398,204
Total net cash flows	(118,347)	(33,485)	(84,862)
Cash and cash equivalents at beginning of year	487,216	507,290	(20,074)
Exchange differences on cash and cash equivalents	13,725	13,411	314
Cash and cash equivalents at end of year	382,594	487,216	(104,622)

A.4.- Proposed allocation of loss

The allocation of the Parent's loss for 2019 that the Parent's directors will submit for approval by the sole shareholder is as follows:

	Thousands of euros
2019 loss	(24,944)
<u>Allocation to:</u>	
Prior years' losses	(24,944)

A.5.- Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

Diluted earnings per share are calculated in a similar way to basic earnings per share; however, the weighted average number of shares outstanding is increased by share options, warrants and convertible debt.

In 2019 and 2018 there were no differences between the basic earnings per share and diluted earnings per share.

	2019	2018
Consolidated profit for the year attributable to the Parent (thousands of euros)	174,052	123,394
Weighted average number of shares outstanding	167,454,700	167,454,700
Earnings per share of consolidated profit attributable to the Parent:		
Basic = Diluted	1.04	0.74

B.- Basis of presentation and basis of consolidation

B.1.- Basis of presentation

The consolidated financial statements for 2019 of the ALEATICA Group were formally prepared:

- By the Parent's directors at their Board of Directors Meeting held on 31 March 2020.
- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.
- Taking into account all the mandatory accounting principles and policies and measurement bases with a significant effect on the consolidated financial statements. Note B.6 summarises the most significant accounting principles and policies and measurement bases applied in the **preparation of the Group's 2019 consolidated financial statements.**
- **So that they present fairly the Group's consolidated equity** and consolidated financial position at 31 December 2019, and the results of its operations, the changes in consolidated equity and the consolidated cash flows for 2019.
- On the basis of the accounting records kept by the Parent and by the other Group companies.

However, since the accounting principles and policies and measurement bases used in preparing the Group's consolidated financial statements for 2019 differ from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the accounting principles and policies and measurement bases used and to make them compliant with International Financial Reporting Standards (IFRSs).

The Group's consolidated financial statements for 2018 were approved by the Parent's sole shareholder on 3 June 2019.

The 2019 consolidated financial statements of the Group and the 2019 financial statements of the Parent and of the Group companies, which were prepared by their respective Boards of Directors, have not yet been approved by their respective Annual General Meetings. However, the Parent's Board of Directors considers that they will be approved without any changes.

B.2.- International Financial Reporting Standards (IFRSs)

The accounting policies and methods used in preparing the consolidated financial statements as at 31 December 2019 are the same as those used in the consolidated financial statements for 2018, except for the following new standards and interpretations which came into force in 2019:

a) Entry into force of new accounting standards

In 2019 the following interpretations of standards came into force and, where applicable, were used by the Group in preparing the consolidated financial statements for 2019:

New standards, amendments and interpretations:		Obligatory application in annual reporting periods
Approved for use in the European Union		
IFRS 16, Leases	Supersedes IAS 17 and the related interpretations. The main development is the introduction of a single lessee accounting model in which all leases (with certain limited exceptions) with an impact similar to that of the existing finance leases (recognition of depreciation of the right-of-use asset and interest on the amortised cost of the lease liability) will be recognised in the balance sheet.	1 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	These amendments permit measurement at amortised cost of certain financial assets which may be put back to the issuer before maturity for an amount lower than the unpaid amounts of principal and interest on the principal amount outstanding.	
IFRIC 23, Uncertainty Over Income Tax Treatments	This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over whether the relevant taxation authority will accept a tax treatment used by an entity.	
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Clarify that IFRS 9 should be applied to long-term interests in an associate or joint venture to which the equity method is not applied.	
Amendments to IFRS 3, Business Combinations - Annual Improvements to IFRSs 2015-2017 Cycle	Obtaining control over a previously held joint operation.	
Amendments to IFRS 11, Joint Arrangements - Annual Improvements to IFRSs 2015-2017 Cycle	Obtaining control over a previously held joint operation that constitutes a business.	
Amendments to IAS 12, Income Taxes - Annual Improvements to IASs 2015-2017 Cycle	Income tax consequences of payments on financial instruments classified as equity.	
Amendments to IAS 23, Borrowing Costs - Annual Improvements to IASs 2015-2017 Cycle	Capitalisation of specific borrowing costs that remain outstanding after an asset is ready for its intended use.	
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Clarify how to determine current service cost and net interest for the remainder of the annual reporting period after a defined benefit plan amendment, curtailment or settlement.	

The only standard mentioned above that affects the Group is the entry into force of IFRS 16, Leases, which has given rise to changes in the accounting treatment for this type of agreement.

IFRS 16, Leases supersedes IAS 17, Leases, Interpretation IFRIC 4: Determining Whether an Arrangement Contains a Lease, Interpretation SIC-15, Operating Leases - Incentives and Interpretation SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

This standard entered into force on 1 January 2019 and was not adopted early.

This new standard introduces a single lessee accounting model. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The standard includes two exemptions to the recognition of rights of use in lessee accounting: leases for which the underlying asset is of low value and short-term leases (contracts with a lease term of 12 months or less).

IFRS 16 requires lessees to recognise in the consolidated balance sheet a financial liability at the present value of the remaining lease payments and an intangible asset for the right to use the underlying asset, which is measured by reference to the amount of the associated liability, to which are added the initial direct costs incurred.

In addition, the expenses relating to these leases are presented, in accordance with the requirements of IFRS 16, as a depreciation charge for the right-of-use asset and as the interest expense on the lease liabilities. As regards the accounting of the lessor, the standard does not vary substantially and the lessor must continue to classify the lease as either an operating lease or a finance lease, depending on the extent to which the risks and rewards of ownership are substantially transferred.

The Group has applied the following policies, estimates and criteria:

The Group opted to apply the modified retrospective approach, based on which no comparative figures from previous years were restated, and recognised the impacts at 1 January 2019. It was also decided to measure the initial right-of-use asset at an amount equal to the lease liability at 1 January 2019 for all leases.

The exemption from recognition was applied to leases in which the underlying asset was of low value (less than EUR 5,000) and short-term leases (expiry within 12 months).

The practical expedient set out in paragraph C3 of Appendix C of IFRS 16, which states that an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application, has been applied.

The Group chose not to recognise components that are not leases separately from those that are leases for those classes of assets for which the value of these components is not material with respect to the total value of the lease.

An incremental effective borrowing rate was applied on the basis of a portfolio of leases with similar characteristics, in the same country and with similar lease terms, obtained in each case from market data. The Group uses an average interest rate of 7.4%.

To determine the term of the leases as the non-cancellable period, the initial term of each lease was considered, unless the Group has a unilateral option to extend or terminate the lease and there is reasonable assurance that this option will be exercised, in which case the corresponding term of the extension or early termination will be considered. Specifically, the leases in force at 1 January 2019 and expiring after 1 January 2020 were capitalised for the remaining term until the expiry thereof in accordance with the lease. The leases in force and expiring in 2019 were capitalised only if there was reasonable assurance that they would be renewed or if the extension clause established that they could be renewed tacitly or automatically. In such cases, it was considered that the renewal would be for a period equal to the previous period (provided that it does not exceed three years), since there is no reasonable assurance that it will be extended beyond that three-year period.

The reconciliation of the operating lease obligations disclosed in the consolidated financial statements of the Group at 31 December 2018 to the lease liabilities recognised in the consolidated balance sheet as at 1 January 2019 is as follows:

Operating lease obligations at 31 December 2018	23,539
Financial discount of future payments	(5,287)
Leases of low-value assets and short-term leases	(2,869)
Lease liabilities at 1 January 2019	15,383

The Group opted to recognise these leases under "Intangible Right-of-Use Assets", irrespective of the nature of the leased asset, on the grounds that this classification enables greater traceability of the information. The nature of the leased assets is indicated in Note C.1.

The other standards, amendments thereto and interpretations are not expected to have a significant impact, either because they do not affect the Group directly or because they do not give rise to significant changes.

b) Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
Definition of a Business (Amendments to IFRS 3)	Clarifications of the definition of a business.	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Amendments to IFRS 9, IAS 39 and IFRS 7 relating to the interest rate benchmark reform.	

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Not yet approved for use in the European Union		
IFRS 17, Insurance Contracts	Supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, the objective being to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.	1 January 2021 ⁽¹⁾
Definition of Material (Amendments to IAS 1 and IAS 8)	Amendments to IAS 1 and IAS 8 to align the definition of material with the definition contained in the Conceptual Framework.	1 January 2020

⁽¹⁾ The IASB has proposed that the application of this standard be deferred until 1 January 2022.

The Group is assessing the impact of the aforementioned standards, although it does not consider that it will be significant.

The Group's consolidated financial statements for the year ended 31 December 2019 were prepared in accordance with International Financial Reporting Standards (IFRS).

All the accounting principles or measurement bases with a material effect on the consolidated financial statements at 31 December 2019 were applied in preparing them.

B.3.- Functional and presentation currency

The consolidated financial statements are presented in euros since this is the currency of the **economic area in which the Group's Parent operates. Foreign operations are accounted for in accordance with the policies established in Note B.6.10.**

B.4.- Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the Parent's directors.

In the consolidated financial statements for 2019 estimates were occasionally made by the senior executives of the Group and of the Group companies, later ratified by their directors, in order to quantify certain of the assets, liabilities, income and expenses reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes B.6.5. and C.2.),
- The useful life of the intangible assets and property, plant and equipment (see Notes B.6.1. and B.6.3.).
- The recognition of construction contract revenue and costs (see Note B.6.14.).
- The future traffic on the toll roads for the purpose of preparing financial information in accordance with IFRIC 12 (see Notes B.6.2., B.6.5. and C.2.).
- The amount of certain provisions (see Notes B.6.13. and C.19.).
- The fair value of the assets acquired in business combinations and goodwill.
- The fair value of certain unquoted assets.
- The assessment of possible operational and occupational risk prevention and tax contingencies (see Notes C.19., C.20. and D.5.).
- Financial risk management (see Note D.1.).

Although these estimates were made with the best information available at 31 December 2019, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied, pursuant to IAS 8, by recognising the effects of the change in estimates in the related consolidated statement of profit or loss.

As required by IAS 1, the information relating to 2018 is presented, for comparison purposes, with the information relating to 2019 and, accordingly, it does not constitute the Group's complete consolidated financial statements for 2018.

B.5.- Basis of consolidation

a) Subsidiaries:

Subsidiaries are defined as companies over which the Parent has the capacity to exercise control; control is presumed to exist when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Pursuant to IFRS 10, Consolidated Financial Statements, the Parent controls an investee if and only if it has all of the following:

- Power over the investee

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of its returns.

The financial statements of the subsidiaries are fully consolidated with those of the Parent and, therefore:

- The results from intra-Group transactions are eliminated on consolidation and are deferred until they are realised vis-à-vis non-Group third parties.
- Receivables, payables, income and expenses between consolidated Group companies are eliminated in the consolidated financial statements.
- Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts arising as a result of the acquisitions is allocated to certain assets and liabilities up to the limit of the fair value of each item.
- After allocation of the excess to assets and liabilities, any remaining positive difference is **recognised under "Goodwill" on the asset side of the consolidated balance sheet.**
- If the difference between the acquisition cost of the investments and their underlying carrying amount is negative, it is taken to consolidated income.
- The share of non-controlling interests in the equity of the investees is presented under **"Equity – Non-Controlling Interests" in the consolidated balance sheet.**
- The share of non-controlling interests in the profit or loss for the year is presented under **"Profit from Continuing Operations Attributable to Non-Controlling Interests" in the consolidated statement of profit or loss.**

b) Joint operations:

A joint operation is a contractual arrangement whereby two or more entities that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The financial statements of the joint operations are proportionately consolidated.

The assets and liabilities assigned by the Group to jointly controlled operations are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated statement of profit or loss on the basis of the nature of the related items.

c) Joint ventures:

A joint venture is an arrangement whereby two or more entities that have joint control of the arrangement do not have rights to the assets, or obligations for the liabilities, but rather have rights to the net assets relating to the arrangement.

In the consolidated financial statements, joint ventures are accounted for using the equity method, and therefore:

- They are accounted for at the Group's share of their net assets, less any impairment of the investment.
- The proportional part of the equity of the associate attributable to the Group is compared with the cost of acquisition of the investment, and any excess or deficiency attributable to

identified assets and liabilities will increase or reduce the initial measurement thereof.

- **Any remaining excess is recognised under "Investments Accounted for Using the Equity Method" on the asset side of the consolidated balance sheet, whereas any remaining deficiency is allocated to consolidated profit or loss.**
- If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support, in which case the related provisions to cover the risk would be recorded.

d) Associates:

Associates are companies over which the Parent is in a position to exercise significant influence, but not control or joint control with other shareholders.

In the consolidated financial statements, investments in associates are accounted for using the equity method. Accordingly:

- They are accounted for at the Group's share of their net assets, less any impairment of the investment.
- The proportional part of the equity of the associate attributable to the Group is compared with the cost of acquisition of the investment, and any excess or deficiency attributable to identified assets and liabilities will increase or reduce the initial measurement thereof.
- **Any remaining excess is recognised under "Investments Accounted for Using the Equity Method" on the asset side of the consolidated balance sheet, whereas any remaining deficiency is allocated to consolidated profit or loss.**
- If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support, in which case the related provision to cover the risk would be recognised on the liability side of the consolidated balance sheet.

e) Scope of consolidation:

The companies included in the scope of consolidation at 31 December 2019 are detailed in Appendix I.

The activities, the registered offices, the detail of equity and the net cost of the investment relating to the most significant companies included in the scope of consolidation are shown in Appendices II and III.

f) Changes in the scope of consolidation and other corporate transactions:

The changes in the scope of consolidation in 2019 were as follows:

Inclusions of companies	No. of companies
Full consolidation	1
Equity method	-
Total inclusions	1

Exclusions	No. of companies
Full consolidation	3
Equity method	-
Total exclusions	3

The detail of the companies included in or excluded from the scope of consolidation is disclosed in Appendix IV.

The most representative acquisitions, sales and other corporate transactions involving equity investments in other entities were as follows:

- Company mergers:
 - ALEATICA C. Emisiones, S.A.U.
 - Partícipes en Metro LigerO Oeste, S.L.
 - Vincida Grupo de Inversiones 2006, S.L.

On 16 July 2019, the merger by absorption of ALEATICA, S.A.U., the absorbing company, and ALEATICA C. Emisiones, S.A.U., Partícipes en Metro LigerO Oeste, S.L. and Vincida Grupo de Inversiones 2006, S.L., the absorbed companies, was executed. This transaction was registered at the Madrid Mercantile Registry on 26 July 2019.

In all cases, these transactions did not have a material impact on the consolidated financial statements.

Meanwhile, the changes in the scope of consolidation in 2018 related to the incorporation of three companies and to the sale and dissolution of five companies, which had no impact on the Group.

B.6.- Accounting principles and policies and measurement bases used

The accounting principles and policies and measurement bases applied in preparing the Group's consolidated financial statements for 2019 were as follows:

1. Intangible assets

Intangible assets are recognised initially at acquisition or production cost.

They are subsequently measured at acquisition or production cost less any accumulated amortisation and any accumulated impairment losses.

"Intangible Assets" includes the costs arising from the installation and acquisition of computer software, which is amortised on a straight-line basis over a maximum period of five years.

It also includes development expenditure, which is capitalised if it meets the requirements of identifiability, reliability in cost measurement and high probability that the assets created will generate economic benefits. This expenditure is amortised on a straight-line basis over the useful life of the asset.

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

2. Concession infrastructure

Concession infrastructure includes investments made by the Group companies that are infrastructure concession operators, which are recognised in accordance with IFRIC 12, Service Concession Arrangements.

IFRIC 12 relates to the accounting of private sector operators involved in providing infrastructure assets and services to the public sector. This interpretation establishes that in concession arrangements, the operator must not recognise the infrastructure assets as property, plant and equipment but must instead classify the assets as intangible assets or financial assets.

a) Concession infrastructure classified as an intangible asset:

An intangible asset arises when the operator provides construction or upgrade services and receives a right to operate the infrastructure for a specified period of time after the construction has been completed, in which the **operator's future cash flows have not been specified, since they may vary on the basis of the extent that the asset is used, for which reason they are considered to be contingent.** In these cases the demand risk is borne by the concession operator and, accordingly, the concession is considered to be an intangible asset.

The intangible asset is measured at the fair value of the service provided, equal to the total payments made for its construction, including the construction costs incurred up to entry into service, such as studies and designs, compulsory purchases, costs of restoration of constructions, facilities and other similar items.

The intangible asset also includes borrowing costs incurred prior to the entry into service of the concession.

The concession infrastructure recognised as an intangible asset is amortised on the basis of the pattern of consumption (traffic) of these concession assets during the term of the concession only.

The contractual obligations to restore the infrastructure to a specified level of serviceability, pursuant to the terms and conditions of the licences or services, before it is handed over to the grantor in a specified condition at the end of the period of the concession arrangement, are covered by the recognition of provisions for major maintenance work. These provisions are recognised under "Long-Term Provisions" on the liability side of the consolidated balance sheet.

The grants financing the infrastructure are recognised as "Non-Current Liabilities - Other Financial Liabilities" until the conditions attaching to them have been fulfilled. At that time they are deducted from the cost of the infrastructure.

b) Concession infrastructure classified as a financial asset:

(i) *Arrangements under the financial asset model*

These are assets recognised by the concession operators, which represent the rights to operate administrative concessions and the unconditional contractual right to receive cash or another financial asset associated with certain concession arrangements where the demand risk is borne by the concession grantor.

The financial asset arises when an operator constructs or upgrades infrastructure and has an unconditional contractual right to receive a specified amount of cash or another financial asset over the term of the arrangement. This asset is subsequently measured at amortised cost, based on the best estimates of the flows to be received over the term of the concession, and the accrued interest, calculated using the effective interest rate method, on the expected cash inflows and outflows of the concession is recognised as "Other Operating Income" in the consolidated statement of profit or loss, since it is considered that these cash flows relate to the operating activities of the concessions.

All actions taken in relation to the concession infrastructure, such as maintenance and replacements, give rise to revenue from services which is recognised under "Other Operating Income" in the

consolidated statement of profit or loss.

The operating expenses incurred by the companies are accounted for on an accrual basis in the consolidated statement of profit or loss, giving rise to revenue from services which is recognised under "Other Operating Income".

The value of the financial asset is increased by the recognition of the construction services and their returns, and reduced by the associated net proceeds.

If there are significant changes in the estimates which are indicative of a material change in the effective interest rate applicable to the concession arrangement, the Group assesses the carrying amount of the financial asset and adjusts it prospectively, recognising the corresponding impairment loss if the net present value of the cash flows to be received over the concession term is lower than the carrying amount of the financial asset.

(ii) Arrangements with a guaranteed minimum revenue clause

In the case of certain Mexican concessions in which the Group holds interests (see Note C.2.), the concession arrangements grant the operator an unconditional right to recover, as appropriate, either the equity invested or the total investment made, plus an annual guaranteed internal rate of return (IRR), expressed in real terms and net of tax ("guaranteed minimum revenue"), which would give rise to an unconditional right to collect cash if, at the end of the concession term, the guaranteed minimum revenue had not been obtained.

The entire initial investment made, and all the actions taken in relation to infrastructure, such as upkeep and restoration actions, give rise to the recognition of income and of a financial asset. Also, toll revenue from users of the infrastructure is recognised.

The difference between the actual revenue, net of tax, obtained from operating these concessions and the guaranteed minimum revenue is also recognised as a financial asset, with a balancing entry under **"Other Operating Income" in the consolidated statement of profit or loss.**

3. Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and any recognised impairment loss.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Repairs that do not lead to a lengthening of the useful life of the assets and maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

The Group capitalises interest during the non-current asset construction period as indicated in Note B.6.18.

Group work on non-current assets is recognised at accumulated cost (external costs plus in-house costs).

Except for concession assets, depreciation 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 depreciation charge is recognised in the consolidated statement of profit or loss at rates based on the following years of estimated useful life of the various assets:

	Years of useful life
Buildings	25-50
Machinery	6-16
Other fixtures, tools and furniture	10
Other items of property, plant and equipment	3-5

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets of the same nature.

At each accounting close, the consolidated companies assess whether there is any internal or external indication that the carrying amounts of their property, plant and equipment items exceed their related recoverable amounts, i.e. the higher of the net amount which could be obtained if they were sold and the present value of the cash flows. If this is the case, the carrying amount of the asset in question is reduced to its recoverable amount and the future depreciation charges to the consolidated statement of profit or loss are adjusted in proportion to the adjusted carrying amount and the new remaining useful life of the asset should such a re-estimation be required.

Similarly, when there are indications of a recovery in the value of property, plant and equipment, the consolidated companies recognise the reversal of the impairment losses recognised in prior periods, and adjust the depreciation charges in future consolidated statements of profit or loss, up to the limit of the original cost of the related asset.

4. Investment property

"Investment Property" in the accompanying consolidated balance sheet reflects the values of the buildings and other structures held either to earn rentals or for capital appreciation as a result of future increases in market prices.

Borrowing costs attributable to these investments are capitalised during the construction period until the properties are ready for sale and are treated as an addition to the value of the investment. Interest income obtained from the short-term investment of cash surpluses is deducted from the cost of the investment.

Revenue and gains or losses are recognised when the assets are sold and the sale to the buyer has been executed in a public deed, which is when the rights and obligations inherent thereto are transferred. Rental income is allocated to the consolidated statement of profit or loss on an accrual basis.

In leases, expenses are recognised on an accrual basis and all maintenance, management and impairment costs relating to the leased assets are charged to income.

At the end of each reporting period, the Group analyses whether the carrying amount of investment property exceeds fair value and, if so, it makes the appropriate valuation adjustment in the consolidated statement of profit or loss by recognising an impairment loss to reduce the carrying amount to fair value.

5. Impairment of non-current assets

At the end of each reporting period, the consolidated companies assess whether there is any internal or external indication that the carrying amounts of their assets exceed their recoverable amounts, i.e. the higher of the net amount which could be obtained if they were sold and the present value of the cash flows. If any such indication exists, the carrying amount of the assets is reduced to the recoverable amount and the future depreciation and amortisation charges in the consolidated statement of profit or loss are adjusted in proportion to the adjusted carrying amounts and new useful lives.

The indications of impairment considered for these purposes are, inter alia, the operating losses or negative cash flows during the period if they are combined with a track record or projections of losses, decline in value and depreciation/amortisation taken to profit or loss, which, in percentage terms, in relation to revenue, are substantially higher than those from previous years, effects of

obsolescence, reduction in the demand for the services provided, competition and other economic and legal factors.

Any impairment is recognised where the carrying amount exceeds the recoverable amount, calculated as the present value of the cash flows.

Similarly, when there are indications that the value of the assets has recovered, the consolidated companies recognise the reversal of the impairment losses recognised in prior periods and adjust the depreciation and amortisation charges in future consolidated statements of profit or loss up to a maximum of the original cost of the related asset.

The following criteria are applied for each non-current asset:

(i) Concession infrastructure

The present value of the expected future cash flows is estimated using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the asset, both during the use of the asset and from the possible disposal of the asset at the end of its useful life.

The main variables taken into consideration are as follows:

➤ **Revenue:**

Revenue to be earned over the concession term is estimated on the basis of the combination of various elements:

- Firstly, a traffic study is conducted based on actual verification of the traffic, with a distinction made between categories of vehicles (cars, lorries, etc.). These studies are either conducted internally (by specialist Group staff) or through specialist external companies.
- The second phase consists of applying the estimated annual percentage of growth over the term of the concession to the traffic study. To this end, a forecast of expected growth in gross domestic product (GDP) for each country, estimated by non-Group sources, is commonly used.
- The third phase consists of applying the rates for each vehicle type and updating them over the term of the concession. For this purpose, the agreed-upon rates in the concession arrangement are initially applied and for subsequent years the consumer price index (CPI) for each country is generally used. In certain cases, an additional percentage is applied depending on whether covenants exist that are conditional upon the achievement of certain volumes of traffic, the opening of new sections, etc.

➤ **Costs:**

Internal studies are conducted to determine/estimate the operating, maintenance and repair costs to be incurred over the term of the concession.

Once the projection of revenue and costs is made, the related discount rate is applied to the free cash flows in order to calculate the present value of the future flows. The discount rate takes into consideration, among other factors, the risk specific to the type of business and country risk.

The period used for discounting the cash flows is the number of years of remaining life of each concession.

For those concession operators with a guaranteed revenue clause, investment recovery relies mainly on the guaranteed revenue clause which is included in the concession arrangement.

When, due to the particular circumstances of a concession, the concession grantor is requested to restore the economic feasibility of the concession, the Group considers the value of the cash flows discounted over the concession term on the basis of the economic and financial model, as well as the minimum recoverable amount calculated as the contractual amount that would be received by the Group in the event of liquidation or termination.

When annulment of the concession arrangement has been requested, with the reimbursement of the amounts claimed from the public sector entity, the Group considers that the solution lies in the restoration of the economic feasibility of the concession or the early termination of the concession arrangement and, accordingly, used the early termination value, the formula for which is contractually defined in the administrative specifications of each concession.

6. Financial assets

IFRS 9, Financial Instruments sets out the requirements for recognising and measuring financial assets and financial liabilities.

The standard affects the classification and measurement of financial assets, whereby the method of measurement is determined on the basis of two concepts: the contractual cash flow characteristics of the financial asset and the entity's business model for managing it.

The following three categories are established: amortised cost; fair value through other comprehensive income (equity); and fair value through profit or loss. The Group's financial assets are mainly assets that are held to maturity the cash flows in relation to which are solely payments of principal and interest. Therefore, according to these characteristics, the financial assets are measured at amortised cost.

Also, the Group, where necessary, recognises an impairment loss for expected credit losses pursuant to IFRS 9. To calculate the aforementioned impairment the Group uses a methodology in which certain percentages that reflect the expected credit losses based on the credit profile of the counterparty (the customer, in the case of trade and other receivables and the grantor in the case of financial assets under IFRIC 12) are applied to the balances of the financial assets. These percentages reflect the probability of default occurring on the payment obligations and the percentage of loss, which, once the default occurs, is uncollectable. If a significant increase in credit risk since initial recognition is identified, the expected credit loss is calculated taking into account the probability of default over the lifetime of the asset.

For trade and other receivables, including contract assets, the Group applies the simplified approach. To calculate the expected credit loss, an average rating of the customers by activity and geographical area are obtained, and from this rating the percentages to be applied to the balances are obtained based on whether the customer is in the public or private sector and the industry within which this customer performs its business activity (solely in the case of private sector customers). Also, if the customer enters into insolvency, claim or non-payment proceedings, a default is deemed to have occurred and the customer's balance is provisioned in full. Therefore, the Group has established deadlines by customer type that determine the default and, consequently, the recognition of the loss allowance.

In the case of accounts receivable under the IFRIC 12 model (see Note C.2.), the loss allowance for expected credit losses is calculated individually for each asset based on the creditworthiness of the grantor. If the credit risk has not increased significantly, the calculation will be made for an amount equal to the expected credit losses over the next 12 months.

7. Transfers of financial assets and derecognition of financial assets and liabilities

The accounting treatment of the transfers of financial assets depends on the extent to which the risks and rewards associated with the transferred assets are contractually transferred to third parties.

