The attached External Auditor’s Report, Annual Accounts and Management Report for the fiscal year ended 31 December 2020, have been originally issued in Spanish. The English version is not considered official or regulated financial information In the event of discrepancy, the Spanish-language version prevails.

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Audit Report on Aena S.M.E., S.A.

Together with the annual accounts and directors' report of Aena S.M.E., S.A. for the year ended 31 December 2020)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Aena S.M.E., S.A.:

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Aena S.M.E., S.A. (the "Company"), which comprise the balance sheet at 31 December 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2.a to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of aeronautical revenues See notes 2 e), 4 p) and 23 b) to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*

Aeronautical revenues, regulated by the Airport Regulation Document (abbreviated to DORA in Spanish) approved on 27 January 2017, totalled Euros 899,269 thousand in 2020. These revenues are mostly generated from the use of the airport infrastructure by airlines and passengers, and they are net of any rebates and incentives.
 	
Due to the significance of the aeronautical revenues, as well as the large number of transactions of different types and amounts that give rise to the aeronautical revenues in very diverse airports, they have been considered a key audit matter.
	Our audit procedures included the following:
	
	– evaluating the criteria, standards and policies used by the Company to recognise the aeronautical revenues regulated by the DORA.
	
	– assessing, with the help of our IT specialists, the design and implementation of the most relevant controls established by Company management for the recognition of these aeronautical revenues and for the cash IT system that processes and records the collection of revenues. We also tested the operating effectiveness of these controls.
	
	– As part of our substantive procedures:
	
	  – we carried out a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of sales transactions during the year, associating individually the revenues with the related amounts collected.
	
	  – we performed tests of detail on the transactions that generated revenues from aeronautical services to confirm whether revenues had been adequately recognised in the correct period based on their accrual.
	
	  – we performed tests of detail to analyse the reasonableness of the criteria and assumptions used to calculate rebates or incentives.
	
	We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Recoverable amount of non-current assets
See notes 2 e), 4 a), 4 b), 6 and 7 to the annual accounts

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2020 Aena S.M.E., S.A. (AENA) presents property plant and equipment amounting to Euros 12,119,625 thousand and intangible assets of Euros 119,958 thousand. These assets are allocated to the cash-generating units (CGU) corresponding to the national airports network. Management of Aena S.M.E. S.A. assesses its property, plant and equipment and intangible assets annually for indications of impairment, for the purpose of determining their recoverable amount. The epidemiological situation caused by the expansion of the COVID-19 virus has caused a drastic reduction in airport activity and therefore, indications of impairment have been identified in the aforementioned cash-generating unit. These recoverable amounts, estimated by calculating value in use, are obtained on the basis of projections by applying valuation techniques that require the exercising of judgement by Company management and the use of estimates, inter alia, of passengers, investments and discount and growth rates. Due to the complexity of the calculation of the recoverable amount, the high level of judgement when estimating the key assumptions and the associated uncertainty, as well as the significance of the carrying amount of the non-current assets, the process of measuring the aforementioned assets has been considered a key audit matter.	Our audit procedures included the following: – assessing the design and implementation of the most relevant controls established by Company management with respect to the process of estimating the recoverable amount of the non-current assets. – evaluating the criteria used by Company management in identifying indications of impairment. – assessing, with the support of our valuation specialists, the methodology and assumptions used by Company management in estimating the recoverable amount and reviewed by an independent third party expert engaged by the Company. – contrasting the key assumptions, such as air traffic forecasts, with data from external sources and the Company's own historical data. – evaluating the analysis of sensitivity of the estimated recoverable amount to changes, considered as reasonable by the Company, in the relevant assumptions and judgements, such as the discount rate, the expected future growth rate and passenger volumes. We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Recoverable amount of non-current investments in Group companies and associates See notes 2 e), 4 f), 10, 11 and 12 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
At 31 December 2020 investments in Group companies and associates included Euros 165,032 thousand for the investment in Aena Desarrollo Internacional S.M.E., S.A. (ADI) and Euros 370,000 thousand for a loan extended to this subsidiary. Company management assesses its investments in Group companies and associates annually for objective evidence of impairment, for the purpose of determining their recoverable amount. The calculation of these recoverable amounts requires the application of valuation techniques which require the exercising of judgement by Company management and the making of estimates based on certain assumptions. In 2020 objective evidence of impairment was identified in the subsidiary ADI and, consequently, AENA estimated the recoverable amount of this investment. The London Airport Holdings III Limited and subsidiaries subgroup, whose parent is an affiliate of ADI, carries out the activity of operating the Luton Airport concession in the United Kingdom. As detailed in note 11 it is probable that in the next 12 months this subgroup will breach the ratios included in some of the financing agreements in force. For this reason it is in the process of negotiating with these entities to obtain a waiver which, at the date these annual accounts are authorised for issue, has still not been granted by the financial institutions. This situation leads to the existence of material uncertainty for the London Luton Airport Holdings III Limited and subsidiaries subgroup, which could cast significant doubts as to its ability to continue as a going concern. Due to the complexity inherent to calculating the recoverable amount, the uncertainty associated with the outcome of the negotiations being held between the financial institutions and the London Luton Airport Holdings III Limited and subsidiaries subgroup, as well as the significance of the aforementioned carrying amounts, the process of measuring the investment in ADI and the aforementioned loan has been considered a key audit matter.	Our audit procedures included the following: – assessing the design and implementation of the most relevant controls established by Company management with respect to the process of estimating the recoverable amount of the investment in ADI and the loan given, – evaluating the criteria used by Company management in identifying indications of impairment, – evaluating the methodology and assumptions used when Company management estimates the recoverable amount, – analysing the ratio compliance commitments in the financing agreements of the London Luton Airport Holdings III Limited and subsidiaries subgroup, as well as the guarantees associated with these financing agreements. – We also analysed the Company's payment commitments and its capacity to generate cash based on cash forecasts. We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Other Information: Directors' Report

Other information solely comprises the 2020 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility regarding the information contained in the directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the non-financial information statement and certain information included in the Annual Corporate Governance Report, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2020, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

The audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit committee of Aena S.M.E., S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to the audit committee of the entity, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital file of Aena S.M.E., S.A. for 2020 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.

The Directors of Aena, S.M.E., S.A. are responsible for the presentation of the 2020 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation").

Our responsibility consists of examining the digital file prepared by the Company's Directors, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the annual accounts included in the aforementioned digital file fully corresponds to the annual accounts we have audited, and whether the annual accounts have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 23 February 2020.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 14 March 2019 for a period of three years, beginning after the year ended 31 December 2020.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their ordinary general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Manuel Martín Barbón

On the Spanish Official Register of Auditors ("ROAC") with No. 16239

23 February 2021

AENA S.M.E., S. A.

Annual Accounts and Management Report corresponding to the fiscal year ended 31 December 2020.

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AENA S.M.E., S.A.

BALANCE SHEET AS OF 31 DECEMBER 2020
(Expressed in thousands of euros)

ASSET	Note	2020	2019
NON-CURRENT ASSETS			
Intangible fixed assets	**6**	**119,958**	**110,687**
Intangible assets, concession agreement		8,771	9,386
Software		38,388	42,164
Other intangible assets		3,428	1,897
Property, plant and equipment under construction		69,371	57,240
Property, plant and equipment	**7**	**12,119,625**	**12,417,714**
Land and buildings		10,100,383	10,339,219
Technical facilities and machinery		363,131	382,899
Other facilities, tools and furnishings		1,109,806	1,205,127
Other property, plant and equipment		3,879	3,834
Property, plant and equipment under construction		542,426	486,635
Real estate investments	**8**	**139,176**	**140,928**
Land and buildings		139,051	140,797
Other facilities		125	131
Long-term investments in group and associated companies		**535,032**	**516,638**
Equity instruments	11	165,032	176,638
Loans to companies	10-12	370,000	340,000
Long-term financial investments	**10-11**	**92,907**	**80,840**
Equity instruments		-	180
Other financial assets		92,907	80,660
Non-current commercial debts		**5,255**	**4,363**
Long-term credit right		5,255	4,363
Deferred tax assets		**116,091**	**103,975**
Long-term accruals	**20**	**18,720**	**-**
TOTAL NON-CURRENT ASSETS		**13,146,764**	**13,375,145**
CURRENT ASSETS			
Inventories	**17**	**5,899**	**6,148**
Trade and other receivables		**822,411**	**461,709**
Trade receivables for sales and services rendered	10-13	731,757	444,496
Customers, group and associated companies	10-12-13	1,323	1,083
Sundry debtors	10-13	7,826	7,735
Staff	10-13	635	769
Current tax assets	22	8,931	-
Other loans with Public Administrations	13-22	71,939	7,626
Short-term investments in group and associated companies	**10-12**	**282**	**30,282**
Loans to companies	**12**	-	30,212
Other financial assets		282	70
Short-term financial investments	**10-14**	**1,534**	**1,610**
Loans to companies		17	172
Other financial assets	10-11	1,517	1,438
Short-term accruals	**20**	**28,803**	**5,509**
Cash and cash equivalents	**18**	**1,141,265**	**149,375**
TOTAL CURRENT ASSETS		**2,000,194**	**654,633**
TOTAL ASSETS		**15,146,958**	**14,029,778**

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts.

BALANCE SHEET AS OF 31 DECEMBER 2020
(Expressed in thousands of euros)

EQUITY AND LIABILITIES	Note	2020	2019
EQUITY			
Own funds	**19**	**6,371,604**	**6,376,945**
Share capital	**19a**	1,500,000	1,500,000
Share premium	**19b**	1,100,868	1,100,868
Capitalisation reserve	**19b**	159,877	133,714
Legal reserve	**19b**	300,000	300,000
Other reserves	**19b**	3,316,149	1,921,037
Profit/(loss) for the fiscal year	**3**	(5,290)	1,421,326
Adjustments due to changes in value	**19c**	**(96,359)**	**(94,333)**
Hedging transactions		(96,359)	(94,333)
Grants, donations and legacies received	**7-19d**	**345,466**	**373,002**
TOTAL EQUITY		**6,620,711**	**6,655,614**
NON-CURRENT LIABILITIES			
Long-term provisions	**21**	**75,470**	**84,193**
Obligations from long-term staff benefits		9,671	9,541
Environmental actions		57,834	61,637
Other provisions		7,965	13,015
Long-term guarantees received	**10**	**137,341**	**144,750**
Long-term debts	**10**	**2,778,088**	**353,412**
Debts with credit institutions		2,673,731	250,000
Financial leasing creditors		7,332	9,036
Derivatives		96,834	94,115
Other financial liabilities		191	261
Long-term debts with group and associated companies	**10-11-12-15**	**4,159,882**	**4,705,603**
Long-term accruals	**20**	**8,843**	**9,378**
Deferred tax liabilities	**22**	**120,532**	**129,710**
TOTAL NON-CURRENT LIABILITIES		**7,280,156**	**5,427,046**
CURRENT LIABILITIES			
Short-term provisions	**21**	**45,985**	**84,303**
Short-term debts	**10**	**372,378**	**867,508**
Bonds and other negotiable securities		55,000	159,000
Debts with credit institutions		53,370	391,040
Financial leasing creditors		1,682	1,673
Derivatives		31,645	31,662
Other financial liabilities		230,681	284,133
Short-term debts with group and associated companies	**10-11-12-15**	**561,798**	**648,898**
Trade and other payables		**246,557**	**308,158**
Suppliers, group and associated companies	10-12-16	19,841	24,141
Sundry creditors	10-16	116,627	164,933
Staff	10-16	37,220	30,373
Other debts with Public Administrations	16-22	22,496	32,010
Customer advances	10-16	50,373	56,701
Short-term accruals	**20**	**19,373**	**38,251**
TOTAL CURRENT LIABILITIES		**1,246,091**	**1,947,118**
TOTAL EQUITY AND LIABILITIES		**15,146,958**	**14,029,778**