Financial assets are only derecognised when they are realised or when the Group transfers substantially all the inherent risks and rewards and control thereover to third parties.

Financial liabilities are only derecognised when the obligations giving rise to them cease to exist.

8. Non-current assets and liabilities classified as held for sale

In accordance with IFRS 5, Non-Current Assets Classified as Held for Sale and Discontinued Operations, assets and liabilities are classified as non-current assets and liabilities held for sale when their carrying amount is expected to be recovered basically through a sale transaction rather than through continuing use.

The asset must be available for immediate sale, subject only to terms that are usual and customary for sales of such assets and liabilities, and its sale must be highly probable. The sale is considered highly probable when there is a commitment to a plan to sell the asset and an active programme to locate a buyer and complete the plan has been initiated. Also, the sale must be expected to qualify for full recognition within one year from the date of classification.

Non-current assets classified as held for sale are not depreciated, but rather are measured at the lower of consolidated carrying amount and fair value less costs to sell.

9. Inventories

"Inventories" in the consolidated balance sheet includes the assets that the consolidated companies:

- Hold for sale in the ordinary course of their business.
- Have in the process of production, construction or development for such sale; or
- Expect to consume in the production process or in the provision of services.

All inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less all the costs required to complete the production of inventories and to sell them.

10. Foreign currency

The items included in the financial statements of each of the Group companies are measured in their respective functional currencies.

The consolidated financial statements are presented in euros, which is the Parent's functional and presentation currency.

In the separate financial statements of the Group companies, foreign currency balances and transactions are translated as follows:

- Transactions performed during the year in currencies other than the functional currency are translated at the exchange rates prevailing at the date of the transaction.
- Monetary asset and liability balances denominated in currencies other than the functional currency (cash and items with no loss of value when converted to cash) are translated at the closing rates.
- Non-monetary asset and liability balances denominated in currencies other than the functional currency are translated at the historical exchange rates.

Exchange gains and losses are recognised in the consolidated statement of profit or loss for the year.

On consolidation, the balances of the financial statements of the consolidated companies whose functional currency is not the euro are translated to euros as follows:

- Assets and liabilities are translated to euros at the closing rates.

- Income and expense items are translated at the average exchange rates for the year.
- Equity is translated at the historical exchange rates.

Any exchange differences arising from the consolidation of companies with a functional currency other than the euro are classified in the consolidated balance sheet as translation differences under "Equity - Valuation Adjustments".

(i) Entities and branches located in hyperinflationary economies

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by International Financial Reporting Standards (IFRSs). Accordingly, at the 2019 accounting close it was not necessary to adjust the financial statements of any of the consolidated companies to correct for the effect of inflation.

11. Issues of debt instruments and other convertible securities and bank borrowings

Issues of debt instruments and other convertible securities and bank borrowings are measured at the amount received, net of direct issue costs, plus the accrued interest payable at year-end. Borrowing costs are recognised on an accrual basis in the consolidated statement of profit or loss by modifying the nominal rate, taking into account issue discounts, fees and expenses. This method is equivalent to using the effective interest rate, which is the rate that exactly matches the net value of the income received to the present value of future disbursements.

Debts due to be settled within twelve months of the consolidated balance sheet date are classified as current items and those due to be settled within more than twelve months as non-current items.

12. Derivative financial instruments and hedges

In order to mitigate the economic effects of exchange rate and interest rate fluctuations to which the Group is exposed as a result of its business activities, the Group uses derivative financial instruments, such as foreign currency hedges, interest rate swaps and interest rate options.

The foreign currency hedges and interest rate swaps are future exchange commitments, on the basis of which the Group and banks agree to exchange interest payments or currencies in the future. In the case of an interest rate derivative, the commitment is to pay a fixed interest rate in exchange for receiving a floating interest rate. In the case of a foreign currency derivative, the commitment is to pay or receive a given amount of euros in exchange for a given amount in another currency. In the case of the equity swap tied to the Group's share price, the commitment is to pay or receive the result of the change in the share price with respect to a reference price and to pay a floating interest rate. The Group acquires the right to receive interest on the interest rate options arranged if the interest rate exceeds the reference level initially established with the banks, in exchange for paying a given amount to these banks at the beginning of the transaction.

When the Group arranges a derivative, it does not do so with the intention of settling it early or trading with it. The Group does not use derivatives for speculative purposes, but rather to mitigate the economic effects that may arise from its foreign trade and financing activities due to exchange and interest rate fluctuations.

Summarised below are the most essential aspects of accounting legislation relating to derivative financial instruments.

(i) Recognition in the consolidated balance sheet

Derivatives are recognised at their market value (fair value) under "Other Financial Assets" or "Other Financial Liabilities" in the consolidated balance sheet.

Fair value is the net amount that the Group would have to pay or receive if the derivative were settled at the measurement date, and is equal to the difference between the present value of the future collections and payments agreed on by the Group and the related banks under the terms of the derivative arranged. The fair value of the options arranged is the same as the amount which the Group would receive in the event of settling them and is determined using a widely accepted pricing model (the Black-Scholes model).

IFRS 13, Fair Value Measurement has changed the definition of fair value and confirms that own credit risk must be taken into account when measuring fair value. Since 1 January 2013, this adjustment to the measurement of derivatives has been recognised in profit or loss, except when the derivatives qualify as effective hedges, in which case they are recognised in reserves.

The recognition of the fair value of derivatives as other financial assets or liabilities gives rise to a change in equity if the derivative qualifies for hedge accounting. The change in equity arises directly through **"Equity - Valuation Adjustments"** and indirectly through **"Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value"** or "Result of Companies Accounted for Using the Equity Method", as appropriate, in the consolidated statement of profit or loss.

ii) *Direct effect on equity or indirect effect through profit or loss*

The fair value of a derivative changes during its term. Changes in fair value arise: as a result of the passage of time; as a result of changes in interest rate curves; in the case of foreign currency derivatives, as a result of changes in exchange rates; in the case of equity derivatives, as a result of changes in the share price; and in the case of interest rate options, as a result of changes in the volatility of interest rates.

Only certain derivatives can be considered to qualify for hedge accounting.

The requirements that must be met for a derivative to be considered as a hedge are as follows:

- The underlying in relation to which the derivative is arranged to mitigate the economic effects that might arise therefrom as a result of fluctuations in exchange rates and interest rates must initially be identified.
- When the derivative is arranged, the reason for which it was arranged must be appropriately documented and the hedged risk must be identified.
- It must be demonstrated that the hedge is effective from the date of the arrangement of the derivative to the date of its settlement, i.e. that it meets the objective initially defined. In order to assess this, the effectiveness of the hedge is tested.

When the derivative does not qualify for hedge accounting, or the Group voluntarily decides not to apply hedge accounting, changes in fair value are recognised in the consolidated statement of profit or loss.

For derivatives that qualify for hedge accounting, under the relevant standards changes in fair value are recognised directly in equity or indirectly through profit or loss on the basis of the type of hedged risk concerned.

➤ Cash flow hedges

A derivative arranged to hedge against exposure to future variability in the expected cash flows in a foreign currency transaction as a result of exchange rate fluctuations can be considered to be a cash flow hedge. The same is true of a derivative arranged to hedge against exposure to future variability in the expected cash flows in floating-rate financing as a result of interest rate fluctuations.

The portion of the gain or loss on a hedging instrument whose purpose is to act as a cash flow hedge of an underlying and which is determined to be an effective hedge is recognised under **"Equity - Valuation Adjustments"**, and the ineffective portion of the gain or loss is recognised in the consolidated statement of profit or loss. The changes in the time value of the options are recognised directly in the consolidated statement of profit or loss.

The cumulative balance of **"Equity - Valuation Adjustments"** is transferred to the consolidated statement of profit or loss when, and to the extent that, the gains or losses on the hedged risk of the underlying also start to be reflected in the consolidated statement of profit or loss.

➤ Hedges of net investments in foreign operations

When a derivative or another financial instrument is used to hedge against exchange rate fluctuations that affect the carrying amount of net investments in foreign operations, it can be considered to be a hedge of a net investment in a foreign operation.

The gains or losses on this type of derivative or hedging item are recognised in the consolidated statement of profit or loss in a similar fashion to those on cash flow hedges. The only difference is that the accumulated amounts under **"Equity - Valuation Adjustments"** are not recognised in the consolidated statement of profit or loss until the investment is sold.

➤ Fair value hedges

Fair value hedges arise when a derivative is arranged to convert financing at a fixed interest rate into financing at a floating interest rate in order to tie a portion of the financing to interest rate changes and, therefore, to the performance of the market.

Fair value hedges also arise when a derivative is arranged to hedge the possible future changes in the equivalent euro value of firm commitments to collect or pay certain amounts in foreign currency due to exchange rate fluctuations.

When the purpose of the hedging derivative is to act as a fair value hedge, gains or losses on the derivative and its underlying are recognised through profit or loss.

13. Provisions

The Group's consolidated financial statements include all the material provisions with respect to which it is considered that it is highly probable that the obligation covered by them will have to be settled.

Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37 (see Note D.5.).

Provisions are classified as short-term or long-term provisions based on the estimated period of time in which the obligations covered by them will have to be settled.

The most significant provisions are:

(i) *Provisions for major maintenance work, retirement or refurbishment of non-current assets*

In accordance with IFRIC 12, provisions are recognised for the estimated expenditure required to carry out maintenance work spanning more than one year (mainly at concession operators) with a charge to the consolidated statement of profit or loss for each of the periods remaining until the work has been completed.

Concession operators recognise the provision for major maintenance work based on the estimate of the cost of the next major maintenance work to be performed, on a straight-line basis from when the last maintenance work was carried out, in order to fulfil the contractual obligations whereby upon **termination of the concession arrangement the operator's assets must be returned to the concession grantor in an optimal operating condition.**

The Group analyses the major maintenance items that it will be performing in the 12-month period following the reporting date and estimates the cost to be incurred.

The amount recognised in relation to this provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is estimated using estimated cash flows to settle the present obligation, its carrying amount represents the present value of those cash flows (when this effect is material over time).

(ii) Provisions for litigation and third-party liability

These provisions are recognised in order to cater for the possible adverse economic effects that might arise from the litigation and claims against the Group arising from the ordinary course of its operations (see Note D.5.).

(iii) Provisions for port occupancy rates

These provisions are recognised as a balancing entry to the present value of the occupancy rate payments that the Group estimates that it will have to make over the term of the concession under the concession arrangement.

14. Revenue recognition

(i) Intangible asset model

Revenue is recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting collections and payments are made.

Revenue from service concessions is recognised on an accrual basis, regardless of whether or not a portion of the arrangement has been collected in advance.

In accordance with IFRIC 12, the concession operators recognise sales relating to construction performed by parties outside the Group. In relation to infrastructure construction, the concession operators subcontract work to related parties or independent construction companies. The construction subcontracting arrangements do not exempt the concession operator from the obligations acquired by it in relation to the concession and therefore, it is responsible for the performance, completion and quality of the construction work. The concession operator does not recognise any profit in its statement of profit or loss on the performance of the aforementioned construction work.

(ii) Financial asset model

➤ Arrangements under the financial asset model

Interest income relating to concessions to which the financial asset model applies is recognised as "Other Operating Income", since it is considered that this income relates to the operating activities of the concessions.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's carrying amount.

Operation and maintenance revenue is recognised on an accrual basis by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

➤ Arrangements with a guaranteed minimum revenue clause

Toll revenue is recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting collections and payments are made.

Additionally, the Group recognises under "Other Operating Income" the collection rights recognised in the year as an adjustment to reach the guaranteed minimum revenue yet to be collected under the terms of the concession arrangement. This profit is recognised because it relates to a service already provided and can be measured reliably, all the associated costs have been incurred and the economic benefits associated with the transaction will flow to the Group.

Guaranteed minimum revenue is recognised and documented as follows:

- In the case of Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V., the right is calculated, externally reviewed, certified and periodically recognised by the Government of the State of Mexico, through the System of Highways, Airports, Related and Auxiliary Services of the State of Mexico (SAASCAEM), by means of a procedure that is **documented as "total investment yet to be recovered", and is approved and signed by SAASCAEM itself and the legal representatives of the concession operators.**

The Group considers that, based on these concession arrangements and the applicable legislation, the "total investment yet to be recovered", certified and recognised by SAASCAEM, is approximately equal to the adjusted carrying amount of the concession.

- In the case of Autopista Urbana Norte, S.A. de C.V. and Controladora Vía Rápida Poetas, S.A.P.I. de C.V. (associate), the Group follows a similar procedure to the foregoing but, in this case, with the Subsecretariat of Financial Planning of the Secretariat of Finance of the Government of Mexico City as the competent body.

Based on estimated annual revenue calculated by the directors of each concession operator, it is estimated that the guaranteed minimum revenue recognised will be recovered through the collection of tolls over the normal concession term, over the corresponding concession term extensions or, if necessary, through ultimate payment by the grantor, as established in each contract.

(iii) Bifurcated model

When there is a combination of the two aforementioned arrangements, the bifurcated model is applied to each component of the arrangement.

15. Deferred income

"Deferred Income" relates substantially in full to grants related to assets. Grants are credited to the consolidated statement of profit or loss in one or several years. Grants may be:

- Grants related to income: grants to offset an expense or guarantee a minimum inflow of funds. **They are credited to "Other Operating Income" in the consolidated statement of profit or loss in the same period as that in which the associated expenses are recognised.**
- Grants related to assets: grants for the setting-up or investment in long-term assets of a company, for its investments or to finance borrowings arising from such investments. Grants related to assets are recognised as deferred income on the liability side of the consolidated balance sheet and are taken systematically to **"Other Operating Income" in the consolidated statement of profit or loss over the useful lives of the assets concerned.**

The grants financing the infrastructure of the concession operators are recognised as "Other Non-Current Financial Liabilities" until the conditions attaching to them have been fulfilled. At that time they are deducted from the cost of the infrastructure.

16. Termination and post-employment benefits

The termination benefits that have to be paid to employees pursuant to the legislation applicable to each Group company are charged to the consolidated statement of profit or loss in the year in which they are paid.

If the Group were to establish a collective redundancy procedure, provisions for the related costs would be recognised in the consolidated statement of profit or loss when the detailed formal plan for the redundancies has been established and communicated to the parties concerned.

There are no redundancy plans making it necessary to recognise a provision in this connection.

The Group does not have any post-employment benefit obligations in the form of pension plans or other benefits.

17. Leases

As of 2019, in accordance with IFRS 16, leases of property, plant and equipment, the term of which exceeds one year and the value of which is significant are recognised as right-of-use assets along with the related liability at the date on which the leased asset is available for use by the Group (see Note B.6.21.).

Until 31 December 2018, the leases of property, plant and equipment in which the Group acted as lessee and had substantially all the risks and rewards incidental to ownership of the assets were classified as finance leases. The finance leases were recognised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment was apportioned between the reduction of the debt and the finance charge so as to produce a constant interest rate on the outstanding debt balance. The payment obligation arising from the lease, net of the finance charge, was recognised under long-term interest-bearing debt, with the exception of debts to be settled within 12 months. The interest portion of the finance charge was recognised in the consolidated statement of profit or loss over the term of the lease so as to produce a constant periodic interest rate on the remaining balance of the lease liability for each period. The items of property, plant and equipment acquired under finance leases were depreciated over the shorter of the useful life of the asset and the lease term.

The leases in which the lessor retained substantially all the risks and rewards incidental to ownership were classified as operating leases. In cases where the Group acted as lessee, the operating lease payments (net of any incentive received from the lessor) were recognised in the consolidated statement of profit or loss on a straight-line basis over the lease term.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are added directly to the cost of those assets, until such time as the assets are ready for their use or sale.

Pursuant to IAS 23, investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the year in which they are incurred.

19. Income tax

The Group companies' income tax expense is calculated on the basis of accounting profit before tax, increased or decreased, as appropriate, by the permanent differences from taxable profit, net of tax

relief and tax credits, excluding tax withholdings and prepayments made during the year.

Deferred tax assets and liabilities are the taxes expected to be recoverable or payable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases. They are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

20. Consolidated statement of cash flows

Cash flows are 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.

The consolidated statement of cash flows is prepared using the indirect method, i.e. on the basis of the changes in the consolidated statement of profit or loss and consolidated balance sheet, and is presented with comparable figures for two consecutive periods.

This statement reflects changes in consolidated cash flows in the year, classifying them as:

- Cash flows from operating activities: the principal revenue-producing activities of the Group companies and other activities that are not investing or financing activities. Interest received and paid, gains or losses on the disposal of non-current assets, adjustments to profits generated by companies accounted for using the equity method and, in general, any results that do not generate cash flows are transferred out of "Cash Flows from Operating Activities" through "Other Adjustments to Profit".

Dividends received may be classified as cash flows from operating activities or investing activities. The Group chose to classify them as cash flows from operating activities.

- Cash flows from investing activities: those arising from the acquisition and disposal of non-current assets.

Interest received may be classified as cash flows from operating activities or investing activities. The Group chose to classify it as cash flows from investing activities.

- Cash flows from financing activities: those arising from changes in borrowings, payment of the dividend, interest paid, changes in non-controlling interests and the capital increase.

21. Right of use relating to leased assets and related financial debt

The right of use relating to leased assets and the financial debt associated therewith represent the right to use the asset in question and the obligation to make payments by virtue of the lease, respectively.

Right-of-use leased assets are measured at cost comprised of the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are amortised on a straight-line basis over the shorter of the useful life of the asset or the lease term.

The financial debt associated with the right to use the leased assets includes the net present value of the lease payments.

The lease payments are discounted using the lessee's incremental borrowing rate, this being the rate that the individual lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group is exposed to potential future increments in the lease payments based on an index or a rate, which are not included in the lease liability until they take effect. The lease liability is then remeasured and adjusted against the right-of-use asset.

The lease payments are apportioned between principal and interest cost. The interest cost is recognised in profit or loss over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability for each period.

The lease term is determined as the non-cancellable period. If the Group has a unilateral option to extend or terminate the lease and is reasonably certain to exercise this option, the corresponding extension period or early termination will also be considered. The maximum estimated lease renewal term is three years, since there is no reasonable assurance that it will be extended beyond that period.

The lease term is reassessed if an option is actually exercised (or not exercised), or the Group becomes required to exercise it (or not to exercise it). Reasonable assurance is only reassessed upon the occurrence of either an event or a significant change in circumstances that affects this assessment and is within the control of the lessee.

C.- Notes to the consolidated financial statements

C.1.- Intangible assets

The changes in "Intangible Assets" in the consolidated balance sheets in 2019 and 2018 were as follows:

	Thousands of euros
	Total
Cost	
Balances at 1 January 2018	8,471
Additions and disposals due to changes in the scope of consolidation	-
Additions	385
Disposals	(76)
Transfers and other	-
Exchange differences	(97)
Balances at 31 December 2018	8,683
Additions and disposals due to changes in the scope of consolidation	-
Additions	19,300
Disposals	(74)
Transfers and other	-
Exchange differences	(38)
Balances at 31 December 2018	27,871
Accumulated amortisation and impairment losses	
Balances at 1 January 2018	6,291
Additions and disposals due to changes in the scope of consolidation	-
Additions	898
Disposals	(62)
Transfers	(23)
Exchange differences	(86)
Balances at 31 December 2018	7,018
Additions and disposals due to changes in the scope of consolidation	-
Additions	6,377
Disposals	(41)
Transfers and other	-
Exchange differences	(43)
Balances at 31 December 2019	13,311
Net balances at 31 December 2018	1,665
Net balances at 31 December 2019	14,560

At 31 December 2019, the Group had fully amortised intangible assets still in use amounting to EUR 4,682 thousand (31 December 2018: EUR 3,828 thousand).

Right-of-use assets

The detail of "Right-of-Use Assets" at 31 December 2019 in the consolidated balance sheets and of the changes therein in 2019 are as follows:

	Balances at 01/01/19	CHANGES IN THE YEAR				Balances at 31/12/19
		Additions	Disposals	Transfers and other	Exchange differences	
Rights of use						
Property	8,561	1,032	-	-	15	9,608
Transport equipment	2,171	318	-	-	3	2,492
Office equipment	-	-	-	-	-	-
Subsequent years	4,651	1,948	-	-	11	6,610
Total rights of use	15,383	3,298	-	-	29	18,710
Depreciation of right-of-use assets						
Property	-	2,489	-	-	-	2,489
Transport equipment	-	916	-	-	-	916
Office equipment	-	-	-	-	-	-
Subsequent years	-	1,202	-	-	-	1,202
Total depreciation of right-of-use assets	-	4,607	-	-	-	4,607
TOTAL	15,383	(1,309)	-	-	29	14,103

The main change in "Right-of-Use Assets" relates to the recognition of the underlying assets of the operating leases recognised by the Group.

The main leases in which the Group acts as the lessee relate to the leases of Group company offices and the transport equipment of concession operators.

In 2019 the Group recognised interest expenses amounting to EUR 1,274 thousand and a depreciation charge of EUR 4,607 thousand in relation to these leases in the consolidated statement of profit or loss.

C.2.- Concession infrastructure

Concession arrangements are arrangements between the concession grantor, which is generally a public sector entity, and the Group companies to provide services to the public through the operation of certain assets required for the provision of the service.

The concession right generally entails a monopoly on the provision of the service granted for a specified period of time, after which, in general, the concession assets required to provide the service have to be handed over to the concession grantor.

Revenue from performing the service may be received directly from the users or, sometimes, through the concession grantor itself. The prices for providing the service are usually regulated by the grantor.

These projects are generally financed with long-term borrowings without recourse to the shareholder, secured mainly by the cash flows generated by the concession operator companies and their assets, accounts and contractual rights. Since cash flows constitute the main security for the repayment of the borrowings, there are restrictions on the use of the funds by the shareholders until certain conditions have been met, which is assessed each year.

Also, reserves are recognised and continue to exist throughout the term of the borrowings, relating generally to the six months following the servicing of the debt, which are restricted as to their use by the Group, and whose purpose is to cater for the servicing of the debt if the cash flows generated by the Group prove to be insufficient. These reserve accounts are classified under "Current Financial Assets - Other Receivables" in the consolidated balance sheet (see Note C.4.2.).

Concession infrastructure is classified using the intangible asset, financial asset and bifurcated models.

a) Intangible asset model

An intangible asset arises when the operator provides construction or upgrade services and receives a right to operate the infrastructure for a specified period of time after the construction has been **completed, in which the operator’s future cash flows have not been specified, since they may vary on the basis of the extent that the asset is used, for which reason they are considered to be contingent.** In these cases the demand risk is borne by the concession operator and, accordingly, the concession is considered to be an intangible asset.

b) Financial asset model

In arrangements accounted for using the financial asset model, the assets recognised by the various concession operators represent the rights to operate administrative concessions and the unconditional contractual right to receive cash or another financial asset associated with certain concession arrangements where the demand risk is borne by the concession grantor.

The concession operators Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V. hold concessions with guaranteed minimum revenue whereby the concession operator has an unconditional right to recover, as the case may be, either the equity invested or the total investment made, plus an annual guaranteed internal rate of return (IRR), expressed in real terms and net of tax ("guaranteed minimum revenue"), which would give rise to an unconditional right to receive cash if, at the end of the concession term, the guaranteed minimum revenue had not been obtained.

c) Bifurcated model

When there is a combination of the two aforementioned arrangements, the bifurcated model is applied to each component of the arrangement.

The changes in “Concession Infrastructure” in the consolidated balance sheets in 2019 and 2018 were as follows:

	Thousands of euros		
	Intangible asset model	Financial asset model	Total
Cost			
Balances at 1 January 2018	945,711	5,542,255	6,487,966
Additions	47,519	718,271	765,790
Disposals	(43,201)	-	(43,201)
Transfers and other	(5,225)	-	(5,225)
Exchange differences	7,505	272,569	280,074
Balances at 31 December 2018	952,309	6,533,095	7,485,404
Additions	48,867	671,496	720,363
Disposals	(2)	-	(2)
Transfers and other	(683)	-	(683)
Exchange differences	22,718	380,210	402,928
Balances at 31 December 2019	1,023,209	7,584,801	8,608,010
Accumulated amortisation and impairment losses			
Balances at 1 January 2018	136,046	-	136,046
Additions	76,158	3,690	79,848
Disposals	(22,856)	-	(22,856)
Transfers	26	-	26
Exchange differences	1,124	-	1,124
Balances at 31 December 2018	190,498	3,690	194,188
Additions and disposals due to changes in the scope of consolidation	-	-	-
Additions	27,827	19,268	47,095
Disposals	-	(2,411)	(2,411)
Exchange differences	(256)	197	(59)
Balances at 31 December 2019	218,069	20,744	238,813
Net balances at 31 December 2018	761,811	6,529,405	7,291,216
Net balances at 31 December 2019	805,140	7,564,057	8,369,197

The Group's fully consolidated concession operators at 31 December 2019 were as follows:

Operator	Description of concession	Country	%	Investment outstanding (thousands of euros)	Remaining period (in years)
Intangible asset model:					
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	M-45 road, N-V to N-IV section	Spain	100	-	8
Terminal de Contenedores de Tenerife, S.A.	Terminal operation	Spain	100	-	34
Terminales Marítimas del Sureste, S.A.	Terminal operation	Spain	100	8,307	28
Terminal Cerros de Valparaíso, S.A.	Terminal operation	Chile	100	-	-
Concesionaria AT-AT, S.A. de C.V. ⁽²⁾	Atizapán-Atlacomulco toll road	Mexico	56.85	455,551	24
Grupo Autopistas Nacionales, S.A.	Amozoc Perote toll road	Mexico	39.33	-	44
Autopista del Norte, S.A.C.	Red Vial 4 toll road	Peru	100	300,957	22
Financial asset model:					
Autopista Río Magdalena, S.A.S. ⁽²⁾	Rio Magdalena toll road	Colombia	100	547,238	20
Sociedad Concesionaria Puente Industrial, S.A. ⁽²⁾	Puente Industrial concession	Chile	100	197,255	33
Autopista Urbana Norte, S.A. de C.V. ⁽¹⁾	Collector road	Mexico	56.85	-	23
Concesionaria Mexiquense, S.A. de C.V. ⁽¹⁾	Mexican outer loop	Mexico	28.99	-	32
Viaducto Bicentenario, S.A. de C.V. ⁽¹⁾	Elevated bypass	Mexico	56.85	-	18
Bifurcated model:					
Sociedad Concesionaria Nuevo Camino Nogales-Puchuncaví, S.A. ⁽²⁾	Nogales toll road	Chile	100	169,436	35

⁽¹⁾ Concessions with guaranteed minimum revenue.

⁽²⁾ Under construction.

Under the concession arrangements, the concession operators are obliged to make investments totalling EUR 1,678,744 thousand, which must all be made within a five-year period.

These investments were assessed using the best estimates available and, therefore, changes in terms of amount or timing could occur.

These investments will be financed through loans granted to, capital increases at, and cash flows generated by, the concession operators.

At 31 December 2019, “Concession Infrastructure” included EUR 42,984 thousand relating to borrowing costs capitalised during the construction period (31 December 2018: EUR 41,830 thousand).