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts.

AENA S.M.E., S.A.

PROFIT AND LOSS ACCOUNT
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of euros)

CONTINUING OPERATIONS	Note	2020	2019
Net turnover	**23b**	**2,042,183**	**4,159,546**
Works carried out by the company for its assets	**7**	**5,177**	**5,099**
Subcontracted work and other supplies	**23a**	**(153,830)**	**(170,205)**
Consumption of raw materials and other consumables		(930)	(1,220)
Works performed by other companies		(152,900)	(168,985)
Other operating revenue		**10,809**	**12,107**
Miscellaneous revenue and other current management revenue		10,161	10,991
Operating grants incorporated into the profit/(loss) for the year		648	1,116
Staff costs	**23c**	**(412,799)**	**(402,881)**
Wages, salaries and similar items		(295,454)	(290,749)
Social charges		(119,784)	(115,419)
Provisions		2,439	3,287
Other operating expenses		**(661,676)**	**(957,755)**
External services	23d	(495,151)	(794,290)
Taxes	23e	(153,986)	(149,517)
Losses, impairment and change in trading provisions	13	(11,807)	(13,024)
Other current management expenses		(732)	(924)
Depreciation and amortisation of fixed assets	**6-7-8**	**(721,370)**	**(716,985)**
Allocation of grants for non-financial fixed assets and others	**19d**	**36,746**	**39,655**
Provision surpluses	**23g**	**10,465**	**4,701**
Impairment and net gain or loss on disposals of fixed assets		**(61,994)**	**(21,106)**
Impairments and losses	6,7,8	1,117	-
Gains or losses on disposals and others	6-7	(5,051)	(9,339)
Other gains or losses	5.a.i	(58,060)	(11,767)
OPERATING PROFIT/(LOSS)		**93,711**	**1,952,176**
Finance income	**23f**	**5,335**	**4,808**
From marketable securities and other financial instruments			
- From group and associated companies		3,762	1,472
- From third parties		947	2,850
Capitalisation of finance expenses	6-7	626	486
Finance expenses	**23f**	**(94,903)**	**(96,265)**
- For debts with group and associated companies	15-19c	(69,835)	(76,621)
- For debts with third parties		(25,019)	(19,506)
- For the updating of provisions	21	(49)	(138)
Exchange differences	**23f**	**(1)**	**(41)**
Impairment and net gain or loss on disposals of financial instruments	**11-23f**	**(16,150)**	**-**
FINANCIAL PROFIT/(LOSS)	**23f**	**(105,719)**	**(91,498)**
PROFIT/(LOSS) BEFORE TAX		**(12,008)**	**1,860,678**
Income tax	22	**6,718**	**(439,352)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(5,290)**	**1,421,326**
PROFIT/(LOSS) FOR THE YEAR		**(5,290)**	**1,421,326**

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts.

STATEMENT OF CHANGES IN EQUITY
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of euros)

A) Statement of recognised revenue and expenses

	Note	2020	2019
Result of the profit and loss account		**(5,290)**	**1,421,326**
Revenue and expenses directly allocated to equity			
For cash flow hedges	19c	(34,561)	(70,192)
Grants, donations and legacies received	19d	31	6,179
For actuarial gains and losses		(50)	(5)
Tax effect		8,646	16,004
Total revenue and expenses directly allocated to equity		**(25,934)**	**(48,014)**
Transfers to the profit and loss account			
For cash flow hedges	19c	31,859	33,699
Grants, donations and legacies received	19d	(36,746)	(39,655)
Tax effect		1,222	1,489
Total transfers to the profit and loss account		**(3,665)**	**(4,467)**
TOTAL RECOGNISED REVENUE AND EXPENSES		**(34,889)**	**1,368,845**

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts.

AENA S.M.E., S.A.