The detail of the changes in borrowing costs capitalised at 31 December 2019 and 2018 is as follows:

	Thousands of euros
Balances at 1 January 2018	41,358
Additions and disposals due to changes in the scope of consolidation	-
Exchange differences	472
Balances at 31 December 2018	41,830
Additions and disposals due to changes in the scope of consolidation	-
Exchange differences	1,154
Balances at 31 December 2019	42,984

The breakdown, by company, of the carrying amount of "Concession Infrastructure" is as follows:

Company	Country	Thousands of euros					
		2019		2018		2019	2018
		Intangible asset model	Financial asset model	Intangible asset model	Financial asset model	Total	Total
Intangible asset model							
Autopista del Norte, S.A.C.	Peru	267,637	-	257,366	-	267,637	257,366
Concesionaria AT-AT, S.A. de C.V. ⁽²⁾	Mexico	233,160	-	190,630	-	233,160	190,630
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	Spain	34,611	-	40,038	-	34,611	40,038
Grupo Autopistas Nacionales, S.A.	Mexico	64,179	-	61,928	-	64,179	61,928
Terminal Cerros de Valparaíso, S.A.	Chile	566	-	1,011	-	566	1,011
Terminal de Contenedores de Tenerife, S.A.	Spain	87,435	-	90,615	-	87,435	90,615
Terminales Marítimas del Sureste, S.A.	Spain	90,163	-	91,891	-	90,163	91,891
Total intangible asset model		777,751	-	733,479	-	777,751	733,479
Financial asset model							
Autopista Río Magdalena, S.A.S. ⁽²⁾	Colombia	-	147,132	-	126,590	147,132	126,590
Autopista Urbana Norte, S.A. de C.V. ⁽¹⁾	Mexico	-	1,789,643	-	1,507,274	1,789,643	1,507,274
Concesionaria Mexiquense, S.A. de C.V. ⁽¹⁾	Mexico	-	4,102,590	-	3,569,439	4,102,590	3,569,439
Sociedad Concesionaria Puente Industrial, S.A. ⁽²⁾	Chile	-	26,835	-	24,982	26,835	24,982
Viaducto Bicentenario, S.A. de C.V. ⁽¹⁾	Mexico	-	1,478,104	-	1,282,339	1,478,104	1,282,339
Total financial asset model		-	7,544,304	-	6,510,624	7,544,304	6,510,624
Bifurcated model							
Sociedad Concesionaria Nuevo Camino Nogales-Punchuncaví, S.A. ⁽²⁾	Chile	27,389	19,753	28,332	18,781	47,142	47,113
Total bifurcated model		27,389	19,753	28,335	18,781	47,142	47,113
Total		805,140	7,564,057	761,811	6,529,405	8,369,167	7,291,216

(1) Concessions with guaranteed minimum revenue.

(2) Under construction.

The detail of the accumulated amount of the adjustment recognised to reach the guaranteed minimum revenue at 31 December 2019 and 2018, is as follows:

Company	Thousands of euros	
	2019	2018
Autopista Urbana Norte, S.A. de C.V.	1,246,239	995,581
Concesionaria Mexiquense, S.A. de C.V.	2,926,811	2,460,831
Viaducto Bicentenario, S.A. de C.V.	923,102	760,440
Total	5,096,152	4,216,852

Following is a description of the main concessions operated by the Group:

▪ **Nuevo Camino Nogales-Punchuncaví, S.A.**

In 2016 the Chilean Ministry of Public Works granted ALEATICA Chile the re-tender of Camino Nogales - Punchuncaví, for the extension of the infrastructure and upgrade of the technical standard and levels of service of the existing road.

The new concession, which will total 43 km in length, envisages upgrade work on the existing 27-km two-way carriageway, as well as the construction of an additional 16 km for the Punchuncaví bypass and the Ventanas relief road, which will reduce journey times and increase road safety.

▪ **Sociedad Concesionaria Puente Industrial, S.A.**

In 2014 the Chilean Ministry of Public Works granted ALEATICA Chile the design, construction, financing, operation and maintenance of the Concesión Vial Puente Industrial toll road, the main section of which is the bridge over the Biobío river in the province of Concepción.

The toll road will be 6.5 km long, will have two lanes in each direction and will connect with Avenida Constanera in the town of Hualpén and Route 160 in the town of San Pedro de la Paz. The project includes the construction of the new industrial bridge, the fourth 2.5 km-long elevated bypass over the Biobío river, and includes various complementary projects such as junctions at different levels and a railway overpass.

▪ **Terminal Cerros de Valparaíso, S.A.**

This company is responsible for the construction and operation of the Terminal 2 project in the Port of Valparaíso.

With a mooring line measuring 785 m (container terminal) and 613 m (general cargo) and a depth of 16 m, it will have the capacity to operate two super-post-panamax ships simultaneously and handle traffic of approximately 1,150,000 TEUs and 1,800,000 tonnes of general cargo each year. On 8 March 2019, the concession operator exercised the option stipulated in the concession arrangement and schedules thereto to terminate the arrangement early. As a result, it recognised an impairment loss on its asset amounting to EUR 36,748 thousand at 31 December 2018. In 2019 an impairment loss of EUR 1,545 thousand was recognised (see Note C.2-d).

▪ **Autopista Río Magdalena, S.A.S.**

In 2014 the concession for the design, financing, construction, operation and maintenance of the Río Magdalena 2 toll road was granted.

It will be 144 km long, of which 82 km will be new and the other 62 km will consist of the restoration and upgrade of a stretch of the road currently in operation. The new section will have two tunnels and 79 bridges, the largest of which will be in Puerto Berrío over the Magdalena river and have a length of 1,480 m (see Note D.5-e).

- **Euroglosa 45, Concesionaria de la Comunidad de Madrid, S.A.U.**

This 8.3 km-long section of the M-45 road provides quick access to the A-4 (Madrid-Andalusia) and A-5 (Madrid-Extremadura) roads.

- **Terminal de Contenedores de Tenerife, S.A.**

This company is responsible for the construction and operation of the new public container terminal in the eastern dock of the Port of Santa Cruz de Tenerife, which was designed to handle import, export and transshipment traffic in the Mediterranean, northern European and Far East trade routes with West African and South American routes.

The port has a 700 m-long mooring line, a depth of 16-18 m and capacity to operate at least two super-post-panamax ships simultaneously and handle up to 620,000 TEUs each year.

- **Terminales Marítimas del Sureste, S.A.**

Terminales Marítimas del Sureste (TMS) performed the southern extension of the Port of Alicante, which is a public-private partnership in which the concession operator, in addition to financing and building the docks, performs the functions specific to the port owner and commercially operates the multi-purpose bulk cargo and passenger terminals with a mooring line of 1,670 m and a depth of 14 metres.

- **Autopista Urbana Norte, S.A. de C.V.**

The 9 km-long Autopista Urbana Norte is the northern section of the urban toll road that connects Mexico City to the Querétaro, Toluca and Cuernavaca roads. At its northern end it includes the connection of the second levels of the ring road in its link with the Viaducto Elevado Bicentenario and has a fully electronic toll collection system.

The concession arrangement includes a guaranteed minimum revenue clause granting the concession operator the right to recover the total investment made plus an annual IRR in real terms after tax.

- **Concesionaria AT-AT, S.A. de C.V.**

In 2014 ALEATICA México was granted a contract for the financing, construction, operation, upkeep and maintenance of the Atizapán-Atlacomulco toll road, which is the company's seventh toll road in Mexico.

The toll road will be 74 km long and have four traffic lanes (two in each direction) and the project includes the construction of various tunnels and elevated bypasses.

Due to the delay in the grant of the right of way and the definition of the social initiatives with the communities

adjacent to the project, the project's design was reconsidered in order to avoid it passing through an area of springs and, therefore, the length was adjusted to 77,209 km; as a result the concession operator revalued the project based on the stage of completion and authorisation by the SCT of the Executive Project and the possible impacts of the changes. At the reporting date of these consolidated financial statements, the Group is reviewing the updated construction schedule in order to define the new date of commencement of operation with the SCT, currently scheduled for 1 August 2021.

- **Concesionaria Mexiquense, S.A. de C.V.**

The Circuito Exterior Mexiquense, which is 155 km long, encircles the metropolitan area of Mexico City from north to south on the east, and from east to west at its northern end. The project is structured in four phases; phases I, II and III, which are currently in operation, add up to a total of 110 km.

The toll road runs through 18 municipalities in the State of Mexico and connects the Mexico City-Querétaro, Mexico City-Pachuca, Perón-Texcono and Mexico City-Puebla access toll roads.

The concession arrangement includes a guaranteed minimum revenue clause granting the concession operator the right to recover the total investment financed with equity plus a fixed annual IRR in real terms after tax.

- **Grupo Autopistas Nacionales, S.A.**

The Amozoc-Perote toll road, which is 123 km long, is part of Corredor Carretero Altiplano and includes a 104.9 km toll road stretch between Amozoc, Puebla, Perote and Veracruz, and 17.6 km relating to the Perote bypass.

- **Viaducto Bicentenario, S.A. de C.V.**

The Viaducto Bicentenario is an elevated toll road that runs along the northern periphery of the Metropolitan Area of the Valley of Mexico, up to kilometre 44 of the Mexico City-Querétaro toll road, and is 32 km long.

The project is structured in three phases; the first phase, which is currently in operation, is reversible and consists of a 22 km elevated bypass between ex Toreo and Tepalcapa. Phase II, with 5 km in operation, consists of an elevated bypass that runs parallel to the current reversible toll road. In phase III both elevated bypasses will be extended by 10 km.

The concession arrangement includes a guaranteed minimum revenue clause granting the concession operator the right to recover the total investment financed with equity, including a return on the venture capital contributed for the construction plus a fixed annual IRR in real terms after tax.

- **Autopista del Norte, S.A.C.**

Autopista del Norte, with a length of 356 km, connects the Peruvian cities of Pativilca and Trujillo and forms part of the Panamerican North toll road, the main traffic road that runs along the Peruvian coast. The main investments to be made include the construction of a second lane of approximately 284 km and three bypasses in the cities of Huarmey, Casma and Virú-Chao.

In 2016 an addendum was signed for the construction of the Chimbote ring road (Vía de Evitamiento de Chimbote) forming part of the Autopista del Norte project in Peru, and for the extension to the concession term by an additional eight years. This project will require an investment of PEN 520 million and includes a 34 km two-lane toll road, two additional bridges and overpasses (see Note C.15).

d) Impairment losses on concession infrastructure

At the end of each reporting period or whenever there are indications of impairment, the Group tests the assets for impairment to determine whether their recoverable amount has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value and value in use.

Also, sensitivity analyses were performed in various growth scenarios, particularly in relation to toll revenue, operating margins and the discount rates applied. The Parent's directors consider that the impairment tests are sensitive to their key assumptions but that the degree of sensitivity is reasonable.

Generally, in order to calculate any possible impairment, the projected cash flows to be generated by the concessions are discounted. The main variables used for each concession are: the remaining term of each concession, forecast growth in traffic, CPI growth and the tax rates of each country.

The minimum discount rate ranges used were as follows: Chile 7%-9%, Colombia 8%-11%, Spain 6%-7.5%, Mexico 9%-12% and Peru 8.5%-11.5%.

Information on CPI growth was obtained for Latin America from Latin Focus and for the eurozone from the European Central Bank.

Because of their importance to the Group, all the aggregates of these concession operators, and in particular, the evolution of traffic, are closely monitored.

The following was of note in this connection in 2019:

(i) Mexican concession operators

In addition, the main variables used in the economic and financial models are as follows:

- CPI growth was obtained from Latin Focus.
- Revenue projections: revenue was projected using traffic volumes estimated by in-house and external experts and by applying toll increases when they become known.

Based on the current information of the aforementioned models, no impairment losses exist and the investment will be recovered.

For those companies with a guaranteed minimum revenue clause (Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V.), the main driver for the recovery of the investment is the guaranteed minimum revenue clause included in the concession arrangement.

(ii) ALEATICA, S.A.B. de C.V.

The share price of ALEATICA, S.A.B. de C.V. (ALEATICA (México)) was MXN 28.10 per share at 31 December 2019 (31 December 2018: MXN 25.28 per share). The Group's directors analysed the recoverable amount of the investment based, inter alia, on the expected dividends therefrom and the amount recoverable from the investee concession operators arising from the present values of the free cash flows to the company that it is estimated will be generated by the underlying concession infrastructure, which were calculated taking into consideration, among others, updated traffic estimates, the expected GDP growth of the Mexican economy, inflation, etc. As a result of the aforementioned analysis, indications of impairment were not identified on the investment held at 31 December 2019.

(iii) Other concession operators

The Parent's directors, based on the aforementioned methodology, recognised impairment losses at 2019 year-end on the following companies: a) Terminal Cerros de Valparaíso, S.A. (EUR 1,545 thousand); b) Autopista Río Magdalena, S.A.S. (EUR 19,268 thousand) and c) Terminal de Contenedores de Tenerife, S.A. (EUR 13,031 thousand). All those amounts are recognised under **"Concession Infrastructure"**. At 31 December 2018 impairment losses were recognised on the following companies: a) Terminal Cerros de Valparaíso, S.A. (EUR 36,748 thousand), b) Terminal de Contenedores de Tenerife, S.A. (EUR 8,000 thousand) and c) Terminales Marítimas del Sureste, S.A. (EUR 2,000 thousand).

As regards the other concessions, either indications of impairment were not identified or the analyses performed did not disclose any impairment. These analyses were conducted based on the aforementioned discounted cash flow method.

Also, the concessions accounted for using the financial asset model did not suffer changes in the consideration received that would give rise to significant changes in the effective interest rate applied to the aforementioned concession infrastructure, except in relation to the aforementioned impairment loss on Autopista Río Magdalena, S.A.S.

In relation to this investment, there have been certain delays in the execution of the concession as indicated in Note D.5-e, and the Group has filed a claim for arbitration to the grantor. However, the Group expects to normalise the situation in the short term and to proceed with the construction and

subsequent operation of the concession arrangement. Nevertheless, given the current situation, the Group opted to adjust the value of the financial asset, but not to recognise the effect of the adjustment until the situation normalises.

C.3.- Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets as at 31 December 2019 and 2018 were as follows:

	Thousands of euros					
	Land and buildings	Machinery	Other fixtures, tools and furniture	Advances and property, plant and equipment in the course of construction	Other items of property, plant and equipment	Total
Cost						
Balances at 1 January 2018	2,066	9,940	7,756	69	12,824	32,655
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
Additions	585	1,338	902	364	2,452	5,641
Disposals	-	(106)	(62)	(199)	(338)	(705)
Transfers	(1)	(51)	(20)	-	(10)	(82)
Exchange differences	(148)	(621)	24	4	340	(401)
Balances at 31 December 2018	2,502	10,500	8,600	238	15,268	37,108
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
Additions	31	172	1,588	393	4,532	6,716
Disposals	(5)	(39)	(2,920)	-	(443)	(3,407)
Transfers	-	(38)	(189)	-	(1,476)	(1,703)
Exchange differences	(147)	(488)	174	14	662	215
Balances at 31 December 2019	2,381	10,107	7,253	645	18,543	38,929
Accumulated depreciation and impairment losses						
Balances at 1 January 2018	487	6,808	4,243	-	6,834	18,372
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
Additions	105	1,912	846	-	1,618	4,481
Disposals	-	(99)	(286)	-	(62)	(447)
Transfers	(1)	(58)	(20)	-	(2)	(81)
Exchange differences	(35)	(410)	(26)	-	208	(263)
Balances at 31 December 2018	556	8,153	4,757	-	8,596	22,062
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
Additions	98	988	669	-	1,218	2,973
Disposals	-	(38)	(672)	-	(411)	(1,121)
Transfers	-	(2)	(53)	-	(740)	(795)
Exchange differences	(33)	(405)	28	-	364	(46)
Balances at 31 December 2019	621	8,696	4,729	-	9,027	23,073
Net balances at 31 December 2018	3,058	2,347	3,843	238	6,672	15,046
Net balances at 31 December 2019	1,760	1,411	2,524	645	9,516	15,856

At 31 December 2019 and 2018, there were no material amounts relating to items of property, plant and equipment that were temporarily idle or retired from active use.

The Group takes out the required insurance policies to cover the possible risks to which its property, plant and equipment are subject.

Property, plant and equipment with a gross cost of EUR 1,713 thousand had been fully depreciated and was still in use at 31 December 2019 (31 December 2018: EUR 658 thousand).

C.4.- Financial assets

1. Investment securities

The detail of "Investment Securities" at 31 December 2019 and 2018 is as follows:

	Thousands of euros			
	2019		2018	
	Non-current	Current	Non-current	Current
Other securities	11,641	-	11,116	-
Total investment securities	11,641	-	11,116	-

The amounts of investment securities classified as non-current items relate in full to securities maturing at more than 12 months.

The amount recognised at 31 December 2019 under this heading relates mainly to the purchase by ALEATICA, S.A.B. de C.V. on 25 April 2018 of Certificados Bursátiles (stock market-traded bonds) of Libramiento Elevado de Puebla amounting to MXN 250,000 thousand. The bonds mature on 19 October 2046. The coupon rate applicable to the transaction is 9.96%.

2. Other receivables and deposits and guarantees given

The detail is as follows:

	Thousands of euros			
	2019		2018	
	Non-current	Current	Non-current	Current
Other receivables	39,438	299,337	22,100	263,002
Derivative financial instruments (see Note C.16.1.)	34	-	28,097	-
Deposits and guarantees given	64,599	32,984	830	91,372
Total, net	104,071	332,321	51,027	354,374

At 31 December 2018, "Current Assets - Other Receivables" includes mainly the restricted reserve accounts of certain concession operators and holding companies amounting to EUR 262,708 thousand earmarked for servicing debt (31 December 2018: EUR 262,708 thousand).

"Non-Current Assets - Deposits and Guarantees Given" included mainly the balance recognised by ALEATICA, S.A.B. de C.V. -ALEATICA (México)- which has restricted cash related to the letter of credit issued to secure the venture capital in the Atizapán Atlacomulco project amounting to EUR 63,718 thousand (31 December 2018: EUR 60,356 thousand under "Current Assets - Deposits and Guarantees Given").

Other financial assets includes USD 35,000 thousand (EUR 31,155 thousand) deposited in a current account held by the Parent at a bank, which secure the performance bonds provided to the grantor that approved the Private Concession Initiative (PCI) to build and operate an urban toll road of 12 km between La Molina and Ángamos.

The balance of "Non-Current Assets - Other Receivables" at 31 December 2019 relates mainly to the accounts receivable balance of Autovías Concesionadas, S.A. from Libramiento Elevado de Puebla S.A. de C.V. amounting to EUR 26,115 thousand (31 December 2018: EUR 22,089 thousand) in relation to the concession arrangement granted by the Government of the State of Puebla to Autovías Concesionadas, S.A. on 19 August 2014 for the construction, operation, upkeep and maintenance of the elevated bypass over the Mexico-Puebla Federal Highway from kilometre 115 to kilometre 128 plus 300 kilometres in the Puebla metropolitan area. On 20 August 2014, Autovías Concesionadas, S.A. granted Libramiento Elevado de Puebla, S.A. de C.V. the construction,

operation, upkeep and maintenance of the bypass. The total consideration for the concession arrangement that at the date of this report is unpaid and each year generates interest of 10% on the outstanding balance plus the inflation that is recognised in the corresponding calculation period.

The directors consider that the recoverable amount and the carrying amount are not significantly different.

The cash deposits and guarantees were made and given in connection with project bids and contracts of various types. Deposits and guarantees expiring within 12 months are classified as current items and those expiring within more than 12 months are classified as non-current items.

C.5.- Investments accounted for using the equity method

The detail of the "Investments Accounted for Using the Equity Method" at 31 December 2019 and 2018 is as follows:

Company	Thousands of euros	
	2019	2018
Joint ventures		
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	2,005	1,976
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	166,552	134,447
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	368	359
Libramiento Elevado de Puebla, S.A. de C.V.	23,039	19,663
Sociedad Concesionaria Vespucio Oriente, S.A.	60,953	62,544
Other	1,923	1,163
Associates		
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	-	45,549
Autovía de Aragón - Tramo 1, S.A.	12,083	13,557
Metro LigerO Oeste, S.A.	78,734	81,724
Other	385	339
Total	346,042	361,321

The changes in "Investments Accounted for Using the Equity Method" in the consolidated balance sheets were as follows:

	Thousands of euros	
	2019	2018
Beginning balance	361,321	358,617
Increases	15,370	12,740
Decreases	(11,092)	(37,898)
Impairment	(15,912)	-
Share of profit for the year	28,495	27,862
Transfers	(32,140)	-
Ending balance	346,042	361,321

On 14 August 2019, the Group signed a letter of intent with Grupo Aeroportuario de la Ciudad de México, S.A. de C.V. for the purchase and sale of the shares of Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V., a company owned by the Group, which holds the concession for the administration, operation and exploitation of Toluca International Airport. At 31 December 2019 the Group recognised an adjustment to the value of the investment in Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. in accordance with the estimate of the final price of the transaction and, pursuant to IFRS 5, recognised an impairment loss amounting to EUR 15,912 thousand and reclassified the investment under "Non-Current Assets Held for Sale" (see Note C.6).

At the date of formal preparation of these consolidated financial statements, the transaction is subject to the signing and execution of the definitive documents required to carry it out, subsequent to receipt of a binding offer from Grupo Aeroportuario de la Ciudad de México, S.A. de C.V. on 25 February 2020, and to the obtainment of the necessary authorisations.

Appendices I, II and III include a list of the main investments accounted for using the equity method, showing the name, registered office, percentage of ownership and equity of the related companies and the net cost of the investment.

C.6.- Non-current assets classified as held for sale

In accordance with IFRS 5, "Non-Current Assets Classified as Held for Sale" at 31 December includes the asset relating to the investment and provision held at Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. totalling a net amount of EUR 32,140 thousand. (see Note C.5).

This non-current asset held for sale had no associated liabilities and did not give rise to significant cash flows in 2019.

C.7.- Trade and other receivables

1. Trade receivables for sales and services

The detail of "Trade Receivables for Sales and Services" at 31 December 2019 and 2018 is as follows:

	Thousands of euros	
	2019	2018
Trade receivables for sales and services		
Amounts to be billed for work or services performed	11,900	5,106
Trade notes receivable	7,567	9,252
Total trade receivables for sales and services	19,467	14,358

The detail of "Trade Receivables for Sales and Services", by type of customer, is as follows:

	Thousands of euros	
	2019	2018
Spain	14,485	10,319
Public sector	4,060	-
Private sector	11,425	10,319
Operations abroad	3,982	4,039
Total	19,467	14,358

The Parent's directors consider that the carrying amount of trade and other receivables approximates their realisable value and that the credit risk of its counterparties is insignificant.

2. Receivable from associates

"Receivable from Associates" includes mainly the accounts receivable of ALEATICA, S.A. (Chile), from its associate Sociedad Concesionaria Vespucio Oriente, S.A., amounting to EUR 11,731 thousand.

3. Other accounts receivable

The detail of "Other Accounts Receivable" at 31 December 2019 and 2018 is as follows:

	Thousands of euros	
	2019	2018
Employee receivables	347	447
Tax receivables	50,778	35,858
Sundry accounts receivable	109,005	76,961
Total	160,130	113,266

At 31 December 2019, "Sundry Accounts Receivable" included mainly the rights receivable of Euroglosa 45, Concesionaria de la Comunidad de Madrid, S.A.U. from the Madrid Autonomous Community Government in relation to the excess amounts paid for compulsory purchases, totalling EUR 48,881 thousand (31 December 2018: EUR 46,515 thousand). In this connection, in 2016 a decision was handed down in favour of the Group for a higher amount than that recognised,

although this decision has been appealed at the last instance by the public authorities. At 2019 year-end the Supreme Court had not issued a decision on whether the appeal lodged by the Madrid Autonomous Community Government would be given leave to proceed. The Company's directors consider that the Supreme Court will rule for Euroglosa 45, Concesionaria de la Comunidad de Madrid, S.A.U. (see Note E).

In addition, in 2019 as a result of the termination of the construction contract with the contractor Autopista Río Magdalena, S.A.S. reclassified to "Sundry Accounts Receivable" EUR 34,597 thousand which were recognised under "Advances to Suppliers" in 2018, the recoverability of which is subject to the outcome of the arbitration detailed in Note D.5-e.

C.8.- Cash and cash equivalents

"Cash and Cash Equivalents" relates to the Group's fully liquid assets and includes cash on hand and at banks and short-term bank deposits with an original maturity of three months or less. These balances are not restricted as to their use and are not subject to a risk of changes in value. Most of the balances relate to short-term deposits.

The detail, by country, of "Cash and Cash Equivalents" at 31 December 2019 and 2018 is as follows:

Country	Thousands of euros	
	2019	2018
Brazil	52	183
Chile	22,186	24,536
Colombia	20,965	20,565
Spain	73,331	75,652
Luxembourg	283	5,465
Mexico	258,518	359,036
Peru	7,259	1,779
TOTAL	382,594	487,216

C.9.- Share capital

At 31 December 2019, the Parent's share capital amounted to EUR 167,455 thousand, represented by 167,454,700 fully subscribed and paid shares of EUR 1 par value each.

The Parent is wholly owned by Global Infracor Silver Spain, S.L.U., and has complied with the legislation in force as regards its sole-shareholder status.

C.10.- Share premium and other shareholder contributions

Share premium

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase the capital of the entities at which it is recognised and does not establish any specific restrictions as to its use.

Other shareholder contributions

At 31 December 2019 "Other Shareholder Contributions" included EUR 5,054 thousand corresponding to the contribution made by the Parent's sole shareholder on 10 October 2018.

C.11.- Reserves

The detail of “Reserves” and “Reserves of Consolidated Companies” in the consolidated balance sheets in 2019 and 2018 is as follows:

	Thousands of euros	
	2019	2018
Restricted reserves of the Parent:		
Legal reserve	33,491	33,490
Subtotal	33,491	33,490
Voluntary and consolidation reserves:		
Attributable to the Parent	(19,702)	11,132
Attributable to the consolidated companies	2,040,996	1,920,432
Subtotal	2,021,294	1,931,564
Total	2,054,785	1,965,054

1. Legal reserve of the Parent

Under the Consolidated Spanish Limited Liability Companies Law, a minimum of 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 share 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.

2. Reserves of consolidated companies

The detail, by company, of the balances of “Reserves of Consolidated Companies” in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows:

Company	Thousands of euros	
	2019	2018
Administradora de Acciones de Toluca, S.A. de C.V.	(2,314)	(2,310)
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	6,683	6,212
ALEATICA Emisiones, S.A.U.	11,093	14,214
ALEATICA LABS, S.A.U.	(2,448)	(1,773)
ALEATICA, S.A.	(9,601)	451
ALEATICA, S.A.B. de C.V.	617,240	649,007
ALEATICA, S.A.S.	(7,130)	(9,012)
Autopista del Norte, S.A.C.	55,624	52,626
Autopista Urbana Norte, S.A. de C.V.	411,381	332,670
Concesionaria Mexiquense, S.A. de C.V.	600,253	517,873
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	3,264	6,769
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	122,620	99,441
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	725	1,416
Euroconcesiones, S.L.	2,193	849
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	7,073	6,573
Grupo Autopistas Nacionales, S.A.	2,589	1,939
Latina México, S.A. de C.V.	3,371	3,405
Magenta Infraestructura, S.L.	23,789	11,102
Operadora Concesionaria Mexiquense, S.A. de C.V.	10,209	7,849
Operadora de Carreteras, S.A.C.	(116)	(157)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	(34,890)	(28,134)
Pachira, S.L.	(1,337)	(976)
Seconmex Administración, S.A. de C.V.	2,325	1,990
Terminal de Contenedores de Tenerife, S.A.	(31,641)	(15,099)
Terminal Polivalente del Sureste, S.L.U.	(32)	(28)
Terminales Marítimas del Sureste, S.A.	(54,016)	(32,180)
Viaducto Bicentenario, S.A. de C.V.	327,005	276,855
Other	(22,916)	18,860
Total	2,040,996	1,920,432

C.12.- Valuation adjustments and translation differences

1. Hedging reserves

Hedging reserves include the amount of changes in the fair value of financial derivatives, net of the related tax effect.