STATEMENT OF CHANGES IN EQUITY
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of euros)

B) Statement of total changes in equity

	Authorised capital (Note 19.a)	Share premium (Note 19.b)	Profit/(loss) for the fiscal year (Note 3)	Capitalisation reserve (Note 19.b)	Legal Reserve (Note 19.b)	Other reserves (Note 19.b)	Adjustments due to changes in value (Note 19.c)	Grants, donations and legacies received (Note 19.d)	TOTAL
Balance on 1 January 2019	**1,500,000**	**1,100,868**	**1,301,182**	**113,626**	**300,000**	**1,679,486**	**(66,963)**	**398,109**	**6,326,308**
Total recognised revenue and expenses	-	-	1,421,326	-	-	(4)	(27,370)	(25,107)	**1,368,845**
Other transactions with partners and shareholders	-	-	-	-	-	(39)	-	-	**(39)**
Distribution of dividends	-	-	-	-	-	(1,039,500)	-	-	**(1,039,500)**
Distribution of profit/(loss) from the previous year	-	-	(1,301,182)	20,088	-	1,281,094	-	-	**-**
Balance on 31 December 2019	**1,500,000**	**1,100,868**	**1,421,326**	**133,714**	**300,000**	**1,921,037**	**(94,333)**	**373,002**	**6,655,614**
Total recognised revenue and expenses	-	-	(5,290)	-	-	(37)	(2,026)	(27,536)	**(34,889)**
Other transactions with partners and shareholders	-	-	-	-	-	(14)	-	-	**(14)**
Distribution of profit/(loss) from the previous year	-	-	(1,421,326)	26,163	-	1,395,163	-	-	**-**
Balance on 31 December 2020	**1,500,000**	**1,100,868**	**(5,290)**	**159,877**	**300,000**	**3,316,149**	**(96,359)**	**345,466**	**6,620,711**

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts

AENA S.M.E., S.A.

CASH FLOW STATEMENT
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of euros)

	Note	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES (I)		**164,227**	**2,050,176**
Profit/(loss) for the year before tax		(12,008)	1,860,678
Adjustments of the profit/(loss)		**815,575**	**834,894**
Depreciation and amortisation of fixed assets	6,7,8	721,370	716,985
Valuation adjustments for impairment of trade receivables	13	11,807	13,024
Grants taken to income	19d	(36,746)	(39,655)
Impairment of stakes in Group companies	11.1	16,192	-
Impairment of fixed assets	6, 7	(1,117)	-
Result for derecognitions and disposals of fixed assets		5,050	9,339
Result for derecognitions and disposals of financial instruments		(42)	-
Finance income	23f	(5,335)	(4,808)
Finance expenses and exchange differences	23f	63,045	62,607
Finance expenses settlement for financial derivatives	23f, 15	31,859	33,699
Changes in provisions		10,589	44,681
Others		(1,097)	(978)
Changes in current capital		**(543,139)**	**(132,541)**
Inventories		249	493
Trade and other receivables		(382,467)	(61,410)
Other current assets		(23,498)	412
Trade and other payables		(104,457)	(16,987)
Other current liabilities		(31,435)	(53,892)
Other non-current assets and liabilities		(1,531)	(1,157)
Other cash flows from operating activities		**(96,201)**	**(512,855)**
Interest payments		(80,408)	(84,899)
Interest received		4,423	1,590
Income tax (payments)/collections		(20,216)	(429,197)
Other payments/(collections)		-	(349)
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		**(506,440)**	**(868,239)**
Payments for investments		**(508,918)**	**(900,735)**
Group and associated companies		(4,586)	(401,915)
Intangible fixed assets		(30,903)	(31,440)
Property, plant and equipment		(458,850)	(451,259)
Real estate investments		(76)	(7,660)
Other financial assets		(14,503)	(8,461)
Receipts for divestitures		**2,478**	**32,496**
Group and associated companies		-	30,000
Property, plant and equipment		-	347
Other financial assets		2,478	2,149
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**1,334,103**	**(1,500,006)**
Collections and payments through equity instruments		**192**	**6,453**
Grants, donations and legacies received	**19d**	192	6,453
Collections and payments through financial liability instruments		**1,333,911**	**(466,959)**
Issue:			
- Bonds and similar securities	15c	-	159,000
- Debts with credit institutions	15b	2,825,630	641,000
- Others		14,021	60,117
Refund and repayment of:			
- Bonds and similar securities	15c	(104,000)	-
- Debts with credit institutions	15b	(741,000)	(650,000)
- Debts with group and associated companies	15a	(633,619)	(633,744)
- Other debts		(27,121)	(43,332)
Payments for dividends and remuneration from other instruments	**19**	**-**	**(1,039,500)**
Dividends		-	(1,039,500)
NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS		**991,890**	**(318,069)**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD		**149,375**	**467,444**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,141,265**	**149,375**

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts

1. Activity

Aena S.M.E, S.A. (hereinafter, the "Company" or "AENA") was incorporated by virtue of article 7 of Royal Decree-Law 13/2010, of 3 December, via which the Council of Ministers was empowered to incorporate the Company. The authorisation for the effective incorporation took place on 25 February 2011 in the agreement of the Council of Ministers of said date, in which the incorporation of the state trading company Aena Aeropuertos, S.A. was authorised, in accordance with the provisions of article 166 of Act 33/2003, of 3 November, on the Assets of Public Administrations (LPAP [Ley del Patrimonio de las Administraciones Públicas]).

On 5 July 2014, pursuant to article 18 of Royal Decree-Law 8/2014 (subsequently ratified by Act 18/2014), the name of Aena Aeropuertos, S.A. was changed to Aena, S.A., and the public business entity "Aeropuertos Españoles y Navegación Aérea" was renamed as ENAIRE ("ultimate parent company" or "parent").

As a consequence of the provisions of Act 40/2015, of 1 October, on the Legal System for the Public Sector, at the General Shareholders' Meeting held on 25 April 2017, the Company's corporate name was changed to "Aena S.M.E., S.A.".

The Company's corporate purpose is, in accordance with its Articles of Association, as follows:

- The organisation, direction, coordination, operation, conservation, administration and management of general interest and state-owned airports, and of those heliports managed by AENA S.M.E., S.A., as well as their related services.
- The coordination, operation, maintenance, administration and management of the civilian areas of air bases open to civil aviation traffic and of joint-use airports.
- The design and preparation of projects, the execution, management and control of investments in infrastructures and facilities referred to in the previous paragraphs, as well as of investments in goods intended for the provision of aerodrome air traffic services attached to said airport infrastructures.
- The evaluation of needs and, if appropriate, the proposal for planning new airport infrastructures, airport rights of way and acoustic easements associated with airports, as well as services which the Company is responsible for managing.
- The performance of public order and security services at the airport facilities it manages, without prejudice to the authority assigned to the Ministry of the Interior in this respect.
- Training in areas relating to air traffic, including the training of aeronautical professionals who require licences, certificates, authorisations or qualifications, and the promotion, disclosure or development of aeronautical or airport activities.

In addition, the Company may engage in all commercial activities directly or indirectly related to its corporate purpose, including the management of airport facilities outside of Spain and any other ancillary and complementary activity that allows a return on investments.

The corporate purpose may be carried out by the Company directly or through the creation of trade companies and, specifically, the individualised management of airports may be carried out through subsidiary companies or through the concession of services.

The aforementioned Act 18/2014 also establishes the integrity of the airport network insofar as its survival ensures the mobility of citizens and economic, social and territorial cohesion in terms of accessibility, adequacy, suitability, sustainability and continuity. It sets out the framework to which the basic airport services are subject and the characteristics and conditions that said network must boast in order to guarantee the objectives of general interest. Thus, the closure or disposal of all or part of any facilities or airport infrastructure necessary to maintain the provision of airport services is prohibited, unless authorised by the Council of Ministers or the Ministry of Public Works. This authorisation can only be granted provided it does not affect the objectives of general interest that must guarantee said network or compromise its sustainability. The absence of authorisation will render closures or disposals null and void, in order to guarantee the complete maintenance of the state airport network. Airport charges, and their key elements, basic airport services and the framework to determine minimum standards of quality, capacity and conditions for the provision of services and investments required for compliance, as well as the conditions for recovering the costs of providing these basic airport services, have been defined (see Note 4p).

The incorporation of the Company was carried out through the issuance of 61 shares, each with a nominal value of €1,000, fully subscribed and paid by the public business entity “Aeropuertos Españoles y Navegación Aérea”, which was its sole shareholder at that time. The public business entity “Aeropuertos Españoles y Navegación Aérea” will maintain, in any case, a majority of the Company’s share capital under the terms established by article 7.1, paragraph two of Royal Decree-Law 13/2010, of 3 December, and may sell the rest in accordance with Act 33/2003, of 3 November, on the Assets of Public Administrations.

The registration in the Commercial Registry of the Company’s incorporation was made based on the state-owned enterprise “Aeropuertos Españoles y Navegación Aérea” Board of Directors’ Resolution dated 23 May 2011. In this resolution, the contribution of activities to the Company (total assets, rights, debt and obligations associated with the implementation of airport and commercial activities, and other state services related to airport management, including air traffic services [hereinafter, the “Activity”]) and its valuation were approved. The valuation of the contributed activities was approved by said Board in accordance with the completed valuation report, resulting in an amount of €2,600,807,000. This valuation was performed using the equity value of the contributed line of activity at 31 May 2011 as a reference, in accordance with the accounting standards in force and in particular the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, subsequently amended by Royal Decree 1159/2010, of 17 September, and it complied with the requirements of Article 114 of the LPAP.

Subsequently, by means of the Agreement of the Council of Ministers dated 3 June 2011, in order to give substance to the Company’s activity and in accordance with Article 9 of Royal Decree-Law 13/2010, of 3 December, an increase in the capital of the Company was approved. This capital increase was carried out through the contribution of non-monetary capital from the transferred line of activity.

Thus, all the assets and liabilities included in the non-monetary contribution were at net book value, except for the assets relating to investments in the equity of group, multi-group and associated companies, which were incorporated into the value of the consolidated Aena Group to 8 June 2011, the effective date of the transaction. Likewise, in accordance with valuation standards 4a and 4b, the assets corresponding to fixed assets were shown at their net book value at the time of the transaction, as broken down in the notes for intangible assets and property, plant and equipment.

The contributed property, plant and equipment relates to rights of any type on the land, buildings and equipment at the airports managed or used by the activity, corresponding to the state-owned enterprise “Aeropuertos Españoles y Navegación Aérea”. It also includes the use of rights on certain land located at airports, military airfields and air bases, corresponding to the state-owned enterprise “Aeropuertos Españoles y Navegación Aérea”. The contributed rights refer to the following airports, airfields and air bases:

- Airports for own use: A Coruña Airport, Alicante-Elche Airport, Almería Airport, Asturias Airport, Barcelona-El Prat Josep Tarradellas Airport, Bilbao Airport, Burgos Airport, Córdoba Airport, El Hierro Airport, Fuerteventura Airport, Girona-Costa Brava Airport, F.G.L. Granada-Jaén Airport, Huesca-Pirineos Airport, Ibiza Airport, Jerez Airport, La Gomera Airport, La Palma Airport, Logroño-Agoncillo Airport, Adolfo Suárez Madrid-Barajas Airport, Melilla Airport, Menorca Airport, Son Bonet Airport, Pamplona Airport, Reus Airport, Sabadell Airport, San Sebastián Airport, Seve Ballesteros-Santander Airport, Sevilla Airport, Tenerife Sur Airport, Valencia Airport, Vigo Airport and Vitoria Airport.