The changes in the hedging reserves in 2019 and 2018 were as follows:

	Thousands of euros	
	2019	2018
Beginning balance	(3,431)	(10,837)
Net change in the year at fully consolidated companies	(6,600)	7,406
Ending balance	(10,031)	(3,431)

2. Translation differences

The detail, by country and company, of “Translation Differences” at 31 December 2019 and 2018 is as follows:

Country and company	Thousands of euros	
	2019	2018
Chile		
ALEATICA, S.A.	17,184	8,485
Sociedad Concesionaria Vespucio Oriente, S.A.	(9,364)	(5,548)
Sociedad Concesionaria Puente Industrial, S.A.	(5,635)	(3,903)
Terminal Cerros de Valparaíso, S.A.	(8,086)	(6,280)
Sociedad Concesionaria Nuevo Camino Nogales-Punchuncaví, S.A.	(6,375)	(3,906)
Other	(14)	(9)
Total Chile	(12,290)	(11,161)
Mexico		
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	(18,093)	(20,863)
Autopista Urbana Norte, S.A. de C.V.	(57,393)	(91,058)
Autovías Concesionadas, S.A. de C.V.	(1,917)	(2,629)
Concesionaria AT-AT, S.A. de C.V.	(14,011)	(22,193)
Concesionaria Mexiquense, S.A. de C.V.	(95,230)	(131,500)
Construcciones Amozoc Perote, S.A. de C.V.	67	(76)
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	(1,172)	(1,642)
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	(16,758)	(25,249)
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	(345)	(367)
Grupo Autopistas Nacionales, S.A.	(3,650)	(5,059)
Latina México, S.A. de C.V.	(264)	(443)
Libramiento Elevado de Puebla, S.A. de C.V.	(2,523)	(3,741)
ALEATICA, S.A.B. de C.V.	(74,447)	(111,852)
OPCEM, S.A.P.I. de C.V.	65	(68)
Operadora Concesionaria Mexiquense, S.A. de C.V.	(415)	(902)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	2,202	4,264
Seconmex Administración, S.A. de C.V.	(211)	(331)
Viaducto Bicentenario, S.A. de C.V.	(78,004)	(107,996)
Other	(5,135)	(424)
Total Mexico	(367,234)	(522,129)
Colombia		
ALEATICA, S.A.S.	(4,593)	(4,969)
Autopista Rio Magdalena, S.A.S.	(8,155)	(8,692)
Total Colombia	(12,748)	(13,661)
Peru		
Autopista del Norte, S.A.C.	3,199	(1,710)
Other	237	78
Total Peru	3,436	(1,632)
Other	(299)	(313)
Total translation differences	(389,135)	(548,896)

C.13.- Non-controlling interests

“Non-Controlling Interests” in the consolidated balance sheets includes the interest of non-controlling shareholders in the fully consolidated companies. “Profit from Continuing Operations Attributable to Non-Controlling Interests” in the consolidated statements of profit or loss reflects the share of non-controlling shareholders in the profit for the year.

The detail of “Non-Controlling Interests” in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows:

Company	Thousands of euros	
	2019	2018
ALEATICA, S.A.B. de C.V.	(30,194)	(10,683)
Autopista Urbana Norte, S.A. de C.V.	328,463	245,706
Autovías Concesionadas, S.A. de C.V.	2,672	1,333
Concesionaria AT-AT, S.A. de C.V.	(10,635)	(16,845)
Concesionaria Mexiquense, S.A. de C.V.	1,437,394	1,155,149
Conservación MM, S.A. de C.V.	315	50
Construcciones Amozoc Perote, S.A. de C.V.	3,272	2,623
Grupo Autopistas Nacionales, S.A.	14,749	11,232
Latina México, S.A. de C.V.	2,491	2,223
Magenta Infraestructura, S.L.	790,890	798,192
Manop, S.A. de C.V.	238	74
Administradora de Acciones de Toluca, S.A. de C.V.	(47,023)	(47,019)
OPCEM, S.A.P.I. de C.V.	4,185	4,059
Operadora Concesionaria Mexiquense, S.A. de C.V.	9,974	7,065
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	78,937	98,275
OTM Servicios de Pago, S.A. de C.V.	100	13
Seconmex Administración, S.A. de C.V.	1,554	1,514
Viaducto Bicentenario, S.A. de C.V.	226,453	166,230
Total	2,813,835	2,419,191

The detail of the profit (loss) attributable to non-controlling interests in the consolidated statements of profit or loss for 2019 and 2018 is as follows:

Company	Thousands of euros	
	2019	2018
ALEATICA, S.A.B. de C.V.	(3,722)	2,828
Autopista Urbana Norte, S.A. de C.V.	61,035	59,743
Autovías Concesionadas, S.A. de C.V.	798	974
Concesionaria Mexiquense, S.A. de C.V.	201,097	201,605
Conservación MM, S.A. de C.V.	258	49
Construcciones Amozoc Perote, S.A. de C.V.	1,894	1,407
Grupo Autopistas Nacionales, S.A.	8,498	5,060
Latina México, S.A. de C.V.	133	(25)
Magenta Infraestructura, S.L.	60	(644)
Manop, S.A. de C.V.	155	73
Administradora de Acciones de Toluca, S.A. de C.V.	(8,432)	(3)
OPCEM, S.A.P.I. de C.V.	2,784	2,593
Operadora Concesionaria Mexiquense, S.A. de C.V.	2,541	1,791
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	(14,152)	(16,413)
OTM Servicios de Pago, S.A. de C.V.	85	13
Seconmex Administración, S.A. de C.V.	(50)	254
Viaducto Bicentenario, S.A. de C.V.	37,459	38,063
Other	-	-
Total	290,441	297,368

The detail of the percentage of ownership and the company name of the non-controlling shareholders of the fully consolidated Group companies at 31 December 2019 is as follows:

Company	% of ownership	Company name
Administradora de Acciones de Toluca, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
ALEATICA Administración, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
ALEATICA, S.A.B. de C.V.	15.13%	Mexican Stock Exchange and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Autopista Urbana Norte, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Autovías Concesionadas, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Concesionaria AT-AT, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Concesionaria Mexiquense, S.A. de C.V.	45.53%	Caisse de Dépôt et Placement du Québec (CDPQ)
	3.47%	CKD Infraestructura, S.A. de C.V.
	14.29%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Conservación MM, S.A. de C.V.	7.72%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
Construcciones Amozoc Perote, S.A. de C.V.	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	30.82%	Invex Infraestructura, S.A.P.I. de C.V.
Grupo Autopistas Nacionales, S.A.	19.38%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	10.47%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	19.38%	Banco Invex, S.A.
Latina México, S.A. de C.V.	19.38%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	10.47%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
Magenta Infraestructura, S.L.	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	41.27%	Global Infraco, S.L.
Manop, S.A. de C.V.	30.82%	Invex Infraestructura, S.A.P.I. de C.V.
	19.38%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	10.47%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
OPCEM, S.A.P.I. de C.V.	45.53%	Caisse de Dépôt et Placement du Québec (CDPQ)
	3.47%	CKD Infraestructura, S.A. de C.V.
	14.29%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	7.72%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
Operadora Concesionaria Mexiquense, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	45.53%	Caisse de Dépôt et Placement du Québec (CDPQ)
	3.47%	CKD Infraestructura, S.A. de C.V.
	14.29%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
	7.72%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
OTM Servicios de Pago, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Seconmex Administración, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)
Viaducto Bicentenario, S.A. de C.V.	15.13%	Mexican Stock Exchange (through ALEATICA, S.A.B. de C.V.) and others
	28.02%	Global Infraco Spain, S.L. (through Magenta Infraestructura, S.L.)

C.14- Debt instruments and other marketable securities

The detail of "Debt Instruments and Other Marketable Securities" in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows:

	Thousands of euros	
	2019	2018
Corporate bond issues (long-term)	222,058	210,687
Corporate bond issues (short-term)	12,561	4,301
Bond issues of concession operators (long-term)	731,587	653,549
Bond issues of concession operators (short-term)	7,469	6,438
Total	973,675	874,975

The detail, by maturity, of the corporate bonds and the bonds of concession operators is as follows:

	Thousands of euros						
	Maturing in:						
	2020	2021	2022	2023	2024	Subsequent years	Total
Corporate bond issues	12,561	9,569	10,502	11,319	12,136	178,532	234,619
Bond issues of concession operators	7,469	5,483	5,869	5,925	6,251	708,059	739,056
Total	20,030	15,052	16,371	17,244	18,387	886,591	973,675

1. Corporate bond issues

The detail of the Group's issues at 31 December 2019 and 2018 is as follows:

	Issuer	Thousands of euros		Year of final maturity	Issue currency	Market price (31/12/19)
		2019	2018			
2015 issue	Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	234,619	214,988	2035	Mexican Unidades de Inversión (UDIs)	103.3
Total		234,619	214,988			

"Corporate Bond Issues" in the consolidated balance sheet includes the principal and accrued interest payable at 31 December 2019 of the following issues launched:

- In March 2015 Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. issued stock market-traded bonds denominated in UDIs amounting to UDI 773,908,000 (EUR 248,300 thousand) bearing interest at 6.95% and maturing in 2035.

The average interest rate on the corporate bond issues was 10.76% in 2019 (2018: 12.10%).

In relation to these corporate bond issues, the companies maintain their obligation to achieve certain financial ratios, which were being achieved in full at 31 December 2019.

2. Bond issues of concession operators

The detail, by company, of "Bond Issues of Concession Operators" at 31 December 2019 and 2018 is as follows:

Issuer	Thousands of euros		Year of final maturity	Issue currency
	2019	2018		
Concesionaria Mexiquense, S.A. de C.V.	650,920	575,289	2046	Mexican Unidades de Inversion (UDIs)
Grupo Autopistas Nacionales, S.A.	88,136	84,698	2031	Mexican peso
	739,056	659,987		

The average interest rate on the bond issues of concession operators was 9.75% in 2019 (2018: 11.17%).

- In December 2013 Concesionaria Mexiquense, S.A. de C.V., a wholly-owned subsidiary of ALEATICA, S.A.B. de C.V. (México), issued:
 - Secured senior notes denominated in investment units (UDIs) for a principal amount of UDI 1,633,624 thousand, maturing in 2035.
 - Zero-coupon secured senior notes denominated in investment units for a principal amount of UDI 2,087,278 thousand, maturing in 2046, which were placed at a discount, considering that they do not pay a coupon or interest over the term thereof.

In August 2014 Concesionaria Mexiquense, S.A. de C.V., a wholly-owned subsidiary of ALEATICA, S.A.B. de C.V. (México), launched an issue of secured zero-coupon stock market-traded bonds denominated in UDIs for a nominal amount of UDI 1,464,078 maturing in 2046, which were used to repurchase in part the senior notes issued in December 2013.

The notes and credit agreement of Concesionaria Mexiquense, S.A. de C.V. are first-ranking obligations secured by certain security interests created principally in the collection rights arising from the toll charges in relation to the Circuito Exterior Mexiquense toll road, of which it is concession operator, the related rights of the Circuito Exterior Mexiquense toll road and all of the shares representing the share capital of the company.

The net funds obtained from the note issues and credits were used to repay early the existing debt and the associated expenses.

- On 19 April 2011, Grupo Autopistas Nacionales, S.A. launched an issue of 20-year stock market-traded bonds denominated in UDIs for a nominal amount of UDI 370,225 thousand and a coupon of 6.64%, which were used to refinance existing debt relating to its concession.

In connection with these bond issues, the undertaking to achieve a series of financial ratios, which at 31 December 2019 was being met in full, was retained.

C.15. Bank borrowings

The Group's financial liabilities arising from transactions with banks at 31 December 2019 mature as follows:

	Thousands of euros						
	Maturing in:						
	2020	2021	2022	2023	2024	Subsequent years	Total
Loans and credit facilities	5,996	-	-	-	52,883	73,467	132,346
Total loans received	5,996	-	-	-	52,883	73,467	132,346
Loans of concession operators	157,298	85,491	172,433	101,794	169,772	362,681	1,049,469
Total loans	163,294	85,491	172,433	101,794	222,655	436,148	1,181,815
Unmatured accrued interest payable	4,292	-	-	-	-	-	4,292
Unmatured accrued interest payable of concession operators	4,549	-	-	-	-	-	4,549
Total unmatured accrued interest payable	8,841	-	-	-	-	-	8,841
Total bank borrowings	172,135	85,491	172,433	101,794	222,655	436,148	1,190,656

1. Loans and credit facilities

The limit of the loans and credit facilities is as follows:

	Thousands of euros	
	2019	2018
Limit	181,891	163,067
Amount drawn down	133,097	162,028
Undrawn balance	48,794	1,039

The interest rate on the loans and credit facilities was 6.70% in 2019 (2018: 6.35%).

The most noteworthy transactions were as follows:

1) Loan of 0606 Investments, SARL

On 29 June 2016, 0606 Investments SARL entered into a loan agreement with Mersaque Lux SARL, amounting to EUR 58,300 thousand, which matures in September 2036 and bears an annual fixed interest rate of 11%. The repayment is scheduled to be covered by the dividend flows from the investment accounted for using the equity method in Metro Liger Oeste, S.A., the current situation of which is described in Note D.5. This transaction is without recourse to the shareholder of 0606 Investments, SARL. The loan matures in September 2036 and the accrued interest is added to the principal on 15 July every year.

At 31 December 2019, this loan had been drawn down in full (EUR 58,300 thousand) and had accrued interest of EUR 15,167 thousand which had been added to the principal amount.

The **financing agreement establishes that repayments of the loan's principal and interest can only be made through the distribution of dividends of Metro Liger Oeste, S.A.** Should such repayments be insufficient, the lender would not be entitled to recourse to the ALEATICA Group.

2) Loan of ALEATICA, S.A. (Chile)

On 17 July 2015 ALEATICA, S.A. (Chile) entered into a loan agreement with ITAU-Corpbanca amounting to USD 60,000 thousand to finance various projects. The loan bears an interest rate equal to Chile TAB UF Interbank Rate 90 Days plus a spread. At 31 December 2019, EUR 52,883 thousand of the loan had been drawn down.

2. *Loans of concession operators*

The limit of the loans of concession operators is as follows:

	Thousands of euros	
	2019	2018
Limit	1,437,763	1,401,635
Amount drawn down	1,080,939	1,060,639
Undrawn balance	356,824	340,996

The interest rate on the loans of concession operators was 9.70% in 2019 (2018: 9.37%).

The detail, by operator, of the loans of the Group concession operators at 31 December 2019 and 2018, net of arrangement expenses, is as follows:

Company	Thousands of euros	
	2019	2018
Autopista del Norte, S.A.C.	93,772	99,392
Autopista Urbana Norte, S.A. de C.V.	270,396	253,152
Concesionaria AT-AT, S.A. de C.V.	3,519	2,808
Concesionaria Mexiquense, S.A. de C.V.	261,669	261,676
Euroconcesiones, S.A.U.	90,681	96,563
Terminales Marítimas del Sureste, S.A.	53,170	54,655
Viaducto Bicentenario, S.A. de C.V.	276,262	258,322
Total	1,049,469	1,026,568

In connection with the loans of the concession operators at 31 December 2019, totalling EUR 1,049,469 thousand (31 December 2018: EUR 1,026,568 thousand), the operators must provide

certain guarantees in relation to their accounts receivable and concession infrastructure.

In relation to these loans, the concession operators maintain their obligation to achieve certain financial ratios, which were being achieved in full at 31 December 2019.

The directors, as part of the Group's current activity, are negotiating the refinancing of various concession operators' loans, especially that of Autopista del Norte, S.A.C., which matures in the short term (see Note D.1.1.1.).

On 12 November 2018, Concesionaria AT-AT, S.A. de C.V. submitted a request for a new loan drawdown schedule adapted to the new construction work timetable submitted to the grantor (SCT), which has not yet been approved (see Note C.2). Consequently, the balance drawn down was reclassified to current liabilities and the availability of the drawability of the remaining balance depends on the successful outcome of the negotiations underway.

On 11 December 2019, Euroconcesiones, S.A.U. executed a novation agreement relating to the terms and conditions of the loan, which did not constitute a substantial change thereto. This novation agreement establishes 15 December 2022 as the new maturity date of the loan, and leaves the other terms and conditions unchanged.

C.16.- Other financial liabilities

The detail of "Other Financial Liabilities" in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows:

	Thousands of euros			
	2019		2018	
	Non-current	Current	Non-current	Current
Derivative financial instruments (1)	27,460	1,257	3,491	11,998
Other financial liabilities (2)	11,596	645,674	-	603,009
Total investment securities	39,056	646,931	3,491	615,007

1. *Derivative financial instruments*

The Group uses derivative financial instruments, such as currency forwards, interest rate swaps and interest rate options in order to mitigate the economic effects of exchange rate and interest rate fluctuations to which it is exposed as a result of its business activities.

The arrangement of derivatives for speculative purposes is not permitted at the Group.

No collection risks are expected to arise in relation to the amounts that the banks have undertaken to pay to the Group in the future on the basis of the derivatives arranged, since the banks with which they were arranged are highly solvent.

The derivatives arranged by the Group are basically measured by discounting the future cash flows. Interest rate options are measured using a widely accepted pricing model (Black-Scholes). In all cases, they are measured in accordance with the contractual and market conditions prevailing at the date of measurement, including credit risk in accordance with IFRS 13.

The fair value of the derivatives is determined directly or indirectly using the information available in the various markets (foreign currency, fixed income and equity securities, interbank and other organised markets).

The variables used to measure the derivatives arranged can be classified into three categories based on the degree to which their fair value is directly observable in the market:

Level 1: the derivatives arranged whose characteristics are identical to those listed on an active market.

Level 2: the derivatives arranged whose characteristics are not identical to those listed on an active market but whose fair value can be inferred from prices listed on one or various active markets.

Level 3: the derivatives arranged which cannot be classified in Levels 1 or 2.

All the variables used to measure the derivatives arranged by the Group are Level 2.

The main criteria relating to derivatives are described in Note B.6.12. Set forth below is a description of how the fair values of the derivatives arranged by the Group were accounted for at 31 December 2019 as other financial assets or liabilities and of their impact, net of taxes, on equity.

(i) Foreign currency derivatives

At 31 December 2019 and 2018, the Group had not arranged any foreign currency derivatives.

(ii) Interest rate derivatives

The Group arranges interest rate swaps and interest rate options to mitigate the variability of borrowing costs.

In the financing of concession projects, the use of interest rate derivatives normally forms part of the requirements imposed by the financing banks. The purpose of these derivatives is to limit the possible impact that future changes in interest rates could have on the borrowing costs of the projects if the financing continued to bear interest at floating rates.

The following table shows in thousands of euros the notional amounts of the interest rate derivatives of the fully consolidated companies at 31 December 2019, which are the amounts on the basis of which the interest will be settled, grouped together by settlement currency and classified based on their final expiry date, together with the fair values of the derivatives, grouped together as other financial assets or other financial liabilities, and their impact, net of taxes, on equity. Also indicated is the range of interest rates.

Settlement currency	Thousands of euros								Range of annual interest rates
	Notional amount	Final expiry date of the derivatives				Fair values included in:		Impact on equity	
		Within one year	One to five years	Five to ten years	After ten years	Other financial assets	Other financial liabilities		
Derivatives considered for accounting purposes to be cash flow hedges									
Euro	107,010	-	40,519	66,491	-	-	(11,033)	(8,275)	2.747% - 4.043%
Mexican peso	527,593	-		527,593	-	-	(16,315)	(11,421)	6.735% - 8.33%
US dollar	39,661	-	39,661		-	-	(1,197)	(844)	2.47% - 3.865%
Subtotal	674,264	-	80,180	594,084	-	-	(28,545)	(20,540)	
Derivatives that do not qualify for hedge accounting									
Mexican peso	215,780	-	215,780	-	-	34	-	-	8.0% - 9.0%
Subtotal	215,780	-	215,780	-	-	34	-	-	
TOTAL	890,044	-	295,960	594,084	-	34	(28,545)	(20,540)	

The detail of the expiry dates of the notional amounts at 31 December 2019, by settlement currency, is as follows:

Settlement currency	Thousands of euros						
	2020	2021	2022	2023	2024	Subsequent years	Total
Euro	50,665	11,137	12,307	10,538	12,764	9,600	107,011
Mexican peso	241,131	33,676	38,841	59,440	66,575	303,710	743,373
US dollar	13,220	13,220	13,220	-	-	-	39,660
Total	305,016	58,033	64,368	69,978	79,339	313,310	890,044

Following is a detail of the years in which the derivatives considered for accounting purposes to be cash flow hedges are expected to affect profit for the year:

Settlement currency	Thousands of euros			
	Within one year	One to five years	After five years	Total
Euro	(4,199)	(6,980)	-	(11,179)
Mexican peso	(15)	(18,870)	(1,432)	(20,287)
US dollar	(652)	(599)	-	(1,251)
Total	(4,836)	(26,449)	(1,432)	(32,717)

The detail of the interest rate derivatives arranged at 31 December 2018 is as follows:

Settlement currency	Thousands of euros								Range of annual interest rates
	Notional amount	Final expiry date of the derivatives				Fair values included in:		Impact on equity	
		Within one year	One to five years	Five to ten years	After ten years	Other financial assets	Other financial liabilities		
Derivatives considered for accounting purposes to be cash flow hedges									
Euro	117,818	-	41,582	76,236	-	-	(14,428)	(10,819)	2.747%- 4.043%
Mexican peso	519,498	-	-	519,498	-	25,029	-	17,520	6.735%- 8.330%
US dollar	44,499	-	44,499	-	-	12	(1,061)	(739)	2.470%- 3.865%
Subtotal	681,815	-	86,081	595,734	-	25,041	(15,489)	5,962	
Derivatives that do not qualify for hedge accounting									
Mexican peso	167,618	-	167,618	-	-	3,056	-	(13)	8.000%- 9.000%
Subtotal	167,618	-	167,618	-	-	3,056	-	(13)	
Total	849,433	-	253,699	595,734	-	28,097	(15,489)	5,949	

The column "Impact on Equity" shows the valuation of the derivatives of the fully consolidated companies outstanding at 31 December 2019 and 2018. This column shows the gains or losses and valuation adjustments attributable to the ALEATICA Group and the impact on non-controlling interests.

In the case of interest rate derivatives arranged by the investees in which the Group does not hold a controlling interest, the notional amounts, the fair values of the derivatives and the impact on equity shown in the foregoing table are proportional to the Group's ownership interests in those investees. The negative impact on equity is limited, in the case of the investees in which the Group does not hold a controlling interest, to the value of the Group's ownership interest.

The following table summarises the impact on equity arising from the changes in the interest rate derivatives of the fully consolidated companies:

	Thousands of euros
Accumulated impact on equity at 31 December 2017	(4,575)
Income and expense recognised directly in equity in 2018	10,320
Transfers to the consolidated statement of profit or loss in 2018	2,035
Accumulated impact on equity at 31 December 2018	7,780
Income and expense recognised directly in equity in 2019	(18,112)
Transfers to the consolidated statement of profit or loss in 2019	(195)
Accumulated impact on equity at 31 December 2019	(10,527)

The impact on the profit or loss attributable to the Parent in the consolidated statement of profit or loss relates mainly to the amounts transferred from equity, since all the interest rate derivatives (except for the interest rate options) were accounted for as cash flow hedges and, consequently, the related changes in value are recognised in equity under "Valuation Adjustments".

The impact of the interest rate options that do not qualify for hedge accounting on the profit or loss attributable to the Parent in the consolidated statement of profit or loss is direct and does not need to be recognised first under "Valuation Adjustments" in the consolidated balance sheet.

(iii) *Equity derivatives*

At 31 December 2019 and 2018, the Group had not arranged any equity derivatives.

(iv) *Sensitivity analysis*

A sensitivity analysis involves the measurement of the effect that interest rates, exchange rates and/or share prices other than those existing on the market at the measurement date would have had.

No exchange rate derivatives had been arranged at the analysis date.

The table below shows the difference in the fair value of the interest rate derivatives and equity with respect to the data presented had interest rates been 0.20% higher than those applicable at 31 December 2019 and 2018.

	Thousands of euros			
	2019		2018	
	Fair value	Impact on equity	Fair value	Impact on equity
Euro	554	427	857	661
Mexican peso	4,134	2,894	3,810	2,667
US dollar	119	84	201	142
Total	4,807	3,405	4,868	3,471

Had interest rates been 0.20% lower, the effect on fair value and equity would have been as follows:

	Thousands of euros			
	2019		2018	
	Fair value	Impact on equity	Fair value	Impact on equity
Euro	(554)	(427)	(857)	(661)
Mexican peso	(4,134)	(2,894)	(3,810)	(2,667)
US dollar	(119)	(84)	(201)	(142)
Total	(4,807)	(3,405)	(4,868)	(3,471)

2. *Other financial liabilities*

"Current Liabilities - Other Financial Liabilities" includes the loan arranged by Global Infracore, S.A.r.l. (related company of the Group's Parent) and ALEATICA Investments, S.A. on 20 September 2017 amounting to EUR 400,000 thousand. This financing was secured by 467,317,942 shares representing 39.75% of the share capital of Magenta Infraestructura, S.L., which were owned by ALEATICA, S.A.U. On 15 February 2018, the loan capital was increased by EUR 150,000 thousand. This new financing was secured by 191,486,393 shares representing 16.29% of the share capital of Magenta Infraestructura, S.L., which were owned by ALEATICA, S.A.U.

The cancellation of the security interests on the shares of Magenta Infraestructura, S.L. was agreed on 18 July 2019, without prejudice to the loan agreement remaining fully in force and effective. Therefore, at the date of formal preparation of these consolidated financial statements, all of the shares of Magenta Infraestructura, S.L. are free of liens and charges.

The loan bore interest at an annual rate of 8% until 18 July 2019, when an addendum was signed specifying that the interest rate applicable to the agreement was 3.6%. The interest accrued at 31 December 2019 totals EUR 92,599 thousand (31 December 2018: EUR 53,009 thousand).

The detail of the drawdowns and accrued interest at 31 December 2019 is as follows:

	Thousands of euros
Drawdown of 20 September 2017	400,000
Drawdown of 15 February 2018	150,000
Total drawdowns	550,000
Accrued interest	92,599
Total	642,599

At the date of formal preparation of these consolidated financial statements, the creditor informed the directors that it will not claim payment of the principal and interest from the Group in at least the next 12 months.

Also, non-current and current lease obligations are recognised under **"Other Financial Liabilities"**. At 31 December 2019 the Group recognised liabilities associated with the leases amounting to EUR 14,670 thousand.

The detail of the maturity of the Group's non-current and current lease obligations at 31 December 2019 is as follows:

	Thousands of euros						
	2020	2021	2022	2023	2024	Subsequent years	TOTAL
Property	2,348	1,121	832	459	-	3,057	7,817
Transport equipment	933	700	38	-	-	-	1,671
Subsequent years	683	735	796	871	955	1,142	5,182
TOTAL	3,964	2,556	1,666	1,330	955	4,199	14,670

C.17.- *Other liabilities*

The detail of **"Other Non-Current Liabilities"** and **"Other Current Liabilities"** in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows:

	Thousands of euros			
	2019		2018	
	Non-current	Current	Non-current	Current
Payable to associates	8,597	732	7,698	720
Remuneration payable	-	10,634	-	4,546
Tax payables (Note C.20.7.)	-	42,492	-	29,745
Other non-trade payables	15,952	40,198	43,296	62,219
Guarantees and deposits received	-	63	-	60
Other liabilities	-	442	-	6,856
Total	24,549	94,561	50,994	104,146

The balance of **"Other Non-Current Liabilities - Other Non-Trade Payables"** at 31 December 2019 included mainly a liability of ALEATICA, S.A.B. de C.V. (México) with the Mexican tax authorities recognised as a result of the elimination of the consolidated tax regime under which this company and its subsidiaries were filing income tax returns until 2014. This liability amounted to EUR 15,828 thousand at 31 December 2019 (31 December 2018: EUR 19,253 thousand).

At 31 December 2019, **"Other Current Liabilities - Other Non-Trade Payables"** included mainly the balances payable to Compañía Española de Financiación del Desarrollo, COFIDES, S.A. in relation to an investment agreement with ALEATICA S.A.U. by virtue of which COFIDES holds a temporary direct ownership interest in the share capital of Autopista del Norte, S.A.C. in order to partially finance this project, through the purchase of shares representing 33.11% of the share capital of this company. Pursuant to the agreement, ALEATICA, S.A.U. undertook to purchase the aforementioned shares when COFIDES exercises its right to sell, in the period between March 2016 and March 2021. The price of these shares will be calculated as the amount paid by COFIDES plus the amount resulting from adding interest of 12-month Euribor plus 4.35% on a compound annual basis. At

31 December 2019, the aforementioned amount totalled EUR 34,952 thousand (31 December 2018: EUR 33,513 thousand).

C.18.- Trade and other payables

“Trade and Other Payables” includes mainly the estimate of the payment obligation of Autopista del Norte, S.A.C. amounting to EUR 27,069 thousand (31 December 2018: EUR 28,769 thousand) arising from the repairs required as a result of the meteorological phenomenon known as Niño Costero in February 2017, which led to significant damage to the existing road surface managed by the concession operator and made it necessary to close the toll road. Following an analysis of the damage caused, in an independent study, and in accordance with the clauses of the concession arrangement, the company recognised its best estimate of the cost of the repairs required to restore the assets affected by the aforementioned phenomenon.

C.19.- Provisions

1. Long-term provisions

The changes in "Long-Term Provisions" at 31 December 2019 were as follows:

	Thousands of euros					
	Balance at 31/12/18	Charge for the year	Amounts used	Amounts reversed	Exchange differences and interest cost	Balance at 31/12/19
Provisions for major maintenance, retirement or refurbishment of concession infrastructure and occupancy fees	119,190	18,566	(14,197)	(26,380)	13,102	110,281
Other provisions	1,837	1,189	(140)	-	111	2,997
Total	121,027	19,755	(14,337)	(26,380)	13,213	113,278

The provisions for major maintenance, retirement or refurbishment of non-current assets and occupancy fees correspond to the concession operators and, in accordance with IFRIC 12, they cover contractual obligations to restore the infrastructure to ensure a specified level of serviceability, pursuant to the terms and conditions of the licences or services, prior to handing over the infrastructure to the grantor in a specified condition at the end of the period of the arrangement. Accordingly, provisions are created for major maintenance work based on the estimate of the cost of the next maintenance work to be performed, on a straight-line basis from when the last maintenance work was carried out.

The concession operators with the most significant provisions for major maintenance and occupancy fees are as follows: Terminal de Contenedores de Tenerife, S.A.U., Autopista del Norte, S.A.C., Terminales Marítimas del Sureste, S.A., Concesionaria Mexiquense, S.A. de C.V., Viaducto Bicentenario, S.A. de C.V. and Autopista Urbana Norte, S.A. de C.V., which represent 97.7% of the balance of the provisions for major maintenance.

The provisions for litigation and third-party liability arise due to the obligations of an indeterminate amount, in respect of lawsuits and/or arbitral proceedings in progress and indemnity payments.

The detail of the projected schedule of the outflows of economic benefits relating to the long-term provisions at 31 December 2019 is as follows:

	Thousands of euros					
	2020	2021	2022	2023	Subsequent years	Total
Provisions for major maintenance, retirement or refurbishment of concession infrastructure and occupancy fees	23,217	3,827	3,827	3,827	75,583	110,281
Other provisions	819	-	-	-	2,178	2,997
Total	24,036	3,827	3,827	3,827	77,761	113,278

Both the provisions and the schedule are reviewed at the end of each reporting period, as required by IAS 37.59, with particular attention paid to the provisions for litigation and third-party liability in relation to which both the related risks and uncertainties are analysed.

2. Short-term provisions

The changes in "Short-Term Provisions" at 31 December 2019 were as follows:

	Thousands of euros					
	Balance at 31/12/18	Charge for the year	Amounts used	Changes in the scope of consolidation	Exchange differences and interest cost	Balance at 31/12/19
Provisions for major maintenance, retirement or refurbishment of concession infrastructure and occupancy fees	36,338	8,418	(13,869)	-	2,010	32,897
Other provisions	15,469	3,794	(1,704)	-	919	18,478
Total	51,807	12,212	(15,573)	-	2,929	51,375

C.20.- Tax matters

1. Consolidated tax group

Effective from 1 January 2019, ALEATICA, S.A.U., together with the Spanish subsidiaries indicated below and other entities of the IFM Group, forms part of a single tax group the parent of which is Global Infracore, S.à.r.l., which in Spain is represented by Global Infracore Spain, S.L.

The subsidiaries of ALEATICA, S.A.U., which are also included in the same tax group, are as follows: Magenta Infraestructuras, S.L., Euroconcesiones, S.L., Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.L., Aleatica Emisiones, S.A.U., Pachira S.L., Terminales Marítimas del Sureste, S.L., Terminal Polivalente del Sureste, S.L. and Aleatica Labs, S.A.U.

2. Accounting for taxes

Income tax is calculated on the basis of the accounting profit or loss determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable profit or tax loss.

The tax effect of temporary differences between transactions recognised in the accounting records and reported in the income tax return using different criteria gives rise to deferred tax assets and liabilities that will be recoverable or payable in the future.

Tax losses, if recognised, also give rise to deferred tax assets that will reduce the expense for subsequent years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the assets are realised or the liabilities are settled.

Deferred tax assets are only recognised when there are no doubts that there will be sufficient taxable profits in the future against which to charge these temporary differences.

When the closing is performed for tax purposes each year, the deferred tax balances are reviewed in order to ascertain whether they still exist and the appropriate valuation adjustments are made so as to adapt the balances to the new situation.

3. Reconciliation of the accounting profit to the tax loss

The reconciliation of the consolidated accounting profit for the year to the tax loss for income tax purposes is as follows:

	Thousands of euros	
	2019	2018
Consolidated profit for the year from continuing operations before tax	676,339	620,098
Permanent differences	(113,353)	(53,650)
Temporary differences	(671,108)	(629,086)
Offset of prior years' tax losses	(152,862)	(13,162)
Tax loss	(260,984)	(75,800)

The reconciliation of the accounting profit from continuing operations to the income tax expense for 2019 and 2018 is as follows:

	Thousands of euros	
	2019	2018
Consolidated profit for the year from continuing operations before tax	676,339	620,098
Permanent differences of continuing operations	(113,353)	(53,650)
Unrecognised tax losses offset in the year	(63,220)	(1,222)
Tax losses arising from tax assets not recognised in the year and other	28,442	58,909
Total taxable profit from continuing operations	528,207	624,136
Income tax expense for the year	201,451	182,714
Tax credits and tax relief	-	-
Regularisations and other adjustments	10,395	16,622
Income tax expense relating to continuing operations	211,846	199,336

The permanent differences relate mainly to:

- Expenses not considered to be deductible for tax purposes.
- The recognition and use of provisions.
- Tax withholdings paid abroad.
- Consolidation adjustments (mainly the elimination of dividends and the elimination of investment valuation allowances).

4. Income tax and tax rate

Income tax is calculated using the tax rates in force in each country in which the subsidiaries of ALEATICA, S.A.U. operate. These rates are as follows:

Country	2019	2018
Chile	27.0%	27.0%
Colombia	33.0%	33.0%
Spain	25.0%	25.0%
Mexico	30.0%	30.0%
Peru	29.5%	29.5%

The income tax expense amounted to EUR 211,846 thousand.

In addition to the income tax expense for 2019, EUR 7,922 thousand were recognised directly in equity, relating to the change in value of derivative financial instruments.

5. Deferred taxes and tax losses

The deferred taxes recognised arose from:

- The differences between accounting and tax legislation concerning the timing of recognition of certain income and expense items, due fundamentally to the recognition and use of provisions adjusted in prior years, other items of income not computable for tax purposes and the difference in the criteria used to depreciate or amortise non-current assets.
- The adjustments on the consolidation of the financial statements.
- The difference existing at the companies with guaranteed minimum revenue clauses between the total revenue and the toll revenue recognised, amounting to EUR 1,532,169 thousand (31 December 2018: EUR 1,264,724 thousand).

The changes in deferred tax assets in 2019 and 2018 were as follows:

	Thousands of euros	
	2019	2018
Beginning balance	355,737	319,242
Increases	55,168	51,900
Decreases	(41,008)	(15,405)
Ending balance	369,897	355,737

The detail of the changes in deferred tax assets in 2019 is as follows:

	Thousands of euros					
	2019					
	Balance at 31/12/18	Changes in the scope of consolidation	Charge/credit to profit or loss	Charge/credit to reserves	Exchange rate effect	Balance at 31/12/19
				Hedging instruments	Available-for-sale financial assets	
Tax assets	279,441	-	(8,387)	-	-	287,148
Tax loss carryforwards	279,441	-	(8,387)	-	-	287,148
Temporary differences	76,296	-	2,093	1,074	-	82,749
Total deferred tax assets	355,737	-	(6,294)	1,074	-	369,897

And the detail of the changes in deferred tax assets in 2018 is as follows:

	Thousands of euros					
	2018					
	Balance at 31/12/17	Changes in the scope of consolidation	Charge/credit to profit or loss	Charge/credit to reserves	Exchange rate effect	Balance at 31/12/18
				Hedging instruments	Available-for-sale financial assets	
Tax assets	251,108	-	16,247	-	-	279,441
Tax loss carryforwards	251,108	-	16,247	-	-	279,441
Temporary differences	68,134	-	7,915	(1,401)	-	76,296
Total deferred tax assets	319,242	-	24,162	(1,401)	-	355,737

As regards the deferred tax assets recognised, a recoverability analysis was conducted based on the maintenance of the current key assumptions of the businesses, and no risk of recoverability within the expiry periods was identified.

The detail, by company, of the deferred tax assets at 31 December 2019 and 2018 is as follows:

Company	Thousands of euros	
	2019	2018
Autopista del Norte, S.A.C.	10,376	16,557
Autopista Urbana Norte, S.A. de C.V.	47,681	42,548
Concesionaria Mexiquense, S.A. de C.V.	170,875	176,070
Viaducto Bicentenario, S.A. de C.V.	103,154	88,642
Other	33,090	31,920
Total	369,897	355,737

The changes in deferred tax liabilities in 2019 and 2018 were as follows:

	Thousands of euros	
	2019	2018
Beginning balance	1,451,973	1,181,948
Increases	285,727	285,407
Decreases	(26,125)	(15,382)
Ending balance	1,711,575	1,451,973

The detail of the changes in deferred tax liabilities in 2019 is as follows:

	Thousands of euros							
	2019							
	Balance at 31/12/17	Changes in the scope of consolidation	Charge/credit to profit or loss	Charge/credit to reserves		Exchange rate effect	Reclassifications and other	Balance at 31/12/18
				Hedging instruments	Available-for-sale financial assets			
Temporary differences	1,451,973	-	180,572	(7,089)	-	86,119	-	1,711,575
Total deferred tax liabilities	1,451,973	-	180,572	(7,089)	-	86,119	-	1,711,575

And the detail of the changes in deferred tax liabilities in 2018 is as follows:

	Thousands of euros							
	2018							
	Balance at 31/12/17	Changes in the scope of consolidation	Charge/credit to profit or loss	Charge/credit to reserves		Exchange rate effect	Reclassifications and other	Balance at 31/12/18
				Hedging instruments	Available-for-sale financial assets			
Temporary differences	1,181,948	-	209,096	2,126	-	58,802	-	1,451,973
Total deferred tax liabilities	1,181,948	-	209,096	2,126	-	58,802	-	1,451,973

The Group companies’ tax loss carryforwards available for offset in future tax returns amount to EUR 1,829,722 thousand, for which the last years for offset are as follows:

Year	Thousands of euros
2019	466
2020	617
2021	343
2022	900
2023	2,646
2024	7,974
2025	14,413
2026	9,729
2027	34,372
2028	33,581
Subsequent years	1,726,068
Total	1,831,108

The Group companies have unused double taxation tax credits amounting to EUR 5,136 thousand, and tax credits for investment (reinvestment, R&D+i and other items) amounting to EUR 21,378 thousand.

6. Years open for review by the tax authorities

In general, the Group companies have all the tax returns filed in recent years for the taxes applicable to them open for review by the tax authorities.

On 25 January 2019, the Spanish tax authorities notified the Parent of the commencement of an audit of VAT for the period from December 2014 to December 2018.

This audit focused on the application of the deductible proportion rule to the aforementioned period.

On 1 October 2019 the tax assessments issued by the Spanish tax authorities were signed on an uncontested basis, which gave rise to a tax charge including late-payment interest amounting to EUR 8,363 thousand.

On 18 December 2019, the Parent paid the aforementioned tax debt in full.

In this connection it should be taken into account that, under the sale and purchase agreement entered into by Obrascón Huarte Lain, S.A., ALEATICA, S.A.U. and Global Infracore Spain, S.L.U. on 30 November 2017, Obrascón Huarte Lain, S.A. is obliged to compensate the buyer for any cash outflow that must be paid by ALEATICA, S.A.U. as a result of any tax audit of the period in which Obrascón Huarte Lain, S.A. owned shares of ALEATICA, S.A.U., i.e. up to 12 April 2018.

By reason of that obligation, on 31 January 2020 Obrascón Huarte Lain, S.A. compensated ALEATICA, S.A.U. with EUR 7,854 thousand, on behalf of Global Infracore Silver Spain, S.L.U., for the economic loss suffered as a result of the aforementioned VAT regularisation for the period from December 2014 to December 2017.

The compensation relating to 2018, for the period in which Obrascón Huarte Lain, S.A. owned shares of ALEATICA, S.A.U. has not yet been paid.

7. Tax receivables and payables

The detail of "Tax Receivables" and "Tax Payables" at 31 December 2019 and 2018 is as follows:

	Thousands of euros			
	Current assets		Current liabilities	
	2019	2018	2019	2018
VAT	32,674	28,541	31,436	22,501
Other taxes (tax on income from movable capital, personal income tax withholdings, transfer tax, etc.)	18,104	7,317	10,007	6,162
Social security taxes	-	-	956	1,082
Total	50,778	35,858	42,399	29,745

C.21.- Income and expenses

1. Revenue

Information is not presented by business segment, since the ALEATICA Group carries on one main activity (concessions) and certain auxiliary activities, none of which account for even 10% of the total amount of revenue, profits and assets.

The Group's revenue in 2019 amounted to EUR 568,413 thousand (2018: EUR 510,056 thousand). The detail, by customer and geographical area, is as follows:

Revenue	Thousands of euros		
	2019	2018	% change
Infrastructure concessions	568,413	510,056	11.4

By customer and geographical area	Thousands of euros					
	2019					
	Spain		Abroad		Total	
	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Infrastructure concessions	14,271	27,011	11,447	515,684	25,718	542,695
Total	14,271	27,011	11,447	515,684	25,718	542,695

By customer and geographical area	Thousands of euros					
	2018					
	Spain		Abroad		Total	
	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Infrastructure concessions	13,971	29,337	50,251	416,497	64,222	445,834
Total	13,971	29,337	50,251	416,497	64,222	445,834

Geographical area	Thousands of euros	
	2019	2018
Total Spain	41,282	43,308
Abroad:		
Chile	33,343	51,478
Colombia	18,966	16,509
Mexico	429,900	359,692
Peru	44,922	39,069
Total abroad	527,131	466,748
Total revenue	568,413	510,056

2. Other operating income

	Thousands of euros	
	2019	2018
Concessions with guaranteed minimum revenue	615,288	676,205
Financial asset model	22,077	14,357
Other	10,132	23,315
Total	647,497	713,877

In 2019 the Group recognised EUR 615,288 thousand (2018: EUR 676,205 thousand) relating to the collection rights of the subsidiaries Concesionaria Mexiquense, S.A. de C.V., Viaducto Bicentenario, S.A. de C.V. and Autopista Urbana Norte, S.A. de C.V. acknowledged by the Government of the State of Mexico and the Mexico City Government in the year as an adjustment for guaranteed minimum revenue under the concession arrangement (see Note B.6.14). These collection rights do not generate cash receipts.

3. Staff costs

At 31 December 2019 there was no incentive plan in force.

4. Other operating expenses

The detail of "Other Operating Expenses" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2019	2018
Outside services	43,442	54,761
Taxes other than income tax	15,862	10,258
Other current operating expenses	16,655	59,253
Total other operating expenses	75,959	124,272

"Other Current Operating Expenses" includes, inter alia, the reversal due to re-estimates of the provision for major maintenance work of Autopista del Norte, S.A.C. (see Note C.19).

5. Finance costs

The finance costs recognised in 2019, amounting to EUR 275,744 thousand (2018: EUR 295,395 thousand), relate to corporate financing and the financing obtained by the concession operators through bank borrowings and bond issues to carry out their projects.

6. Net gains (losses) on remeasurement of financial instruments at fair value

The detail of "Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value" in the consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2019	2018
Other valuations and/or settlements of derivatives	892	(466)
TOTAL	892	(466)

7. Result of companies accounted for using the equity method

"Result of Companies Accounted for Using the Equity Method" in 2019 amounted to EUR 28,495 thousand (2018: EUR 27,862 thousand).

8. Impairment and gains or losses on disposals of financial instruments

The loss of EUR 14,213 thousand (2018: gain of EUR 1,080 thousand) relates mainly to the impairment of EUR 15,912 thousand recognised in 2019 in relation to Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. (see Note C.5).

9. Transactions and balances in currencies other than the euro

The detail of the transactions performed by Group companies in 2019 in currencies other than the euro, by currency and for the main operating income and expense items, measured at the average exchange rates, is as follows:

Currency	Thousands of euros			
	Revenue		Expenses	
	Revenue	Other operating income	Procurements	Other operating expenses
US dollar	-	-	-	309
Pound sterling	-	-	-	12
Colombian peso	19,106	19,268	19,106	448
Chilean peso	33,343	5,204	4,895	7,022
Mexican peso	412,993	617,526	84,685	45,842
Brazilian real	-	-	-	349
Peruvian new sol	44,782	3,751	492	20,837
Total	510,224	645,749	108,546	74,819

The balances payable in currencies other than the euro at 31 December 2019 and 2018, by currency and for the main liability items in the consolidated balance sheets, measured at the year-end exchange rates, were as follows:

Currency	Thousands of euros				
	2019				
	Bank borrowings	Debt instruments and other marketable securities	Other financial liabilities	Trade and other payables	Other current and non-current liabilities
US dollar	93,772	-	713	326	-
Canadian dollar	-	-	-	-	-
Argentine peso	-	-	-	-	-
Colombian peso	-	-	447	5,172	833
Chilean peso	53,321	-	-	3,606	2,293
Mexican peso	815,903	973,675	25,772	46,467	56,483
Brazilian real	-	-	49	-	67
Peruvian new sol	326	-	2,592	29,469	1,271
Total	963,322	973,675	29,573	85,040	60,947

Currency	Thousands of euros				
	2018				
	Bank borrowings	Debt instruments and other marketable securities	Other financial liabilities	Trade and other payables	Other current and non-current liabilities
US dollar	99,392	-	-	58	108
Colombian peso	-	-	-	5,895	532
Chilean peso	54,155	-	-	3,113	2,523
Mexican peso	779,934	874,975	-	43,972	123,539
Brazilian real	-	-	-	1	37
Peruvian sol	647	-	1,064	30,462	169
Total	934,128	874,975	1,064	83,501	126,908

The balances receivable in currencies other than the euro at 31 December 2019 and 2018, by currency and for the main financial asset items, measured at the year-end exchange rates, were as follows:

Currency	Thousands of euros		
	2019		
	Non-current financial assets	Current financial assets	Trade and other receivables
Colombian peso	147,132	-	35,025
Chilean peso	45,133	641	15,875
Mexican peso	7,485,674	231,499	66,180
Brazilian real	14	-	24
Peruvian new sol	1,549	67,201	12,916
Total	7,679,502	299,341	130,020

Currency	Thousands of euros		
	2018		
	Non-current financial assets	Current financial assets	Trade and other receivables
Colombian peso	126,590	-	1,448
Chilean peso	42,309	2,328	5,562
Mexican peso	6,420,843	257,597	57,500
Brazilian real	14	-	21
Peruvian sol	1,560	63,841	20,923
Total	6,591,316	323,766	85,454

10. Consolidated profit for the year attributable to the Parent

The detail of the contribution, by company and country, to the profit attributable to the Parent in 2019 and 2018 is as follows:

Company	Thousands of euros	
	2019	2018
Sociedad Concesionaria Puente Industrial, S.A.	433	1,087
Terminal Cerros de Valparaíso, S.A.	6,499	(21,974)
Operadora de Carreteras, S.A.C.	(47)	42
ALEATICA, S.A.	(5,738)	(3,331)
Chile	1,147	(24,176)
Autopista Rio Magdalena, S.A.S.	(11,046)	15
ALEATICA, S.A.S.	4,280	1,884
Colombia	(6,766)	1,899
ALEATICA LABS, S.A.U.	(3,146)	(760)
ALEATICA Emisiones, S.A.U.	(339)	(1,268)
ALEATICA, S.A.U.	(43,635)	(32,220)
Euroconcesiones, S.L.	(1,209)	(2,376)
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	6,159	5,262
Terminal de Contenedores de Tenerife, S.A.	(13,034)	(16,542)
Terminales Marítimas del Sureste, S.A.	(790)	(8,427)
Magenta Infraestructura, S.L.	86	(917)
Pachira, S.L.	(158)	(13,770)
Spain	(56,066)	(71,018)
ALEATICA Investments, S.A.	(18,983)	(25,995)
Luxembourg	(18,983)	(25,995)
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	(122)	617
Grupo Autopistas Nacionales, S.A.	5,509	3,281
Concesionaria Mexiquense, S.A. de C.V.	82,099	82,306
ALEATICA LABS, S.A. de C.V.	(362)	(34)
Latina México, S.A. de C.V.	175	(34)
Construcciones Amozoc Perote, S.A. de C.V.	1,228	912
Operadora Concesionaria Mexiquense, S.A. de C.V.	3,347	2,360
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	(5,777)	(6,700)
Seconmex Administración, S.A. de C.V.	(67)	335
Administradora de Acciones de Toluca, S.A. de C.V.	(11,109)	(3)
ALEATICA, S.A.B. de C.V.	(4,903)	3,726
Autopista Urbana Norte, S.A. de C.V.	80,414	78,711
Viaducto Bicentenario, S.A. de C.V.	49,350	50,148
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	23,614	23,180
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	(13)	(691)
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	(88)	87
Mexico	223,295	238,201
Autopista del Norte, S.A.C.	29,258	4,736
Peru	29,258	4,736
Other	2,167	(253)
Total profit attributable to the Parent	174,052	123,394

C.22.- Consolidated statement of cash flows

The consolidated statement of cash flows was prepared in accordance with IAS 7 using the indirect method.

One of the most noteworthy aspects is that it is unaffected by changes in the exchange rates against the euro of the currencies with which the Group operates.

Also, the pertinent classifications have been made in order to properly show the changes due to inclusions in and exclusions from the scope of consolidation.

The following aspects are worthy of mention in relation to each of the main sections of the consolidated statement of cash flows:

1. Cash flows from operating activities

"Cash Flows from Operating Activities" amounted to EUR 149,566 thousand in 2019, and it should be noted that:

The consolidated profit before tax for 2019 amounted to EUR 676,339 thousand.

The detail of "Other Adjustments to Profit" is as follows:

	Thousands of euros	
	2019	2018
Changes in provisions and allowances	55,404	49,632
Financial profit	214,981	241,047
Result of companies accounted for using the equity method	(28,495)	(27,862)
Impairment and gains or losses on disposals of financial instruments	(1,699)	(1,080)
Pre-tax profit due to guaranteed minimum revenue	(615,288)	(676,205)
Total	(375,097)	(414,468)

2. Cash flows from investing activities

"Cash Flows from Investing Activities" amounted to EUR (73,902) thousand in 2019.

3. Cash flows from financing activities

"Cash Flows from Financing Activities", amounting to EUR (194,011) thousand in 2019, include most notably:

- The net effect of the finance income and expenses for 2019 amounting to EUR (214,981) thousand.

Following the aforementioned transactions, and taking into consideration the impact of exchange rates, cash and cash equivalents at the end of the year amounted to EUR 382,594 thousand.

D.- Other disclosures

D.1.- Risk control

D.1.1.- Description

Risk management, as a strategic objective of the Group, focuses on the implementation and maintenance of a reliable risk management system to be used as a management tool for all the activities and projects performed by ALEATICA, and as a base for the decision-making process.

This system develops and implements a common set of processes, risk categories, and management tools and techniques in order to:

- Identify, assess and respond to risks at all Group levels.
- Establish integrated reporting to enable the monitoring of the risks considered to be key.
- Improve the information and communication of risks at all Group levels.
- Improve risk-response decisions.
- Integrate risk management into the decision-making process.
- Reduce the Group's vulnerability to adverse events.

- Increase the confidence and assurance of the Board of Directors and of stakeholders that material risks are being managed and communicated on a timely basis.

In order to achieve these objectives, the Group manages risk on the basis of the following principles and guidelines:

- Align levels of risk tolerance with Group aims.
- Integrate risk management into the decision-making processes, and into the achievement of the organisational objectives and strategic results at all levels and in all projects.
- Establish, promote and maintain a culture of transparency, awareness-raising and open dialogue on risk.

The framework of the Group's risk management process represents how it manages risk. The Group manages risk taking into consideration the following actions:

- All the Group's risks are identified, prioritised and assessed on the basis of the scales of risk defined by the corporate risk management function.
- Each functional and business area is responsible for adopting and following the Risk Management System defined by the Group, and for identifying and managing the risks in its area of responsibility.
- The risks identified are analysed by business unit and brought together to ensure the adoption of a coordinated response to the risks common to the Group as a whole.
- Each functional and business area carries out periodic reviews of its inventory of risks in order to update the status of existing risks and to identify emerging risks.
- It is the responsibility of each area to proactively disseminate information on significant current or potential risks in a timely manner, and to ensure that risk management information is provided to the corresponding management or the corporate risk management function.
- The Group analyses and defines its ability to reduce, accept, share or avoid risks. This definition is aligned with and supports the Group's strategic and operational objectives and its declaration on risk tolerance.
- The Group provides the necessary tools and resources to facilitate risk reporting, monitoring and measurement.