- Civil part of joint-use airports with the Ministry of Defence: Gran Canaria Airport, César Manrique-Lanzarote Airport, Tenerife Norte-Ciudad de La Laguna Airport, Madrid-Cuatro Vientos Airport, Málaga-Costa del Sol Airport, Palma de Mallorca Airport, Santiago-Rosalía de Castro Airport and Zaragoza Airport.

- Air bases and military airfields open for civil use: Badajoz Airport, Salamanca Airport, Murcia-San Javier Airport, Valladolid Airport, Albacete Airport, and León Airport.

- Heliports: Ceuta Heliport and Algeciras Heliport.

The Company’s functional guardianship corresponds to the Ministry of Transport, Mobility and Urban Agenda, as well as the proposal to appoint one third of the members of the Board of Directors of AENA S.M.E., S.A., and it is the beneficiary of the expropriations linked to the infrastructures attributed to its management.

The registered office of AENA S.M.E., S.A. is located in Madrid (Spain), calle Peonías, 12, after the change thereof adopted by its Board of Directors on 30 October 2019.

Moreover, in the Council of Ministers of 11 July 2014, the public business entity ENAIRE was authorised to initiate procedures for the process of selling the share capital of AENA, S.A. and to dispose of up to 49% of its capital.

This process was completed when shares in AENA S.M.E., S.A. were admitted to trading on the four Spanish stock exchanges, they have been listed on the Spanish continuous market since 11 February 2015. It was first listed on the Madrid stock exchange after the IPO for 49% of their capital, with a starting price of €58 per share. Later on, in June 2015, Aena joined the Ibex 35, an indicator that includes the top 35 Spanish companies listed on the stock exchange.

The Company is the head of a group of subsidiaries and, in accordance with current legislation, is required to draw up separate consolidated accounts. The consolidated annual accounts of the Aena Group ("Group"), for the fiscal year 2020, were drawn up by the Board of Directors on 23 February 2021 and will be deposited in the Madrid Trade Register. Said consolidated annual accounts for the Group have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU, hereinafter the "IFRS") and the IFRIC interpretations in force as of 31 December 2020, as well as with the commercial legislation applicable to companies that prepare financial information in accordance with the IFRS.

2. Basis of presentation

a) Regulatory financial information framework applicable to the Company

These annual accounts have been prepared in accordance with the regulatory financial information framework applicable to the Company, which is that established in:

- The Code of Commerce and all other commercial legislation.
- The General Accounting Plan approved by Royal Decree 1514/2007, its adaptations, the modifications incorporated into Royal Decree 1159/2010, of 17 September, RD 602/2016, of 17 December, and Order EHA/733/2010, of 25 March, on accounting aspects of public companies operating under certain circumstances.
- The mandatory standards approved by the Spanish Accounting and Account Auditing Institute in accordance with the General Accounting Plan and its supplementary standards.
- Order EHA/3362/2010, of 23 December, approving the standards for adapting the General Accounting Plan to public infrastructure concession companies.
- All other applicable Spanish accounting regulations.

b) True and fair view

The accompanying annual accounts have been obtained from the Company's accounting records and are presented in accordance with the applicable regulatory financial information framework and, in particular, with the accounting principles and criteria contained therein, so that they show the true and fair view of the equity, financial situation, results and cash flows of the Company during the year. These annual accounts, which were drawn up by the Board of Directors on 23 February 2021, will be submitted for the approval of the General Shareholders' Meeting, estimating that they will be approved without any modification.

c) Accounting principles applied

These annual accounts have been presented taking into account all mandatory accounting principles and standards that have a significant effect on these annual accounts. There is no mandatory accounting principle that is no longer applicable.

d) Functional currency and presentation currency

The annual accounts are presented in thousands of euros, unless otherwise indicated, rounded to the nearest thousand, which is the functional and presentation currency of the Company. The use of rounded figures can, in some cases, lead to a negligible rounding difference in the totals or variations.

e) Critical aspects of the valuation and estimation of uncertainty

In the preparation of the accompanying annual accounts, estimates made by the Company's administrators have been used to value some of the assets, liabilities, revenue, expenses and commitments recorded therein. These estimates basically refer to:

- The evaluation of possible impairment losses of certain assets (Note 4a).
- Recognition of revenue (Note 4p).
- The useful life of property, plant and equipment, intangible assets, and real estate investments (Notes 4a, 4b and 4c).
- Determination of current and deferred tax (Note 22).
- Recoverability of deferred tax assets (Note 22).
- Evaluation of litigation, provisions, commitments, assets and contingent liabilities at year end (Notes 4j and 4k).
- The market value of certain financial instruments (Note 4f).

Some of these accounting policies require the application of a significant degree of judgement by management in selecting the appropriate assumptions to calculate these estimates. These assumptions and estimates are based on past experience, advice received from expert consultants, forecasts and other circumstances and expectations at year-end. Management's evaluation and agreement is taken into consideration with respect to the overall economic situation of the industry in which the Company operates, taking into account the future development of the business. Due to their nature, these judgments are subject to an inherent degree of uncertainty and, therefore, actual results could differ materially from the estimates and assumptions used, which would force us to make modifications of the estimate that were made, especially taking into account the added difficulties resulting from the impacts derived from the health crisis caused by the COVID-19 pandemic. In such a case, the effect on the annual accounts caused by the modifications which, in its case, are the result of the adjustments to be made during the next years, would be recorded prospectively.