The Group's Risk Management Policy is reviewed annually to ensure that it remains in line with the interests of the Group and its stakeholders.

The Group's Audit Committee has the ultimate responsibility for ensuring that the commitments contained in the risk management policy are up to date and fulfilled on an ongoing basis.

D.1.1.1.- Financial risk management

Financial risks are those that affect mainly the obtainment of necessary financing when required and at a reasonable cost and the maximisation of the available financial resources. The most significant financial risks are as follows:

- Interest rate risk.
- Foreign currency risk.
- Credit risk.
- Liquidity risk.
- Risk arising from changes in the share price of certain investees.

Interest rate risk

Interest rate fluctuations change the future flows from assets and liabilities tied to floating interest rates.

This interest rate risk is particularly important in relation to the financing of infrastructure projects and other projects in which project profitability depends on possible changes in interest rates because it is directly linked to project cash flows.

The Group finances its operations using fixed- or floating-rate financial products and, based on estimates of the trend in interest rates and of debt structure targets, it either performs hedging transactions by arranging derivatives to mitigate these risks, also conducting a sensitivity analysis in this connection, or it arranges fixed-rate financing.

Of the Group's total gross debt at 31 December 2019, 29.3% had been hedged while 50.9% was bearing interest at a fixed rate.

The sensitivity of **the Group's profit or loss to an increase of 0.5% in interest rates, excluding the debt hedged with hedging instruments** and the debt bearing a fixed rate of interest, would have an impact of EUR 2,339 thousand on the profit or loss attributable to the Parent.

Foreign currency risk

Foreign currency risk is managed centrally at the Group and various hedging mechanisms are used to minimise the impact of foreign currency fluctuations against the euro.

The foreign currency risks relate basically to:

- Debt denominated in foreign currencies arranged by Group companies.
- Payments to be made in international markets for the acquisition of procurements or non-current assets.
- Collections arising on projects tied to currencies other than the functional currency of the Parent or of the subsidiaries.
- Investments in foreign subsidiaries.

In order to mitigate foreign currency risk, the Group arranges currency derivatives and currency forwards to hedge significant future transactions and cash flows, in keeping with acceptable risk limits.

Also, the net assets relating to net investments in foreign operations with a functional currency other than the euro are exposed to the risk of exchange rate fluctuations on the translation of the financial statements of these foreign operations on consolidation.

EUR (389,135) thousand (31 December 2018: EUR (548,896) thousand) were recognised under **"Valuation Adjustments - Translation Differences"** in the consolidated balance sheet as at 31 December 2019 (see Note C.12.).

The sensitivity analysis of the foreign currency risk of financial instruments for the main currencies in which the Group operates simulated a 10% increase in the foreign currency per euro exchange rates with respect to the rates applicable at 31 December 2019 and 2018, the impact of which was as follows:

Currency	Thousands of euros				
	2019				
	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
US dollar	(7,033)	(99)	(7,132)	-	(7,132)
Chilean peso	-	243	243	-	243
Colombian peso	-	17,571	17,571	-	17,571
Mexican peso	-	333,443	333,443	253,088	586,531
Brazilian real	-	(8)	(8)	-	(8)
Peruvian sol	-	4,770	4,770	-	4,770
Total	(7,033)	355,920	348,887	253,088	601,975

Currency	Thousands of euros				
	2018				
	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
US dollar	(7,454)	(17)	(7,471)	-	(7,471)
Chilean peso	-	(959)	(959)	-	(959)
Colombian peso	-	12,161	12,161	-	12,161
Mexican peso	-	279,334	279,334	212,018	491,352
Brazilian real	-	-	-	-	-
Peruvian sol	-	5,398	5,398	-	5,398
Total	(7,454)	295,917	288,463	212,018	500,481

If the sensitivity analysis were performed simulating a 10% decrease in the value of the foreign currencies vis-à-vis the euro with respect to the rates in force at 31 December 2019 and 2018, the impact would be as follows:

Currency	Thousands of euros				
	2019				
	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
US dollar	6,010	90	6,100	-	6,100
Chilean peso	-	(221)	(221)	-	(221)
Colombian peso	-	(15,973)	(15,973)	-	(15,973)
Mexican peso	-	(303,130)	(303,130)	(230,080)	(533,210)
Brazilian real	-	7	7	-	7
Peruvian sol	-	(4,336)	(4,336)	-	(4,336)
Total	6,010	(323,563)	(317,553)	(230,080)	(547,633)

Currency	Thousands of euros				
	2018				
	Profit or loss	Translation differences	Attributable equity	Non-controlling interests	Total equity
US dollar	6,370	15	6,385	-	6,385
Chilean peso	-	872	872	-	872
Colombian peso	-	(11,056)	(11,056)	-	(11,056)
Mexican peso	-	(253,940)	(253,940)	(192,744)	(446,684)
Brazilian real	-	-	-	-	-
Peruvian sol	-	(4,907)	(4,907)	-	(4,907)
Total	6,370	(269,016)	(262,646)	(192,744)	(455,390)

Credit risk

Credit risk is the probability that a counterparty to a contract does not meet its contractual obligations, giving rise to a loss.

The Group has adopted a policy of trading only with solvent third parties and obtaining sufficient guarantees to mitigate the risk of incurring losses in the event of non-compliance. The Group obtains information on its counterparty through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relationships with customers and third parties.

At 31 December 2019, the net balances of the Group's financial assets exposed to credit risk are:

	Thousands of euros
Concession financial assets	7,564,057
Non-current financial assets	115,712
Trade and other receivables	189,758
Current financial assets	332,321
Cash and cash equivalents	382,594

- Concession financial assets

"Concession Financial Assets" includes investments made by the Group companies that are infrastructure concession operators, which are recognised in accordance with IFRIC 12, Service Concession Arrangements. Concession projects recognised under the financial asset model are assets recognised by the concession operators, which represent the rights to operate administrative concessions and the unconditional contractual right to receive cash or another financial asset associated with certain concession arrangements where the demand risk is borne by the concession grantor.

In application of IFRS 9, the Group reversed a portion of the impairment loss recognised in 2018 on its concession financial assets amounting to EUR 2,411 thousand (see Note C.2).

- Non-current financial assets

"Non-Current Financial Assets" includes mainly **Autovías Concesionadas, S.A.'s account receivable** from Libramiento Elevado de Puebla, S.A. de C.V. amounting to EUR 26,115 thousand (see Note C.4.2.).

No indications of significant impairment of these non-current financial assets were identified in 2019 following the analysis of the counterparties' credit risk.

- Trade and other receivables

"Trade and Other Receivables" includes the balances of trade receivables for sales and services, which totalled EUR 19,467 thousand. They relate to highly solvent, private sector customers in relation to which the Group does not foresee losses.

No indications of significant impairment of these current assets were identified in 2019 following the **analysis of the counterparties' credit risk**.

- Current financial assets

"Current Financial Assets" includes mainly the restricted reserve accounts of certain concession operators and holding companies, amounting to EUR 297,275 thousand, for debt servicing, as well as the balance recognised by ALEATICA, S.A.B. de C.V. (México) which has restricted cash related to the letter of credit issued to secure the venture capital in the Atizapán Atlacomulco project amounting to EUR 63,718 thousand (see Note C.4.2.).

No indications of significant impairment of these current financial assets were identified in 2019 following the **analysis of the counterparties' credit risk**.

Liquidity risk

The liquidity risk arising from the Group's financing needs due to timing mismatches between liquidity needs and the inflow of funds is managed by maintaining the appropriate level of cash and marketable securities as well as by arranging and maintaining sufficient lines of financing.

In order to improve this liquidity position, the Group takes measures in relation to:

- Permanent management of working capital.
- **Optimisation of all its companies' financial position through ongoing monitoring of cash projections.**
- Management of the arrangement of financing lines.
- Ongoing monitoring of the various projects and adaptation of needs to the funding available.

In Notes C.14 and C.15, the Group presents the debt repayment schedules at 31 December 2019 for both bond issues and bank borrowings, the aggregate amount of which maturing in 2020 totals EUR 188,648 thousand.

The directors are currently negotiating the refinancing of various concession operators' loans, especially that of the investee Autopista del Norte, S.A.C., which matures in 2020 and with a security interest in all of the shares representing its share capital, which is expected to be concluded successfully.

Note C.16.2 also includes the loan between Global Infracor, S.a.r.l. (related company of the Group's Parent) and ALEATICA Investments, S.A. of EUR 550,000 thousand (principal) plus EUR 92,599 thousand of accrued interest. The creditor has stated that the loan will be renewed or converted into capital in 2020 and, therefore, the Group does not expect a cash outflow in this connection in the short term.

At 31 December 2019, "Other Current Liabilities - Other Non-Trade Payables" included mainly the balances payable to Compañía Española de Financiación del Desarrollo, COFIDES, S.A. in relation to an investment agreement with ALEATICA S.A.U. by virtue of which COFIDES holds a temporary direct ownership interest in the share capital of Autopista del Norte, S.A.C. in order to partially finance this project, through the purchase of shares representing 33.11% of the share capital of this company. Pursuant to the agreement, ALEATICA, S.A.U. undertook to purchase the aforementioned shares when COFIDES exercises its right to sell, in the period between March 2016 and March 2021. The price of these shares will be calculated as the amount paid by COFIDES plus the amount

resulting from adding interest of 12-month Euribor plus 4.35% on a compound annual basis. At 31 December 2019, the aforementioned amount totalled EUR 34,952 thousand (2018: EUR 33,513 thousand).

The Group's liquidity position at 31 December 2019 consisted of:

- **Current financial assets amounting to EUR 332,321 thousand. "Current Financial Assets"** includes the restricted reserve accounts of certain concession operators, amounting to EUR 262,708 thousand, for debt servicing.
- Cash and cash equivalents amounting to EUR 382,594 thousand.
- Drawable credit lines and discount facilities amounting to EUR 405,618 thousand, mainly to finance projects.

This position, combined with the refinancing negotiations in progress, the express representation of the **sole shareholder and the cash generated from operating activities, minimises the Group's** liquidity risk and, as a result, these consolidated financial statements were prepared in accordance with the going concern basis of accounting.

Market risk - COVID 19

The Parent's directors conducted a preliminary exercise in relation to the impacts of COVID-19 on the Group. In this connection, its impact on the geographical areas in which the Group operates, mainly Mexico and Latin America is still very low and, therefore, the likelihood that it might have an impact on the operations and the cash flows meeting the project financing needs of the Group's concession infrastructure is limited.

D.1.1.2.- Capital management

The objective of the **Group's capital management**, at any given time, is to maintain an optimal financial structure that enables it to reduce the cost of capital but also guarantees the capacity to continue managing recurring operations and to embark upon new projects, focusing at all times on growth and the creation of value. This Group objective is not officially established and the Board of Directors has not set any parameters with respect thereto.

In addition to recourse to the shareholders through increases of shareholders' equity, the main sources used by the Group to finance its growth and operations are:

- Cash flows generated by the Group that are not related to project finance, including dividends arising from such projects.
- Project finance, which is always long term and with recourse only to the cash flows generated and the project assets being financed and always in the same currency as the revenue from the related project.
- Short-term corporate finance, with recourse mainly to the Parent, used to cover the possible seasonality of business during the year.
- Long-term corporate finance, with recourse mainly to the Parent, of a moderate amount with respect to equity and in proportion to the cash generated.

The capital structure is controlled through the leverage ratio (the ratio of net financial debt to equity); since the objective is to maintain moderate financing levels associated with the generation of funds, the ratio of net debt to EBITDA is also used.

The Parent's directors considered that the leverage ratio at 31 December 2019 was adequate, the detail being as follows:

	Thousands of euros				
	2019	%	2018	%	% change
Equity	5,248,639		4,560,445		
Total financial debt:					
Non-current	1,972,166	91.1	1,746,024	84.3	13.0
Current	192,165	8.9	325,487	15.7	(41.0)
Total gross financial debt	2,164,331	100	2,071,511	100	4.5
Total net financial debt (*)	1,449,416		1,229,958		17.8
Total net debt/Equity	0.28		0.27		
EBITDA (**)	937,971		916,588		
Total net debt/EBITDA	1.55		1.34		

(*) Total net debt is calculated as total gross debt less cash and cash equivalents and current financial assets included under "Current Financial Assets" but excludes financial debt pursuant to IFRS 16.

(**) Includes guaranteed minimum revenue of Mexican companies but excludes depreciation and amortisation charge and changes in provisions.

D.2.- Number of employees

The number of employees at 31 December 2019 and 2018, by professional category, and the number of employees at 31 December 2019, by gender and category, were as follows:

Professional category	Number of Employees	
	2019	2018
Executives	137	102
Middle managers	188	398
Other line personnel, clerical staff and	1,846	2,024
Total	2,171	2,524
Permanent employees	2,120	2,198
Temporary employees	51	326
Total		2,524

Professional category	Number of Employees	
	Men	Women
Executives	111	26
Middle managers	130	58
Other line personnel, clerical staff and	1,256	590
Total	1,497	674

The average headcount in 2019 is substantially the same as the headcount at year-end.

D.3.- Related party transactions

Related party transactions are deemed to be transactions with parties outside the Group but with which there are strong ties as defined in Spanish Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and in Spanish National Securities Market Commission (CNMV) Circular 1/2005, of 1 April.

The following transactions were performed with related companies in 2019 and 2018:

	Thousands of euros			
	2019	% of total	2018	% of total
Income and expenses:				
Finance costs	39,590	14.4	53,009	18.0

	Thousands of euros	
	2019	2018
Other transactions:		
Loan	-	150,000
Repayment of loan	-	(1,250)
Refund of contributions for future capital increases	-	(18,953)
Dividends paid	16,919	16,410

On 15 October 2018, the managing body of Magenta Infraestructura, S.L. (Sole-Shareholder Company) approved the distribution of extraordinary dividends amounting to EUR 41,000 thousand (EUR 0.03487042 per share) out of "Share Premium" to its shareholders Global Infraco Spain S.L. (41.27%) and Aleatica S.A.U. (58.73%).

The detail of the related party transactions in 2019 is as follows:

Taxpayer or employer identification number of the related company	Name of the related company	Type of transaction	Name of the Group company or entity	Thousands of euros
N0184895A	Global Infraco, S.a.r.l.	Finance costs	ALEATICA Investments, S.A.	39,590

The transactions were performed on an arm's length basis.

At 31 December 2019 and 2018, the balances with related companies were as follows:

	Thousands of euros			
	2019	% of total	2018	% of total
Assets				
Current:				
Sundry accounts receivable	4	N/A	-	N/A
Other current receivables	1,676	0.56	-	N/A
Liabilities				
Current:				
Other financial liabilities	644,661	99.64	603,009	98.05

The balances at 31 December 2019 include mainly the following items:

"Current Liabilities - Other Financial Liabilities" includes the loan arranged by Global Infraco, S.a.r.l. (related company of the Group's Parent) and ALEATICA Investments, S.A. of EUR 550,000 thousand (principal) plus EUR 92,599 thousand of accrued interest (see Note C.16.2).

D.4.- Concession arrangements – years elapsed and years remaining

Operator	Description of concession	Country	Period elapsed (in years)	Remaining period (in years)
Intangible asset model:				
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	M-45 road, N-V to N-IV section	Spain	21	8
Terminal de Contenedores de Tenerife, S.A.	Operation of terminal in Tenerife	Spain	8	34
Terminales Marítimas del Sureste, S.A.	Operation of terminal in Alicante	Spain	17	28
Terminal Cerros de Valparaíso, S.A.	Operation of terminal in	Chile	6	-
Concesionaria AT-AT, S.A. de C.V.	Atizapán-Atlacomulco toll road	Mexico	6	24
Grupo Autopistas Nacionales, S.A.	Amozoc Perote toll road	Mexico	16	44
Autopista del Norte, S.A.C.	Red Vial 4 toll road	Peru	11	22
Financial asset model:				
Autopista Rio Magdalena, S.A.S.	Rio Magdalena toll road	Colombia	5	20
Sociedad Concesionaria Puente Industrial, S.A.	Puente Industrial concession	Chile	5	33
Autopista Urbana Norte, S.A. de C.V.	Collector road	Mexico	9	23
Concesionaria Mexiquense, S.A. de C.V.	Mexican outer loop	Mexico	17	32
Viaducto Bicentenario, S.A. de C.V.	Elevated bypass	Mexico	12	18
Bifurcated model:				
Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A.	Nogales - Puchuncaví	Chile	3	35

D.5.- Contingent assets and liabilities

a) Contingent assets

There were no material contingent assets at 31 December 2019.

b) Contingent liabilities

At 31 December 2019, the Group companies had provided direct and indirect guarantees to third parties totalling EUR 358,118 thousand (2018: EUR 294,008 thousand).

La Molina - Ángamos

The Group submitted to the Municipality of Lima a Private Concession Initiative (PCI) to construct and operate for a term of 30 years an urban toll road of 12 km between La Molina and Ángamos. Given the changes to the initial design requested by the grantor, which were not provided for in corresponding concession arrangement, the Group decided to withdraw from the project in accordance with the provisions of the arrangement. However, at the reporting date the Group had not recovered the performance bonds provided to the grantor amounting to USD 35,000 thousand, which are secured by deposited funds (see Note C.4.2.). The directors consider that these performance bonds will be recovered in 2020.

The Parent's directors do not expect any additional liabilities to arise in connection with these guarantees that might affect the 2019 consolidated financial statements.

c) Guarantees securing loans

The Group has loans secured by shares of its investees (see Note C.15.).

The Parent is securing loans of its subsidiaries and concession operators totalling EUR 53,321 thousand.

The Parent's directors do not expect the collateral guarantees to pose a significant risk for the Group's liquidity.

Project finance guarantees

In the financing of infrastructure projects, the lender receives as guarantee the cash flows from the project and the value of the related assets, without recourse to the shareholders of the projects or with recourse restricted to the guarantees provided. The Group distinguishes between two types of guarantee given by the Parent to infrastructure project companies:

- Those guarantees securing the correct start-up of the project, which will be enforced if the events guaranteed do not take place within a defined time horizon. At 31 December 2019, the commitment to provide support for the financing of the Red Vial 4 toll road, a section of which is currently under construction, remained in force.
- Those guarantees securing risks other than correct start-up of the project, and that could give rise to future additional capital disbursements if the events guaranteed take place.

d) Investment commitments

The concession operators are obliged, under the concession arrangements, to make certain investments (see Note C.2.).

These investments will be financed through loans granted to, capital increases at, and cash flows generated by, the concession operators. Given that these are estimates and neither the amounts to be received through the loans nor the cash flows to be generated by the concessions are fixed, the amount and the timing of the capital increases at the subsidiaries is not certain.

e) Litigation

ALEATICA (Mexico) - Supervision of the Mexican National Banking and Securities Commission (the "Commission" or "CNBV")

On 15 May 2015, the Entity reported through a relevant event communication that the Commission, on the grounds **established in Article 359 of the Mexican Securities Market Law ("LMV") and in exercise of its powers and in accordance with the tasks of ongoing supervision of issuers listed on the Mexican Stock Exchange**, commenced an inspection at the Entity in order to verify compliance with the LMV and other applicable legal provisions, in order to protect the interests of the investors and those of the market in general.

As a result of the aforementioned inspection, on 23 October 2015 the Commission granted to the Entity and various executives a right to be heard, in order to respond to certain administrative **procedures initiated against it (the "Administrative Procedures")**.

Under the Administrative Procedures, the Commission alleged purported instances of non-compliance with the applicable regulatory framework, including among others, the inappropriate application of accounting principles accepted by the Commission, including the amounts recognised in relation to concession operators recognising guaranteed minimum revenue, which in the opinion of the Commission is inappropriate.

On 25 November 2015, the Entity made its submissions to the questions raised by the Commission.

On 10 March 2016, the CNBV issued an official letter to the Entity containing its decision relating to the Administrative Procedures on the accounting principles applied vis-à-vis certain accounting entries relating to the guaranteed minimum revenue of the concessions of its subsidiaries (the Issuers). The CNBV concluded that in 2012, 2013 and 2014 the Issuers inappropriately recognised the guaranteed revenue, based on its interpretation of IFRIC 12, Service Concession Arrangements ("IFRIC 12"). **After considering the mitigating circumstances mentioned above, the CNBV imposed an administrative penalty on the Issuers and natural persons for such information.**

Also, on 15 March 2016 the CNBV issued official letters ordering the amendment of the Entity's financial statements for 2013, 2014 and 2015, granting the Entity a period of five days to submit to the Commission the manner and terms in which it would comply with therewith.

Notwithstanding the foregoing, since the interpretations of the Entity and its external advisers of the accounting standards applicable to the recognition of guaranteed minimum revenue in its consolidated financial statements do not coincide with the interpretation of the CNBV, and in order to contribute to the transparency vis-à-vis the investing public and provide comparable financial information, and considering that the accounting treatment of guaranteed minimum revenue does not and has not had any effect on the cash flows of the Entity or those of the Issuers, they proposed to the CNBV the remediation process described in the following paragraph.

On 18 March 2016, the Entity submitted a document to the CNBV informing it of the manner and terms in which it would comply with the observations contained in the official letters, proposing as a remediation process the review of the manner in which it should recognise guaranteed minimum revenue, taking into account the nature and terms and conditions of the concession arrangements, in order to arrive at an interpretation of the recognition of the guaranteed minimum revenue pursuant to IFRIC 12 that the CNBV deemed to be reasonable. In these documents the Entity requested to continue presenting guaranteed minimum revenue in its consolidated financial statements in a manner consistent with prior years and disclose in a note to the consolidated financial statements the effects that would arise from applying the accounting treatment requested by the CNBV until the aforementioned reasonable presentation was defined by the CNBV.

On 23 March 2016, the CNBV approved the proposal submitted by the Entity described in the paragraph above.

On 17 February 2017, the Entity submitted a monitoring document to the CNBV informing it of the manner in which it would recognise the investments in concessions and their performance in accordance with IFRIC 12, taking into consideration the nature and terms of the concession arrangements and the laws applicable thereto.

The information detailed in the preceding paragraph was submitted for 2015 and up to the third quarter of 2016.

On 21 February 2017, the Commission acknowledged receipt of the monitoring document pursuant to the official letter of instruction described in the preceding paragraphs.

Metro Ligero Oeste, S.A.

On 7 November 2017, Metro Ligero Oeste, S.A. (MLO) received notification from the Madrid Autonomous Community Government Department of Transport, Housing and Infrastructure of the commencement of the proceeding for the restoration of the economic feasibility of the concession **arrangement in favour of the grantor as a result, in the latter's opinion, of** the reduction in the intensity of the activity of the service which is generating savings for the concession operator in operating, replacement and reinvestment expenses. The latter's proposal reduces the charge per passenger from EUR 5.551262, which was being charged by the concession operator in 2017, to EUR 4.396066.

MLO filed the corresponding pleadings in relation to this communication and on 5 February 2018 received the order of the Madrid Autonomous Community Government Department of Transport, Housing and Infrastructure rejecting all the pleadings filed and ordering the restoration of the economic feasibility of the concession under the aforementioned terms.

MLO filed at the corresponding court the claim against the aforementioned order and on 5 June 2018 the judge approved the injunctive relief requested by MLO. Following an appeal lodged by the Madrid Autonomous Community Government, the judge ordered that MLO provide a guarantee of EUR 43 million in order to maintain the injunctive relief. At the reporting date MLO had not provided the aforementioned guarantee; however since June 2018 MLO has been collecting full invoices without **the reduced tariff resulting from the restoration of the concession's economic feasibility from the** Madrid Autonomous Community Government Department of Transport, Housing and Infrastructure.

The proceeding is currently in process, and an answer to the Madrid Autonomous Community **Government's claim is awaited.**

An appeal was also filed in order to recover the amount deducted by the Madrid Autonomous Community Government Department of Transport, Housing and Infrastructure in the invoices for January to May 2018. This proceeding has been stayed; the stay will be lifted once the aforementioned proceeding comes to a conclusion.

The directors consider that the Madrid Autonomous Community Government did not act lawfully and **that, therefore, the courts will rule in MLO's favour. Consequently, they do not consider that the** proceeding will give rise to adverse impacts on the recoverability of the investment held (see Note C.5.).

Autopista Río Magdalena, S.A.S.

In relation to the concession arrangement of Autopista Río Magdalena, in which the Group has an investment of EUR 147,132 thousand (see Note C.2.) and an account receivable amounting to EUR 34,461 thousand **(see Note C.7.2), it included the Group's obligation to prepare Functional Units 3 and 4 for use in 2019.** In this regard, given the current stage of completion of the construction work, which has been affected by delays of the grantor in issuing the rights of way, leading to the deadlines established for start-up not being met, on 6 December 2018 the Group filed a claim for arbitration to the grantor in order to safeguard its rights under the concession arrangement. **However, the Group's conversations with** the grantor vis-à-vis adapting the deadlines for the aforementioned functional units to be ready for use are at an advanced stage.

Also, the Group received a claim for arbitration from the contractor in relation to the construction contract; based on the opinion of its legal advisers, the Group does not expect it to be successful.

f) Guarantee on shares

At 2019 year-end, **no security interests have been granted on the Group's Parent's shares.**

D.6.- Remuneration of directors and senior executives

1. Remuneration of the Board of Directors

ALEATICA, S.A.U. (Spain)

On 10 October 2018, the Parent's sole shareholder resolved to amend certain of the bylaws **including, among others, Article 20 on Directors' Remuneration.** The new wording establishes that directors shall discharge their functions in such capacity for no consideration. In addition, Article 20 of the bylaws states that the executive directors shall be entitled to receive remuneration for executive functions discharged in the context of their contracts for services entered into with the Parent.

In 2019 the members of the Board of Directors with executive functions for the purposes envisaged in the bylaws received remuneration amounting to EUR 12,406 thousand.

No advances or loans have been granted to the Board members. The Group does not have any pension obligations to the members of the Board of Directors.

Aleatica, S.A.U. has taken out a directors' third-party liability insurance policy covering the members of the Board of Directors. There are no other obligations to the Board members.

ALEATICA, S.A.B. de C.V. (Mexico)

The members of the Board of Directors of ALEATICA, S.A.B. de C.V. received remuneration amounting to EUR 873 thousand in 2019 (2018: EUR 1,200 thousand).

2. Remuneration of senior executives

The Group's senior executives who in 2019 discharged management functions and reported directly to the Board of Directors, including the executive directors, earned remuneration amounting to EUR 16,814 thousand.

3. Conflicts of interest

At the end of 2019 neither the members of the Board of Directors of the Parent nor persons related to them as defined in the Spanish Limited Liability Companies Law had notified the other members of the Board of Directors of any direct or indirect conflict they might have with the interests of the Parent.

D.7.- Fees paid to auditors

The detail of the fees for financial audit and other services provided by the auditors of the companies comprising the Group or by companies related to the auditors in 2019 and 2018 is as follows:

	Thousands of euros					
	Principal auditor		Other auditors		Total	
	2019	2018	2019	2018	2019	2018
Financial audit services	1,017	815	67	41	1,084	856
Other attest services	91	216	0	0	91	216
Total audit and related services	1,108	1,031	67	41	1,175	1,072
Tax counselling services	52	73	0	0	52	73
Other services	76	58	11	0	87	58
Total professional services	139	131	0	0	139	131
Total	1,236	1,162	78	41	1,314	1,203

"Financial Audit Services" includes the fees for professional services provided by the auditors, in their capacity as such, normally due to regulatory requirements, such as statutory audits, reports on reviews of internal control, limited reviews of periodic public information performed at listed companies, etc.

"Other Attest Services" includes the fees for professional services in which the auditors express some form of assurance but which are not regulated by any mandatorily applicable legislation, such as one-off limited reviews, special reports on securities placement processes, reports on agreed-upon procedures, reports on covenants, etc.

"Tax Counselling Services" includes the fees for the provision of all manner of tax advisory services.

"Other Services" includes the fees for other professional services not included in the preceding headings, the nature of which is more in keeping with consulting services or the services of independent third parties.

E.- Events after the reporting period

On 24 February 2020, Judicial Review Chamber Three of the Spanish Supreme Court handed down a judgment in relation to the cassation appeal lodged by the Autonomous Community Government of Madrid against the judgment handed down by the Madrid High Court in relation to the right of Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A. to be granted the restoration of the economic feasibility of the public works concession arrangement for the drafting of the project, and the construction, upkeep and management of the public service of the N-V to N-IV stretch of the new M-45 toll road, on the grounds of the excess amounts paid for the compulsory purchases. The judgment of the Spanish Supreme Court dismisses the aforementioned appeal lodged by the Autonomous Community Government of Madrid and, therefore, upholds the judgment handed down by the Madrid High Court, which is final and awards EUR 47,425 thousand (amount in euros at 31 December 2015) to the company, which must be increased by 8.31% annually until the date on which the restoration of the economic feasibility of the concession arrangement enables the maintenance of the IRR of the project (see Note C.7.3).

The appearance of COVID-19 in China in January 2020 and its recent global expansion caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March. Bearing in mind the complexity of the markets and the absence, for the time being, of effective medical treatment against the virus, the consequences for the Group's operations are uncertain and will depend to a large degree on the evolution and extension of the pandemic in the coming months, as well as on the reaction and adaptation capacity of all the economic players affected. Therefore, at the date of authorisation for issue of these consolidated financial statements, it is premature to make a detailed evaluation or quantification of the possible impacts that COVID-19 might have on the Group, due to the uncertainty of its consequences in the short or medium term.

However, the directors of the Parent have conducted a preliminary assessment of the current situation based on the best available information, which, due to the aforementioned considerations, may be incomplete. The following aspects of the results of this assessment are worthy of note:

- **Liquidity risk:** it is foreseeable that the general situation of the markets may lead to an overall increase in liquidity constraints in the economy, as well as a contraction in the credit market. In this connection, on the basis of the analyses performed, the Parent has reasonably sufficient liquidity, and the capacity to obtain financing from companies of the Aleatica Group to which it belongs, which, together with the implementation of specific plans for the improvement and efficient management of liquidity, will enable these constraints to be overcome.
- **Operational risk:** in view of the changing and unpredictable nature of events, the Group envisages the establishment of specific procedures aimed at monitoring and managing the evolution of its operations at all times, in order to minimise their impact.
- **Risk of measurement of assets and liabilities:** a change in the future estimates of traffic, operation and maintenance costs, and the finance costs of the Group could have an adverse impact on the carrying amount of certain assets (mainly concession infrastructure) and on the need to recognise certain provisions or other types of liabilities. As soon as sufficient and reliable information becomes available, the appropriate analyses and calculations will be made to allow, if necessary, the re-measurement of those assets and liabilities.
- **Going concern risk:** taking into account all the aforementioned factors, the directors consider that the conclusion detailed in Note D.1.1.1 on the application of the going concern basis of accounting is valid.

Lastly, the Parent's directors are constantly monitoring the evolution of the situation in order to successfully address any possible impacts, both financial and non-financial, that may arise.

No significant events took place after the date when these consolidated financial statements were authorised for issue.

F. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note B.1.). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPENDIX I

ALEATICA, S.A.U. AND SUBSIDIARIES

Detail of the companies included in the scope of consolidation at 31 December 2019

Subsidiaries (fully consolidated)

COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD	
n/a	ALEATICA Emisiones, S.A.U.	(2)	0606 ALEATICA Investments, SARL
(1)	ALEATICA Labs, S.A.U.	(1)	Administradora de Acciones de Toluca, S.A. de C.V.
(1)	Euroconcesiones, S.L.	n/a	ALEATICA Administración, S.A. de C.V.
(1)	Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	n/a	ALEATICA Concessões Ltda.
(1)	Magenta Infraestructura, S.L.	(2)	ALEATICA Investments, S.A.
(1)	Pachira, S.L.	n/a	ALEATICA Labs, S.A. de C.V.
(1)	Terminal de Contenedores de Tenerife, S.A.	(1)	ALEATICA, S.A.
(1)	Terminal Polivalente Sureste, S.L.	(1)	ALEATICA, S.A.
(1)	Terminales Marítimas del Sureste, S.A.	(1)	ALEATICA, S.A.B. de C.V.
		(2)	ALEATICA, S.A.S.
		(1)	Autopista del Norte, S.A.C.
		(2)	Autopista Río Magdalena, S.A.S.
		(1)	Autopista Urbana Norte, S.A. de C.V.
		(1)	Autovías Concesionadas, S.A. de C.V.
		(1)	Concesionaria AT-AT, S.A. de C.V.
		(1)	Concesionaria Mexiquense, S.A. de C.V.
		(1)	Conservación MM, S.A. de C.V.
		(1)	Construcciones Amozoc Perote, S.A. de C.V.
		(1)	Grupo Autopistas Nacionales, S.A.
		(1)	Latina Mexico, S.A. de C.V.
		(1)	MANOP, S.A. de C.V.
		(1)	OPCEM, S.A.P.I. de C.V.
		(1)	Operaciones Cerro Valparaíso, SpA
		(1)	Operaciones Portuarias Valparaíso, SpA
		(1)	Operadora Concesionaria Mexiquense, S.A. de C.V.
		(1)	Operadora de Carreteras, S.A.C.
		(1)	Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.
		(1)	OTM Servicios de Pago, S.A. de C.V.
		(1)	Secomex Administración, S.A. de C.V.
		(1)	Sociedad Concesionaria Nuevo Camino Nogales - Puchuncavi, S.A.
		(1)	Sociedad Concesionaria Puente Industrial, S.A.
		(1)	Terminal Cerros de Valparaíso, S.A.
		(1)	Viaducto Bicentenario, S.A. de C.V.
(1)	Audited by the principal auditor		
(2)	Audited by other auditors		
n/a	Unaudited company		

Joint ventures and associates (accounted for using the equity method)

COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD	
(1)	Autovia de Aragón-Tramo 1, S.A.	(1)	Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.
n/a	Mepsa, Servicio y Operaciones, S.A.	(1)	Constructora Libramiento Elevado de Puebla, S.A. de C.V.
(1)	Metro Ligero Oeste, S.A.	(1)	Controladora Vía Rápida Poetas, S.A.P.I. de C.V.
(1)	Centro Portuario de Empleo E.T.T., S.A.	(1)	Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.
n/a	Sestife Sociedad Anónima Centro Portuario de Empleo de Estibadores Portuarios de los Puertos de Santa Cruz de Tenerife	(1)	Libramiento Elevado de Puebla, S.A. de C.V.
		(2)	Operadora AVO, S.A.
		(1)	Operadora Libramiento Elevado Puebla, S.A. de C.V.
		(1)	Operadora Vía Rápida Poetas, S.A.P.I. de C.V.
		(1)	Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V.
		(1)	Servicios Administrativos Mexiquenses del Aeropuerto Internacional de Toluca, S. de R.L. de C.V.
		(2)	Sociedad Concesionaria Vespucio Oriente, S.A.
(1)	Audited by the principal auditor		
(2)	Audited by other auditors		
n/a	Unaudited company		

APPENDIX II
ALEATICA, S.A.U. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group at 31 December 2019

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
0606 ALEATICA Investments, SARL Administradora de Acciones de Toluca, S.A. de C.V. Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. ALEATICA Concessões Ltda. ALEATICA Emisiones, S.A.U. ALEATICA Investment, S.A. ALEATICA Labs, S.A. de C.V. ALEATICA Labs, S.A.U. ALEATICA, S.A. (Chile) ALEATICA, S.A. (Peru) ALEATICA, S.A.B. de C.V. ALEATICA, S.A.S. ALEATICA, S.A.U. Autopista del Norte, S.A.C. Autopista Rio Magdalena, S.A.S. Autopista Urbana Norte, S.A. de C.V. Autovías Concesionadas, S.A. de C.V. Centro Portuario de Empleo E.T.T., S.A. Concesionaria AT-AT, S.A. de C.V. Concesionaria Mexiquense, S.A. de C.V. Conservación MM, S.A. de C.V. Construcciones Amozoc Perote, S.A. de C.V. Constructora Libramiento Elevado de Puebla, S.A. de C.V. Controladora Vía Rápida Poetas, S.A.P.I. de C.V. Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V. Euroconcesiones, S.L. Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A. Grupo Autopistas Nacionales, S.A. Latina México, S.A. de C.V. Libramiento Elevado de Puebla, S.A. de C.V. Magenta Infraestructura, S.L. MANOP, S.A. de C.V. OPCEM, S.A.P.I. de C.V. Operaciones Cerro Valparaíso, SpA Operaciones Portuarias Valparaíso, SpA Operadora AVO, S.A. Operadora Concesionaria Mexiquense, S.A. de C.V. Operadora de Cameteras, S.A.C. Operadora Libramiento Elevado Puebla, S.A. de C.V. Operadora Vía Rápida Poetas, S.A.P.I. de C.V. Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. OTM Servicios de Pago, S.A. de C.V. Pachira, S.L. Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. Secommex Administración, S.A. de C.V. Sociedad Concesionaria Nuevo Camino Nogales - Puchuncaví, S.A. Sociedad Concesionaria Puente Industrial, S.A. Sociedad Concesionaria Vespucio Oriente, S.A. Terminal Cerros de Valparaíso, S.A. Terminal de Contenedores de Tenerife, S.A. Terminal Polivalente Sureste, S.L. Terminales Marítimas del Sureste, S.A. Viaducto Bicentenario, S.A. de C.V.	15, Rue Edward Steichen, L-2540, Luxembourg Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Aeropuerto Internacional Ciudad de Toluca, C.P. 50226 San Pedro Totoltepec, State of Mexico Avda. Anelica 2,491, Planta 19, Conf. 192.01227-200 São Paulo Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) 15, Rue Edward Steichen, L-2540, Luxembourg CL/ Calle Rio Lerma 195 Bis, Oficina 701, 06500 Colonia Cuauhtemoc Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) C/ Cerro El Plomo, no. 5855 Piso 16. Las Condes oficina 1607 y 1608 (Santiago de Chile) Avda. 28 de Julio, no. 150 (Piso 4 oficina 401) Lima- Lima, Miraflores Avda. Paseo de la Reforma, no. 222, Piso 22, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 C/CR17 93 09 OF 703 704, Bogotá D.C. Colombia Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) Avda. 28 de Julio, no. 150 (Piso 4 oficina 401) Lima- Lima, Miraflores C/CR17 93 09 OF 703 704, Bogotá D.C. Colombia Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 C/ Muelle de Poniente, 11. 03003 Alicante Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Autopista Circuito Exterior Mexiquense Km 39 Caseta T-2, Col. San Cristóbal, 55024 Ecatepec de Morelos, Mexico. Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Lateral de la autopista México-Toluca no. 1235, Piso 3, oficina 302, Colonia Santa Fe Cuajimalpa, Delegación Cuajimalpa, Mexico City, C.P. 05348 Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City, C.P. 05349 Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City, C.P. 05349 Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Lateral de la autopista México-Toluca no. 1235, Piso 3, oficina 302, Colonia Santa Fe Cuajimalpa, Delegación Cuajimalpa, Mexico City, C.P. 05348 Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 CL/ Avenida Errazuriz 755 Oficina 708-B, Valparaíso, Chile Avda. Errazuriz 755 Oficina 708-B, Valparaíso, Chile C/ Presidente Riesco no. 5711, OF. 802, Las Condes, 001 Santiago de Chile. Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. del Pacifico no. 360 Urb. Buenos Aires Ancash - Santa - Nuevo Chimbote, Peru Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City, C.P. 05349 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 Torre de Cristal, Pº de la Castellana no. 259 C (28046 Madrid) Avda. Santa Fe 495, Piso 8, Cruz Manca, Mexico City, C.P. 05349 Avda. Paseo de la Reforma, no. 222, Piso 25, Colonia Juárez, Delegación Cuauhtemoc, Mexico City, C.P. 06600 C/ Cerro El Plomo, no. 5855 Oficina 1607.001. Las Condes (Santiago de Chile) C/ Cerro El Plomo, no. 5855 Piso 16. Las Condes oficina 1607 y 1608 (Santiago de Chile) C/ Presidente Riesco no. 5711, OF. 802, Las Condes, 001 Santiago de Chile. Avda. Errazuriz 755 Oficina 708-B, Valparaíso, Chile Nueva Terminal del Dique del Este Vía de Servicio, s/n 38180, S.C.T. Av/ Prolongación Sur Puerto de Alicante, muelle 23 (Buzón 41) 03008 Alicante Av/ Prolongación Sur Puerto de Alicante, muelle 23 (Buzón 41) 03008 Alicante C/ 4 no. 25, Local 2 and C. Col Industrial Alice Blanco Municipio Naucalpan de Juárez, 53370.	Issue of shares and of debt instruments of any kind Operation of concessions Construction and operation of Toluca Airport (Mexico) Operation of concessions Issue of shares and of debt instruments of any kind Issue of shares and of debt instruments of any kind Research and development of new technologies Research and development of new technologies Operation of concessions Operation of concessions Operation of concessions Operation of concessions Road construction and operation Toll road concession, Magdalena River, Colombia Road construction and operation Road construction and operation Operation of ports and canals Road construction, operation and maintenance in Mexico Concession and operation of the Mexico City outer ring road Operation of concessions Road construction, operation and maintenance in Mexico Road maintenance and repair Road construction and operation Road maintenance and repair Operation of concessions Concession and operation of M-45 road (Madrid) Road construction, operation and maintenance in Mexico Road maintenance and repair Road construction, operation and maintenance in Mexico Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Operation of concessions Construction and operation of toll road in Chile Operation of concessions Operation of concessions Loading and unloading of vessels Port terminal operation Port terminal operation Road construction and operation

APPENDIX III

ALEATICA, S.A.U. AND SUBSIDIARIES

Detail of the equity and the net cost of the investment in the main companies composing the consolidated Group at 31 December 2019

Thousands of euros

COMPANY	Ownership interest			Share capital	Uncalled capital payments payable	Reserves	Profit (Loss) for the year	Interim dividend	Total shareholders' equity	Valuation adjustments	Total equity	Participating loans	Total equity + Participating loans	Underlying carrying amount	Net cost of the investment
	Direct	Indirect	Total												
Fully consolidated companies															
0606 ALEATICA Investments, SARL	100.00	-	100.00	150	-	(13,548)	(5,546)	-	(18,944)	-	(18,944)	-	(18,944)	(18,944)	150
Administradora de Acciones de Toluca, S.A. de C.V.	-	56.85	56.85	108,973	-	(4,065)	(19,541)	-	85,367	(8,545)	76,822	-	76,822	43,673	61,954
ALEATICA Concessões Ltda.	100.00	-	100.00	6,914	-	(6,353)	(777)	-	(216)	(299)	(515)	-	(515)	(515)	-
ALEATICA Emisiones, S.A.U.	100.00	-	100.00	60	-	633	(339)	-	354	-	354	-	354	354	60
ALEATICA Investment, S.A.	100.00	-	100.00	208,320	-	82,765	60,933	-	352,018	-	352,018	-	352,018	352,018	156,595
ALEATICA Labs, S.A. de C.V.	-	100.00	100.00	2	-	(129)	(362)	-	(489)	(9)	(498)	-	(498)	(498)	(497)
ALEATICA Labs, S.A.U.	100.00	-	100.00	1,350	-	(2,012)	(3,221)	-	(3,883)	-	(3,883)	4,000	117	117	119
ALEATICA, S.A. (Chile)	100.00	-	100.00	89,167	-	(10,143)	(5,738)	-	73,286	17,184	90,470	-	90,470	90,470	88,609
ALEATICA, S.A. (Peru)	100.00	-	100.00	9,978	-	(5,617)	(540)	-	3,821	162	3,983	-	3,983	3,983	4,050
ALEATICA, S.A.B. de C.V.	-	56.85	56.85	958,907	-	962,275	13,803	-	1,934,985	(110,712)	1,824,273	-	1,824,273	1,037,099	335,696
ALEATICA, S.A.S.	100.00	-	100.00	492	-	77,204	4,280	-	81,976	(4,593)	77,383	-	77,383	77,383	84,826
Autopista del Norte, S.A.C.	100.00	-	100.00	73,189	-	55,624	29,258	-	158,071	2,454	160,525	-	160,525	160,525	73,189
Autopista Río Magdalena, S.A.S.	-	100.00	100.00	910	-	56,183	1,863	-	58,956	(8,155)	50,801	-	50,801	50,801	50,514
Autopista Urbana Norte, S.A. de C.V.	-	56.85	56.85	381,314	-	723,625	141,449	-	1,246,388	(103,861)	1,142,527	-	1,142,527	649,527	216,777
Autovías Concesionadas, S.A. de C.V.	-	56.85	56.85	17,243	-	7,714	1,850	-	26,807	(3,372)	23,435	-	23,435	13,323	9,802
Concesionaria AT-AT, S.A. de C.V.	-	56.85	56.85	289,301	-	-	-	-	289,301	(24,646)	264,655	-	264,655	150,456	164,468
* Concesionaria Mexiquense, S.A. de C.V.	-	28.99	28.99	366,188	-	2,088,238	283,196	-	2,737,622	(329,557)	2,408,065	-	2,408,065	698,098	110,834
Conservación MM, S.A. de C.V.	-	56.85	56.85	2	-	114	597	-	713	20	733	-	733	417	1
* Construcciones Amozoc Perote, S.A. de C.V.	-	39.33	39.33	4	-	1,089	3,122	-	4,215	107	4,322	-	4,322	1,700	53
Euroconcesiones, S.L.	100.00	-	100.00	3,641	-	2,193	2,440	-	8,274	(7,332)	942	-	942	942	3,641
Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A.	-	100.00	100.00	22,697	-	3,629	6,174	-	32,500	-	32,500	-	32,500	32,500	23,075
* Grupo Autopistas Nacionales, S.A.	-	39.33	39.33	25,374	-	6,499	14,007	-	45,880	(8,976)	36,904	-	36,904	14,514	13,343
Latina Mexico, S.A. de C.V.	-	56.85	56.85	3	-	5,930	308	-	6,241	(465)	5,776	-	5,776	3,284	2
Magenta Infraestructura, S.L.	58.73	-	58.73	1,175,782	-	740,451	84,030	-	2,000,263	-	2,000,263	-	2,000,263	1,174,754	366,524
MANOP, S.A. de C.V.	-	39.33	39.33	2	-	121	256	-	379	14	393	-	393	155	1
* OPCEM, S.A.P.I. de C.V.	-	28.99	28.99	-	-	439	3,920	-	4,359	92	4,451	-	4,451	1,290	-
Operaciones Cerro Valparaíso, SpA	-	100.00	100.00	69	-	(19)	(9)	-	41	(7)	34	-	34	34	69
Operaciones Portuarias Valparaíso, SpA	-	100.00	100.00	69	-	(63)	42	-	48	(4)	44	-	44	44	69
Operadora Concesionaria Mexiquense, S.A. de C.V.	-	56.85	56.85	4	-	4,585	5,888	-	10,477	(48)	10,429	-	10,429	5,929	2
Operadora de Carreteras, S.A.C.	-	100.00	100.00	1,453	-	(117)	(47)	-	1,289	75	1,364	-	1,364	1,364	1,452
* Organización de Proyectos de Infraestructura, S.A.P.I. de C.V.	-	28.99	28.99	357,104	-	(126,482)	(19,929)	-	210,693	7,595	218,288	-	218,288	63,282	101,747
OTM Servicios de Pago, S.A. de C.V.	-	56.85	56.85	2	-	30	196	-	228	5	233	-	233	132	1
Pachira, S.L.	100.00	-	100.00	4	-	(14,751)	(158)	-	(14,905)	-	(14,905)	15,186	281	281	15,186
Seconmex Administración, S.A. de C.V.	-	56.85	56.85	3	-	4,104	(117)	-	3,990	(371)	3,619	-	3,619	2,057	10
Sociedad Concesionaria Nuevo Camino Nógales - Puchuncaví, S.A.	-	100.00	100.00	35,991	-	6,168	3,552	-	45,711	(6,375)	39,336	-	39,336	39,336	35,991
Sociedad Concesionaria Puente Industrial, S.A.	0.00	100.00	100.00	29,661	-	3,216	433	-	33,310	(5,635)	27,675	-	27,675	27,674	29,661
Terminal Cerros de Valparaíso, S.A.	0.10	99.90	100.00	41,025	-	(10,718)	6,499	-	36,806	(8,086)	28,720	-	28,720	28,720	41,025
Terminal de Contenedores de Tenerife, S.A.	100.00	-	100.00	22,606	-	(30,777)	(13,034)	-	(21,205)	-	(21,205)	63,979	42,774	42,774	43,249
Terminal Polivalente Sureste, S.L.	-	100.00	100.00	48	-	(32)	(6)	-	10	-	10	15	25	25	63
Terminales Marítimas del Sureste, S.A.	50.00	50.00	100.00	17,820	-	(49,516)	(790)	-	(32,486)	-	(32,486)	44,450	11,964	11,964	27,060
Viaducto Bicentenario, S.A. de C.V.	-	56.85	56.85	468,484	(141)	575,207	86,807	-	1,130,357	(137,210)	993,147	-	993,147	564,604	266,333
Companies accounted for using the equity method															
Joint ventures															
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	-	28.99	28.99	3	-	11,260	(303)	-	10,959	(4,043)	6,916	-	6,916	2,005	1
Controladora Vía Rápida Poetas, S.A.P.I. de C.V.	-	28.43	28.43	130,435	-	431,280	83,059	-	644,774	(58,943)	585,831	-	585,831	166,552	37,075
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.	-	28.43	28.43	3	-	2,551	(46)	-	2,508	(1,215)	1,293	-	1,293	368	1
Libramiento Elevado de Puebla, S.A. de C.V.	-	28.99	28.99	76,638	-	4,095	7,445	-	88,177	(8,704)	79,473	-	79,473	23,039	22,220
Operadora AVO, S.A.	-	50.00	50.00	27	-	3	(2)	-	28	(6)	22	-	22	11	14
Operadora Libramiento Elevado Puebla, S.A. de C.V.	-	28.99	28.99	3	-	313	535	-	851	26	877	-	877	254	1
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.	-	28.43	28.43	3	-	3,932	1,743	-	5,678	(220)	5,458	-	5,458	1,552	1
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V.	-	28.43	28.43	3	-	301	104	-	408	(34)	374	-	374	106	1
Sociedad Concesionaria Vespucio Oriente, S.A.	50.00	-	50.00	123,566	-	12,618	4,450	-	140,634	(18,728)	121,906	-	121,906	60,953	61,783
Associates															
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.	-	27.86	27.86	139,185	-	98,671	(436)	-	237,420	(64,942)	172,478	-	172,478	48,052	43,672
Centro Portuario de Empleo E.T.T., S.A.	-	47.03	47.03	87	-	120	(17)	-	190	-	190	-	190	89	39

‡ Controlled through ALEATICA, S.A.B. de C.V.

APPENDIX IV

ALEATICA, S.A.U. AND SUBSIDIARIES

Detail of the changes in the scope of consolidation at 31 December 2019

Subsidiaries (fully consolidated)

INCLUSIONS		EXCLUSIONS	
COMPANY	REASON	COMPANY	REASON
ALEATICA Administración, S.A. de C.V.	Incorporation	ALEATICA C. Emisiones, S.A.U.	Merger
		Partícipes en Metro Ligero Oeste, S.L.	Merger
		Vincida Grupo de Inversiones 2006, S.L.	Merger

Joint ventures and associates (accounted for using the equity method)

INCLUSIONS		EXCLUSIONS	
COMPANY	REASON	COMPANY	REASON
-	-	-	-

Companies included in the scope of consolidation in 2018 whose situation changed in 2019

COMPANY	SCOPE OF CONSOLIDATION IN 2018	COMPANY	SCOPE OF CONSOLIDATION IN 2019
-	-	-	-

ALEATICA, S.A. (Sole-Shareholder Company) and Subsidiaries

2019 DIRECTORS' REPORT

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ALEATICA, S.A. (SOLE-SHAREHOLDER COMPANY) AND SUBSIDIARIES

2019 DIRECTORS' REPORT

BUSINESS PERFORMANCE

	Millions of euros				
	2019	%	2018	%	% change
Revenue	568.4	100.0	510.1	100.0	11.4
EBITDA	938.0	165.0	916.6	179.7	2.3
EBIT	877.0	154.3	832.2	163.1	5.4
Profit before tax	676.3	119.0	620.1	121.6	9.1
Profit from continuing operations	464.5	81.7	420.8	82.5	10.4
Profit attributable to the Parent	174.1	30.6	123.4	24.2	41.1
Concession infrastructure, net	8,369.2		7,291.2		14.8
Equity attributable to the Parent	2,434.8		2,141.3		13.7
Gross borrowings	2,164.3		2,071.5		4.5
Net borrowings	1,449.4		1,230.0		17.8

Both EBITDA and EBIT relate in full to the infrastructure concessions business.

Note: EBITDA is calculated as profit from operations (EBIT) plus the depreciation and amortisation charge plus the change in provisions and allowances.

The Group's **revenue** amounted to EUR 568.4 million in 2019 (2018: EUR 510.1 million) and related substantially in full to the infrastructure concessions business: toll roads and ports.

The detail of the changes in revenue with respect to 2018 is as set out in the table below:

Business activity	Millions of euros		
	Revenue		
	2019	2018	% change
Concession business	470.0	420.9	11.7
Own construction business and other	9.3	9.4	(1.1)
IFRIC-12	89.1	79.8	11.7
Total	568.4	510.1	11.4

The breakdown, by geographical area and country, is as follows:

GEOGRAPHICAL AREA	Thousands of euros				
	2019	%	2018	%	% change
Spain:					
Valencia Autonomous Community	17,316	3.0	15,659	3.1	10.6
Madrid	14,970	2.6	14,980	2.9	(0.1)
Canary Islands	8,996	1.6	12,669	2.5	(29.0)
Total Spain	41,282	7.3	43,308	8.5	(4.7)
Abroad:					
Chile	33,343	5.9	51,478	10.1	(35.2)
Colombia	18,966	3.3	16,509	3.2	14.9
Mexico	429,900	75.6	359,692	70.5	19.5
Peru	44,922	7.9	39,069	7.7	15.0
Total abroad	527,131	92.7	466,748	91.5	12.9
Total revenue	568,413	100.0	510,056	100.0	11.4

The contribution to billings of the main countries in which the Group has a presence was as follows: Mexico: 75.6%; Peru: 7.9%; Spain: 7.3% and Chile: 5.9%.

Bank borrowings. The Group finances its investments and new projects through bank loans and debenture and bond issues, either with recourse or secured against the project itself and without recourse to the shareholder.