However, on the date these annual accounts were prepared, no relevant changes in estimates were expected, therefore, there are no significant perspectives for adjustments to the values of recognised assets and liabilities as of 31 December 2020 and 2019.

As mentioned, the preparation of the annual accounts requires making judgments in the process of applying the Company's accounting policies. In this regard, in the 2020 fiscal year, some of the most important judgements when applying the Company's accounting policies are as follows:

- *Uncertainty related to the evolution of the pandemic caused by COVID-19.*

  The activity of the Company has been drastically affected by this health crisis. The expansion of the pandemic worldwide and, especially in Europe in the last months of 2020, has forced new mobility restrictions to be established, which have exacerbated the fall in air transport activity. The main international aeronautical organisations (ICAO, IATA and ACI) confirm that the drop in global passenger traffic in the sector has no historical precedents. In the medium-long term, these organisations estimate that Europe will not recover the activity levels seen in 2019 until some point between 2024 and 2027.

  Among the latest advances in the fight against this pandemic, on the date of drawing up these annual accounts, it is worth highlighting the greater efficacy of the measures taken to control the spread of the virus based on a greater knowledge of the circumstances in which it is transmitted, improved therapeutic treatments to fight this disease and, especially, the start of vaccination campaigns in several countries.

  Notwithstanding the foregoing, the current circumstances show no signs of short-term traffic recovery. This means that it is not possible to forecast when the recovery will begin.

  In the current scenario, Company managers consider that, although there is a lot of uncertainty surrounding the consequences of this exceptional process that could have a more or less significant impact on the Group's financial situation, under no circumstances will the application of the going concern principle be put at risk given its financial solvency and other conditions on which it is based, as well as the measures that have been taken in order to make a strong operational and economic adjustment, described in note 5, and those that could still be taken in the future if circumstances so require.

(Amounts in thousands of euros unless otherwise stated)

f) Comparison of information

In compliance with current regulations, figures corresponding to the fiscal year ended on 31 December 2020 are presented for comparative purposes, as well as those for the fiscal year ended on 31 December 2019.

g) Grouping of entries

Certain entries on the balance sheet, the profit and loss account, the statement of changes in equity and the cash flow statement are presented in a grouped manner to facilitate their understanding. Although, to the extent that it is significant, the mandatory broken down information has been included in the corresponding notes to the report.

3. Distribution / Application of the result

The application of losses for the 2020 fiscal year proposed by the Board of Directors to the General Shareholders' Meeting is as follows:

	Thousands of euros
Allocation basis:	
Losses for the year	(5,290)
Application:	
Negative results from previous fiscal years	(5,290)

As indicated in Note 5.a.i, under Royal Decree-Law 8/2020, of 17 March, on extraordinary urgent measures to combat the financial and social impact of COVID-19, the Board of Directors of parent company AENA S.M.E., S.A., in its meeting held on 24 March 2020, agreed to call off the Ordinary General Shareholders' Meeting scheduled for 31 March 2020 and 1 April 2020, in the first and second calls respectively. This suspended the AENA proposal for the distribution of profit for 2019 under the General Accounting Plan, approved by Royal Decree 1514/2007, and included in the annual accounts drawn up on 25 February 2020.

The Board of Directors of AENA S.M.E., S.A., in its meeting on 30 June 2020, agreed to replace the proposal for the distribution of profit for 2019, approved on 29 October 2020, included in the annual accounts drawn up on 25 February 2020, with the following:

	Thousands of euros
Allocation basis:	
Profit from the year	1,421,326
Distribution:	
Capitalisation reserve (Act 27/2014)	26,163
Voluntary reserve	1,395,163

The modification of the proposal to apply results for the 2019 fiscal year was approved by the General Shareholders' Meeting held on 29 October 2020. Its objective has been to strengthen the Company's solvency in the current circumstances, which do not allow the future impact of the COVID-19 health crisis on the economy of the markets in which the Company operates to be assessed. For this reason, the resolutions passed by the Board of Directors are aimed at safeguarding the Company's liquidity as much as possible, and, in this regard, they do not reduce the Company's equity to a greater extent than would have occurred if the proposal for the distribution of profits had been approved.

Moreover, in 2019, the Board of Directors proposed to the General Shareholders' Meeting a reclassification of voluntary reserves to a capitalisation reserve, for an amount of €4,299,000, as a result of the criteria of the State Tax Administration Agency (AEAT) regarding how to calculate the increase in equity in order to apply the capitalisation reserve reduction to Corporate Tax for the 2018 fiscal year, once this possibility had been consulted with the AEAT within the framework of the Code of Good Tax Practices.

The Company's reserves designated as freely distributed, as well as the profit for the fiscal year, are subject, however, to limitations on their distribution only if the value of the equity is not, possibly as a result of the distribution, less than the share capital.

4. Recording and valuation standards

The main recording and valuation standards used to prepare the Company's annual accounts, in accordance with the provisions of the General Accounting Plan, have been the following:

a) Intangible fixed assets

The items of intangible fixed assets are accounted for in the assets entry of the balance sheet at their acquisition price, production cost or market assignment value corrected by the amortisation and impairment losses they have experienced.

The "Development expenses" are individualised by projects, and they are activated based on studies that support their viability and economic profitability, and which are reviewed annually during the project development period. In the event of any change in the circumstances that enabled a project to be capitalised, the accumulated cost is allocated to revenue.

Under the heading "Software", the Company collects the amounts paid in relation to the acquisition and development of computer programs. Software maintenance costs are recorded in the profit and loss account for the fiscal year in which they are incurred.