The detail of financial debt and the changes therein are as follows:

	Thousands of euros		
	2019	2018	% change
Corporate bond issues			
Current	12,561	4,301	510.1
Non-current	222,058	210,687	916.6
Total corporate bond issues	234,619	214,988	832.2
Bank borrowings and other loans			620.1
Current	10,288	69,737	420.8
Non-current	126,350	95,434	123.4
Total bank borrowings and other loans	136,638	165,171	7,291.2
Corporate debt subtotal	371,257	380,159	2,141.3
Bond issues of concession operators			2,071.5
Current	7,469	6,438	1,230.0
Non-current	731,587	653,549	11.9
Total bond issues of concession operators	739,056	659,987	12.0
Bank borrowings of concession operators			
Current	161,847	245,011	(33.9)
Non-current	892,171	786,354	13.5
Total bank borrowings of concession operators	1,054,018	1,031,365	2.2
Concession operator debt subtotal	1,793,074	1,691,352	6.0
Total financial debt	2,164,331	2,071,511	4.5

EUR 59,377 thousand of the total financial debt relate to borrowings with recourse to the shareholder and EUR 2,104,954 thousand relate to borrowings without recourse guaranteed by the projects themselves.

Other financial liabilities. The Group recognised a loan arranged between Global Infraco, S.a.r.l. (related company of the Group's Parent) and ALEATICA Investments, S.A. on 20 September 2017 amounting to EUR 400,000 thousand. This financing was secured by 467,317,942 shares representing 39.75% of the share capital of Magenta Infraestructura, S.L. which are owned by ALEATICA, S.A.U. On 15 February 2018, the loan was increased by EUR 150,000 thousand. This new financing was secured by 191,486,393 shares representing 16.29% of the share capital of Magenta Infraestructura, S.L., which are owned by ALEATICA, S.A.U.

On 18 July 2019, it was agreed to cancel the security interest granted on the shares of Magenta Infraestructura, S.L. without prejudice to the loan agreement currently in force and effective. Therefore, at the date of authorisation for issue of these consolidated financial statements, all the shares of Magenta Infraestructura, S.L. were free of charges and liens.

The loan bore interest at an annual rate of 8% until 18 July 2019, on which date an addendum was signed by which the new interest rate applicable to the agreement was specified as 3.6%. The interest accrued at 31 December 2019 totals EUR 92,599 thousand (31 December 2018: EUR 53,009 thousand).

"**Equity Attributable to the Parent**" amounted to EUR 2,434.9 million in 2018, representing 23.9% of total assets and a 13.7% increase with respect to the equity figure at 2018 year-end (EUR 2,141.3 million).

The headcount at 31 December 2019 was 2,171 employees, 97.7% of whom were permanent and 2.3% of whom were temporary.

Business analysis

The main factors that influenced the growth in sales and EBITDA were as follows:

- The traffic in the Group's concessions, which is shown in the table below:

TRAFFIC	COUNTRY	2019	2018	% %
Terminal Cerros de Valparaíso ⁽⁴⁾	Chile	116,275	122,080	(4.8)
Nuevo Camino Nogales-Punchucaví ⁽¹⁾	Chile	5,606	5,395	3.9
Euroglosa M-45 ⁽²⁾	2019	98,861	95,592	3.4
Puerto de Alicante (TMS) ⁽³⁾	Spain	98,137	87,562	12.1
Terminal de Contenedores de Tenerife ⁽³⁾	Spain	96,047	142,561	(32.6)
Amozoc-Perote ⁽¹⁾	Mexico	46,511	43,769	6.3
Concesionaria Mexiquense ⁽¹⁾	Mexico	350,559	355,462	(1.4)
Viaducto Bicentenario ⁽²⁾	Mexico	33,239	33,422	(0.5)
Autopista Urbana Norte ⁽²⁾	Mexico	58,097	58,312	(0.4)
Autopista del Norte ⁽¹⁾	Peru	64,454	55,402	16.3

(1) Average equivalent paying traffic.
(2) Average daily traffic (AADT): total km travelled by all the users of the toll road, divided by the total km in operation on the road. This measurement represents the number of users that would have travelled the total km in operation along the toll road.
(3) Cumulative number of TEUs shipped.
(4) Average tonnes of general goods.

- The effect of the exchange rate fluctuations of the main Latin American currencies against the euro, compared with December 2018, was as follows:

	Average exchange rate for the period (per EUR 1)		
	2019	2018	Appreciation/ Depreciation
Chilean peso	792.39	758.73	4.4%
Mexican peso	21.61	22.65	-4.6%
Peruvian new sol	3.73	3.88	-3.9%

As a result of the aforementioned factors, the changes in the revenue and EBITDA of the main concession operators, grouped together by country, were as shown in the table below:

Country/Company	Millions of euros					
	REVENUE			EBITDA		
	2019	2018	% %	2019	2018	% %
CHILE	31.1	27.1	14.8	15.5	13.6	14.0
Nogales Punchuncaví	6.5	4.4	47.7	4.5	3.5	28.6
Terminal Cerros de Valparaíso	24.6	22.7	8.4	11.0	10.1	8.9
SPAIN	40.6	42.4	(4.2)	18.5	18.1	2.2
Euroglosa M-45	14.3	14.0	2.1	12.3	12.2	0.8
Puerto de Alicante (TMS)	17.3	15.7	10.2	4.2	3.0	40.0
Terminal de Contenedores de Tenerife	9.0	12.7	(29.1)	2.0	2.9	(31.0)
MEXICO	357.3	313.1	14.1	876.6	897.2	(2.3)
Amozoc-Perote	48.4	38.9	24.4	25.5	20.4	25.0
Concesionaria Mexiquense	209.9	186.7	12.4	476.3	493.6	(3.5)
Viaducto Bicentenario	49.0	43.7	12.1	150.1	151.3	(0.8)
Autopista Urbana Norte	50.0	43.8	14.2	224.7	231.9	(3.1)
PERU	44.8	38.3	17.0	37.1	20.8	78.4
Autopista del Norte	44.8	38.3	17.0	37.1	20.8	78.4
TOTAL CONCESSIONS	473.8	420.9	12.6	947.7	949.7	(0.2)
Head office and other	94.6	89.2	6.1	(9.7)	(33.1)	(70.7)
TOTAL	568.4	510.1	11.4	938.0	916.6	2.3

“Head Office and Other” includes mainly the sales and costs relating to the construction business carried on by the concession operators themselves, net of intra-Group transactions, pursuant to IFRIC 12. In accordance with the accounting principle of prudence, the ALEATICA Group matched the sales figure of the construction business from the concession operators to the costs of this construction

work, which therefore did not affect EBITDA for these years. At 31 December 2019, this figure amounted to EUR 89.1 million (31 December 2018: EUR 79.8 million).

Also, in application of IFRIC 12, provisions were recognised for major maintenance work scheduled over various years.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	2019		2018		% change 19/18
	Amount	%	Amount	%	
Revenue	568.4	100.0	510.1	100.0	11.4
Other income	647.5	113.9	713.9	140.0	(9.3)
TOTAL OPERATING INCOME	1,215.9	213.9	1,224.0	240.0	(0.7)
Procurements and other expenses	(194.9)	(34.3)	(232.8)	(45.6)	(16.3)
Staff costs	(83.0)	(14.6)	(74.6)	(14.6)	11.3
EBITDA	938.0	165.0	916.6	179.7	2.3
Depreciation and amortisation charge and change in provisions and allowances	(60.9)	(10.7)	(84.4)	(16.5)	(27.8)
EBIT	877.1	154.3	832.2	163.1	5.4
Finance income	55.5	9.8	60.3	11.8	(8.0)
Finance costs	(275.7)	(48.5)	(295.4)	(57.9)	(6.7)
Net exchange differences	4.2	0.7	(5.5)	(1.1)	(176.4)
Net gains or losses on remeasurement of financial instruments at fair value	0.9	0.2	(0.5)	(0.1)	(280.0)
Result of companies accounted for using the equity method	28.5	5.0	27.9	5.5	2.2
Impairment and gains or losses on disposals of financial instruments	(14.2)	(2.5)	1.1	0.2	(1,390.9)
PROFIT BEFORE TAX	676.3	119.0	620.1	121.6	9.1
Income tax expense	(211.8)	(37.3)	(199.3)	(39.1)	6.3
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	464.5	81.7	420.8	82.5	10.4
PROFIT FOR THE YEAR	464.5	81.7	420.8	82.5	10.4
Non-controlling interests	(290.4)	(51.1)	(297.4)	(58.3)	(2.4)
CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT	174.1	30.6	123.4	24.2	41.1

Revenue for 2019 amounted to EUR 568.4 million, up 11.4% on 2018 due to the net effect of the 11.7% rise in concession activity and the 11.7% rise in sales under IFRIC 12 (construction activity carried out by the concession operators themselves).

EBITDA amounted to EUR 938.0 million, up 2.3% on 2018. Disregarding the exchange rate effect, EBITDA increased by 29.0% with respect to 2018 on a like-for-like basis. At 2019 year-end, Mexico continued to be the most significant country for the business, contributing 93.5% to the Group's EBITDA.

The depreciation and amortisation charge and changes in provisions and allowances totalled EUR 60.9 million, down 27.8% on the EUR 84.4 million posted in 2018.

The financial loss (income minus costs) stood at EUR 220.2 million, down 6.3% on 2018.

The income tax expense amounted to EUR 211.8 million, an effective rate of 31.3% of profit before tax.

"Profit for the Year from Continuing Operations" stood at EUR 464.5 million, up 10.4% on the EUR 420.8 million posted in 2018.

"Profit for the Year Attributable to the Parent" amounted to EUR 174.1 million, representing 30.6% of revenue and a 41.1% increase on 2018.

CONSOLIDATED BALANCE SHEET

	Millions of euros			
	2019	2018	Change 19/18	% change
ASSETS				
Intangible assets	14.6	1.7	12.9	758.8
Concession infrastructure	8,369.2	7,291.2	1,078.0	14.8
Property, plant and equipment	15.9	15.0	0.9	6.0
Investment property	0.0	0.0	0.0	N/A
Non-current financial assets	115.7	62.2	53.5	86.0
Investments accounted for using the equity method	346.0	361.3	(15.3)	(4.2)
Deferred tax assets	369.9	355.7	14.2	4.0
NON-CURRENT ASSETS	9,231.3	8,087.1	7,291.2	90.2
Non-current assets classified as held for sale	32.1	-	32.1	N/A
Inventories	9.7	42.0	(32.3)	(76.9)
Trade and other receivables	189.8	139.1	50.7	36.4
Other current financial assets	332.3	354.4	(22.1)	(6.2)
Current income tax assets	16.4	21.7	(5.3)	(24.4)
Other current assets	11.4	12.3	(0.9)	(7.3)
Cash and cash equivalents	382.6	487.2	(104.6)	(21.5)
CURRENT ASSETS	974.3	1,056.7	(82.4)	(7.8)
TOTAL ASSETS	10,205.6	9,143.8	1,061.8	11.6
EQUITY AND LIABILITIES				
Share capital	167.5	167.5	-	-
Share premium	432.6	432.6	-	-
Other shareholder contributions	5.1	5.1	-	-
Reserves	13.8	44.6	(30.8)	(69.1)
Reserves of consolidated companies	2,041.0	1,920.4	120.6	6.3
Valuation adjustments	(399.2)	(552.3)	153.1	(27.7)
Consolidated profit for the year attributable to the Parent	174.1	123.4	50.7	41.1
Interim dividend	0.0	0.0	0.0	N/A
EQUITY ATTRIBUTABLE TO THE PARENT	2,434.9	2,141.3	293.6	13.7
Non-controlling interests	2,813.8	2,419.2	394.6	16.3
EQUITY	5,248.7	4,560.5	688.2	15.1
Debt instruments and other marketable securities	953.6	864.2	89.4	10.3
Bank borrowings	1,018.5	881.8	136.7	15.5
Other financial liabilities	39.1	3.5	35.6	1,017.1
Deferred tax liabilities	1,711.6	1,452.0	259.6	17.9
Provisions	113.3	121.0	(7.7)	(6.4)
Deferred income	0.1	0.1	0.0	0.0
Other non-current liabilities	24.5	51.0	(26.5)	(52.0)
NON-CURRENT LIABILITIES	3,860.7	3,373.6	487.1	14.4
Liabilities associated with non-current assets classified as held for sale	0.0	0.0	0.0	N/A
Debt instruments and other marketable securities	20.0	10.7	9.3	86.9
Bank borrowings	172.1	314.7	(142.6)	(45.3)
Other financial liabilities	646.9	615.0	31.9	5.2
Trade and other payables	89.7	88.7	1.0	1.1
Provisions	51.4	51.8	(0.4)	(0.8)
Current income tax liabilities	21.5	24.7	(3.2)	(13.0)
Other current liabilities	94.6	104.1	(9.5)	(9.1)
CURRENT LIABILITIES	1,096.2	1,209.7	(113.5)	(9.4)
TOTAL EQUITY AND LIABILITIES	10,205.6	9,143.8	1,061.8	11.6

The main changes in the consolidated balance sheet were as follows:

"Concession Infrastructure" includes all of the Group's concession infrastructure, relating to concessions accounted for using both the intangible asset model and the financial asset model. The balance of "Concession Infrastructure" at 31 December 2019 amounted to EUR 8,369.2 million. This balance increased by EUR 1,078.0 million year on year, due mainly to the following:

- The increase of EUR 652.4 million in the value of the concession operators classified as financial assets, including most notably the Mexican companies with guaranteed returns (Autopista Urbana Norte, S.A. de C.V., Concesionaria Mexiquense, S.A. de C.V. and Viaducto Bicentenario, S.A. de C.V.) and Autopista Río Magdalena, S.A.S.
- The positive effect of exchange differences, amounting to EUR 381.1 million.

"Other Current Financial Assets" amounted to EUR 332.3 million and relates mainly to various restricted reserve accounts of concession operators amounting to EUR 297.3 million, as well as the balance recognised by ALEATICA, S.A.B. de C.V. (México) that includes restricted cash related to the issue of the letter of credit to guarantee the venture capital in the Atizapán Atlacomulco project amounting to EUR 63.7 million.

"Equity Attributable to the Parent" amounted to EUR 2,434.9 million at the end of 2019, representing 23.9% of total assets. The increase of EUR 296.6 million with respect to 2018 was due to the following:

- Profit for 2019 of EUR 174.1 million.
- Increase of EUR 132.5 million due to valuation adjustments arising from the translation of the financial statements in foreign currency.
- Decrease of EUR 6.6 million due to valuation adjustments arising from the measurement of derivatives.
- Decrease of EUR 3.4 million due to other changes.

"Non-Controlling Interests" amounted to EUR 2,813.8 million, up EUR 394.6 million on 2018 as a result of the following:

- An increase of EUR 290.4 million in profit for the year attributable to non-controlling interests.
- The increase of EUR 152.6 million from valuation adjustments arising from the translation of the financial statements in foreign currency.
- Decrease of EUR 11.7 million due to valuation adjustments arising from the measurement of derivatives.
- Other decreases of EUR 36.7 million.

Bank borrowings: gross debt amounted to EUR 2,164.3 million at 31 December 2019, up EUR 4.5 million on 31 December 2018.

91.1% of the total gross bank borrowings falls due at long term and the remaining 8.9% matures at short term.

The rise in "Other Financial Liabilities" is mainly due to the interest borne in 2019 on the loan between Global InfraCo, S.a.r.l. (related company of the Group's Parent) and ALEATICA Investments, S.A. signed on 20 September 2017 amounting to EUR 400,000 thousand and increased by EUR 150 million on 15 February 2018. On 18 July 2019, terms and conditions of the loan were renewed (see Note C.16.2 to the consolidated financial statements).

STOCK MARKET INFORMATION

The ALEATICA Group has an ownership interest in the subsidiary ALEATICA, S.A.B. de C.V. (México), which is listed in Mexico, the main data on which are as follows:

ALEATICA, S.A.B. de C.V.	
Total number of shares	1,732,185,269
ALEATICA Group's ownership interest at 31/12/19	56.85%
Share price at 31/12/19 (Mexican pesos)	28.10
EUR/MXN exchange rate at 31/12/19	21.22
Total market capitalisation (thousands of euros)	2,293,799
Value of ALEATICA Group's ownership interest (thousands of euros)	1,304,024
Change in share price since 31/12/18	11.16%



ALEATICA, S.A.B. de C.V. share price performance in 2019												
Dec. 2018	January	February	March	April	May	June	July	August	September	October	November	December
ALEATICA, S.A.B. de C.V.								MEXBOL				

- Share performance in 2019.
- Performance of the ALEATICA (México) share price in the S&P/BMV IPC in 2019.
- Number of shares and par value.
- Market price at 31/12/19, market capitalisation in euros at the end of 2019.

The ALEATICA Group has a 56.85% stake in ALEATICA, S.A.B. de C.V. (México), which is listed in Mexico and whose share price increased by 11.16% from MXN 25.28 at the beginning of 2019 to MXN 28.10 per share.

The market capitalisation of ALEATICA (México) at the end of 2018 was MXN 48,674,406,058.9.

At 31 December 2019, the share capital of ALEATICA, S.A.B. de C.V. (México) amounted to MXN 15,334,501 thousand and was represented by 1,732,185,269 ordinary shares, all of the same class and series.

TREASURY SHARES

At 31 December 2019, neither ALEATICA, S.A.U. nor its subsidiaries held any treasury shares of the Parent and they did not perform any transactions involving treasury shares in the year then ended.

DEVELOPMENT

In 2019 the Group carried out investments amounting to EUR 453 thousand in R&D+i projects. Also, EUR 834 thousand relating to research and development projects had been capitalised to "Other Intangible Assets" in the consolidated balance sheet as at 31 December 2018.

MAIN RISKS AND UNCERTAINTIES

The various business activities carried on by the Group in Spain and abroad expose it to different types of risk.

A detailed description of the main risks and of the policies for minimising them is included in Note D.1 to the consolidated financial statements.

Financial risk management: objectives and policies

The ALEATICA Group is exposed to four types of financial risk:

- Interest rate risk arising from possible changes in the cash flows associated with borrowings tied to floating interest rates.
- Foreign currency risk arising from possible changes in the equivalent value of foreign trade transactions denominated in foreign currency.
- Credit risk arising from the possible non-payment by the banks of the amounts they have undertaken to pay to the Group in the future on the basis of the financial instruments arranged.
- Liquidity risk arising from the Group's financing needs due to timing mismatches between liquidity needs and the inflow of funds.

The Group uses derivative financial instruments to mitigate the economic effects that might arise from the foreign currency and interest rate risks to which it is exposed as a result of its business activities. These instruments are arranged with highly solvent banks, thus reducing the credit risk to a minimum.

Market risk - COVID 19

The Parent's directors have conduct a preliminary exercise in relation to the impact of COVID-19 on the Group. In this connection, the spread of the condition in the geographical areas in which the Group operates, mainly Mexico and Latin America, is at the date of this report very low and, therefore, the likelihood that it might have an impact on the operations and cash flows meeting the project financing needs of the Group's concession infrastructure is limited.

EVENTS AFTER THE REPORTING PERIOD

On 24 February de 2020, Judicial Review Chamber Three of the Spanish Supreme Court handed down a judgment in relation to the cassation appeal lodged by the Autonomous Community Government of Madrid against the judgment handed down by the Madrid High Court in relation to the right of Euroglosa 45 Concesionaria de la Comunidad de Madrid, S.A. to be granted the restoration of the economic feasibility of the public works concession arrangement for the drafting of the project, and the construction, upkeep and management of the public service of the N-V to N-IV stretch of the new M-45 toll road, on the grounds of the excess amounts paid for the compulsory purchases. The judgment of the Spanish Supreme Court dismisses the aforementioned appeal lodged by the Autonomous Community Government of Madrid and, therefore, upholds the judgment handed down by the Madrid High Court, which is final and awards EUR 47,425 thousand (amount in euros at 31 December 2015) to the company, which must be increased by 8.31% annually until the date on which the restoration of the economic feasibility of the concession arrangement enables the maintenance of the IRR of the project (see Note C.7.3 to the consolidated financial statements).

The appearance of COVID-19 in China in January 2020 and its recent global expansion caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March. Bearing in mind the complexity of the markets and the absence, for the time being, of effective medical treatment against the virus, the consequences for the Group's operations are uncertain and will depend to a large degree on the evolution and extension of the pandemic in the coming months, as well as on the capacity of all the economic players affected to react and adapt to the circumstances.

Therefore, at the date of authorisation for issue of these consolidated financial statements, it is premature to make a detailed evaluation or quantification of the possible impacts that COVID-19 might have on the Group, due to the uncertainty of its consequences in the short or medium term.

However, the directors of the Parent have conducted a preliminary assessment of the current situation based on the best available information, which, due to the aforementioned considerations, may be incomplete. The following aspects of the results of this assessment are worthy of note:

- Liquidity risk: it is foreseeable that the general situation of the markets may lead to an overall increase in liquidity constraints in the economy, as well as a contraction in the credit market. In this connection, on the basis of the analyses performed, the Parent has reasonably sufficient liquidity, and the capacity to obtain financing from companies of the Aleatica Group to which it belongs, which, together with the implementation of specific plans for the improvement and efficient management of liquidity, will enable these constraints to be overcome.
- Operational risk: in view of the changing and unpredictable nature of events, the Group envisages the establishment of specific procedures aimed at monitoring and managing the evolution of its operations at all times, in order to minimise their impact.
- Risk of measurement of assets and liabilities: a change in the future estimates of traffic, operation and maintenance costs, and the finance costs of the Group could have an adverse impact on the carrying amount of certain assets (mainly concession infrastructure) and on the need to recognise certain provisions or other types of liabilities. As soon as sufficient and reliable information becomes available, the appropriate analyses and calculations will be made to allow, if necessary, the re-measurement of those assets and liabilities.
- Going concern risk: taking into account all the aforementioned factors, the directors consider that the conclusion detailed in Note D.1.1.1 to the consolidated financial statements on the application of the going concern basis of accounting is valid.

Also, the Parent's directors are constantly monitoring the evolution of the situation in order to successfully address any possible impacts, both financial and non-financial, that may arise.

No significant events took place after the date when these consolidated financial statements were authorised for issue.

OUTLOOK FOR THE NEAR FUTURE

The ALEATICA Group comprises a series of concessions in Spain and the Pacific Alliance countries, i.e. Mexico (through the stake in ALEATICA (México), Chile, Peru and Colombia. The ALEATICA Group, through its direct concessions, has traditionally been an active developer, partially or fully rotating its mature assets, and its experience is more focused on emerging markets than on developed markets. However, the entry of its new controlling shareholder, with its clear long-term commitment, has led to a focus on the operation and sustainability of assets.

In relation to the maturity of its concessions, the ALEATICA Group has young assets in its portfolio (25.9 years of average life in the road concessions) that provide a solid springboard for improving returns on assets, as well as financial performance.

The ALEATICA Group's concessions include 14 toll roads (1,088 km), 3 ports and 1 airport located in strategic locations such as Mexico, Chile, Peru, Colombia and Spain. The Mexican concessions are operated through ALEATICA (México), a listed company in which the Group has a 56.85% ownership interest. Ten of the toll roads are in operation and four are under development or construction.

In line with the philosophy of its new shareholder, the ALEATICA Group will adopt a short- to medium-term strategy of consolidation and implementation of measures to increase services and reduce costs. The approach as regards the new toll roads is to optimise the investment both in terms of the concessions arrangements awarded and their financing structures.

The same approach to investments as in previous years will be maintained:

- Selection of projects of interest that could be financed mainly without recourse in the same currency as the related collections and would be sufficiently profitable in euros after including estimated currency depreciation (calculated as the inflation gap for projects outside Spain).
- Investing only in countries in which the Group will have long-term growth, i.e. those in which it is currently present plus other individual countries that are being explored.

The ALEATICA Group also has a good position financially as a result of:

- Its presence in capital markets, with a 56.85% holding in the listed company ALEATICA México, which had a market value of EUR 1,304.0 million at the end of 2018.
- A policy of constantly striving to optimise its financial structure by studying and carrying out refinancing processes sufficiently in advance, by seeking access to both corporate bank and project financing and the capital markets.
- Its commitment to policies to maintain financial discipline.

Lastly, the ALEATICA Group's corporate strategy enshrines a commitment to adopt measures that allow us to strengthen our five pillars -Safety, Sustainability, Service Excellence, Transparency and Corporate Governance, and Passion for our Team- which underpin how day-to-day operations are organised and executed and also long-term corporate actions. The entire approach is based on performance management and target achievement with the aim of providing our customers and stakeholders with an optimal service.

DISTRIBUTION OF DIVIDENDS

In 2019 there were no distributions of dividends to the Parent's sole shareholder.

CAPITAL STRUCTURE, SHAREHOLDERS AGREEMENTS AND RESTRICTIONS ON THE TRANSFERABILITY OF THE SHARES AND THE VOTING RIGHTS

a) Capital structure

At 31 December 2019, the share capital of the Parent amounted to EUR 167,454,700 and was divided into 167,454,700 fully subscribed and paid registered shares of EUR 1 par value each. All the shares confer the same rights on the holders.

b) Restriction on the transferability of the shares and the voting rights

At 2019 year-end, no security interests have been granted on the Group's Parent's shares.

c) Shareholders agreements

The Parent has not been notified of any shareholders agreements.

SIGNIFICANT OWNERSHIP INTERESTS IN THE SHARE CAPITAL

The detail of the holders of significant direct and indirect ownership interests at 2019 year-end is as follows:

Name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Global Infracore Silver Spain, S.L.	167,454,700	-	100%

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

The consolidated non-financial information statement, which the Group is required to prepare by current legislation, is appended hereto as an independent report prepared by the directors.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Sole Shareholder of Aleatica, S.A. (Sole-Shareholder Company):

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2019 of Aleatica, S.A.U. (and subsidiaries) ("Aleatica" or "the entity").

The content of the NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our review work was limited solely to verification of the information identified in the "Non-financial information statement content table" in the NFIS.

Responsibilities of the Directors and of Management

The preparation and content of the NFIS included in the Directors' Report of Aleatica are the responsibility of the Board of Directors of Aleatica. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards described as indicated for each matter in the non-financial information statement content table of the aforementioned Report.

These responsibilities also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Aleatica are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Aleatica, S.A. (Sole-Shareholder Company) and Subsidiaries

Non-Financial Information
Statement for the year ended 31
December 2019 with Independent
Limited Assurance Report

*Translation of a report originally issued in Spanish.
In the event of a discrepancy, the Spanish-
language version prevails*

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which refers exclusively to 2019. The information relating to previous years was not subject to the verification provided for in current Spanish corporate legislation.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is also lower.

Our work consisted in requesting information from management and the various units of Aleatica that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Aleatica personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.
- Analysis of the scope, relevance and completeness of the contents included in the NFIS based on the materiality analysis performed by Aleatica and described in section 1, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2019 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the NFIS.
- Verification, by means of sample-based tests, of the information relating to the contents included in the 2019 NFIS and the appropriate compilation thereof based on the data furnished by Aleatica's information sources.
- Obtainment of a representation letter from the directors and management.

Conclusion

Based on the procedures performed in our verification and on the evidence obtained, nothing has come to our attention that causes us to believe that the 2019 Consolidated Non-Financial Statement of Aleatica was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards described as indicated for each matter in the non-financial information statement content table of the aforementioned Report.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.



Ignacio Alcaraz Elorrieta
3 April 2020

aleatica.com



ALEATICA

Smart & Sustainable Infrastructure