As "Other intangible fixed assets", the Company mainly activates the airport master plans and the studies associated with them, which are amortised over a period of eight years.

The master plans are resources controlled by the Company from which legal rights are derived, given that they are required by law and approved by the Ministry of Public Works.

Concession agreement, regulated asset

The sectoral plan of concession companies of public infrastructure regulates the treatment of service concession contract agreements, defining these as those under which the grantor entrusts construction to a concession company, as well as the improvement, and use of infrastructures intended for the provision of public services of an economic nature during the time period set forth in the agreement, obtaining the right to receive compensation in exchange.

All concession agreements must meet the following requirements:

- The grantor controls or regulates what public services the concession company must provide with the infrastructure, to whom it must provide them and at what price; and

- The grantor controls any significant residual interest in the infrastructure at the end of the term of the agreement.

In these concession agreements, the concession company acts as a service provider, specifically, on the one hand, construction or infrastructure improvement services, and on the other, operation and maintenance services during the period of the agreement. The consideration received by the concession company regarding the construction or infrastructure improvement service is accounted for at the fair value of this service, and may be recorded as:

- *Intangible fixed assets*: in those cases in which there is a right to charge a price to users for using the public service, and this is not unconditional but depends on the users actually using the service, the consideration for the construction or improvement service is recorded as an intangible asset under the entry "Concession agreement, regulated assets" under the heading "Intangible fixed assets" in application of the intangible asset model, in which the demand risk is assumed by the concession company. In the case of the Company, intangible fixed assets include the investment made in the facilities that the Company has received and that, once construction has been completed, it operates as an administrative concession.

- *Financial assets*: in those cases in which there is an unconditional right to receive, from the grantor (or on behalf of the latter), cash or other financial assets, and the grantor has little or no capacity to avoid payment, the consideration for the construction or improvement service is recorded as a financial asset within the entry "Concession agreement, collection rights" in application of the financial model, in which the concession company assumes no demand risk (collects even if not using the infrastructure, as the grantor guarantees the payment of a fixed or determinable amount to the concession company, or of the deficit, if any).

The right of access to the infrastructure in order to provide the operation service that the grantor awards to the concession company, will be accounted for by the latter as an intangible fixed asset, in accordance with recording and valuation standard five, "Intangible fixed assets" of the General Accounting Plan.

If there is no consideration, the balancing entry will be recognised in accordance with the provisions of recording and valuation standard 18 "Grants, donations and legacies" of the General Accounting Plan.

If there is consideration, and it is substantially less than the fair value of the aforementioned right, the difference will be treated in accordance with the provisions of the preceding paragraph.

In any case, it will be understood that there is consideration and that it corresponds to the fair value of the aforementioned right, so long as the assignment of the infrastructure is included within the conditions of a tender in which the concession company undertakes to make an investment or deliver another type of consideration in exchange for the right to use either the pre-existing infrastructure alone or the aforementioned infrastructure together with the new built infrastructure.

Subsequent costs incurred in intangible fixed assets are recorded as expenses, unless the expected future economic profits of the assets increase.

For each intangible fixed asset acquired, the Company evaluates whether the useful life is finite or indefinite. For these purposes, it is understood that an intangible fixed asset has an indefinite useful life when there is no foreseeable limit for the period during which it will generate the entry of net cash flows.

The Company has no intangible assets with an indefinite useful life.

With regard to intangible asset items with a finite life, amortisation is calculated according to the straight-line method based on the useful life of the different assets, using the following percentages:

	Years
Operational	4
Software	6
Other intangible assets	4 - 8

For these purposes, the amortisable amount is understood as the acquisition cost less, if applicable, its residual value.

The Company reviews the residual value, useful life and amortisation method of intangible fixed assets at the end of each fiscal year. The modifications to the initially established criteria are recognised as a change of estimate.

Impairment of the value of intangible assets and of property, plant and equipment

Assets that have an indefinite useful life or intangible assets that are not in a condition to be used are not subject to amortisation/depreciation and are tested annually for impairment. Property, plant and equipment and intangible assets subject to depreciation/amortisation are submitted for impairment reviews provided that some event or change in circumstances indicates that their book value may not be recoverable. Impairment losses are recognised for asset book values that exceed their recoverable amount. The recoverable amount is determined as the fair value less selling costs or value in use, whichever is higher.

AENA S.M.E., S.A. views all its assets as cash flow generators. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash generating units).

Throughout the Company's history, the determination of cash generating units has been influenced by the regulation applicable in each period and by the mechanisms for establishing the airport charges associated with the assets included in these cash generating units.

From fiscal year 2011 onwards, the legislation applicable to airport charges has been Act 1/2011, which regulates airport charges associated with the assets assigned to airport activity, establishing a *single till* principle for the recovery of the assets. The calculation of airport charges considers the investments and costs of the airport network as a whole, including commercial activities inside airport terminals, although excluding car parks and other off-terminal services.

This initial regulatory framework was modified in *Royal Decree-Law 20/2012, of 13 July, on measures to ensure budgetary stability and encourage competitiveness*, in which Title VI modifies the formula for updating the airport charges received by AENA, so that the revenue, expenses and investments derived from commercial services and activities that are not strictly aeronautical are not included for the purpose of determining airport charges. This Royal Decree establishes, as a substantial change, the progressive dissociation of activities related to private prices derived from the terminal areas, as a correction coefficient has applied since 2014 that allows the dissociation of commercial income from the determination of airport charges (2014: 80%; 2015: 60%; 2016: 40%; 2017: 20%; and 2019: 0%. As a result, starting in 2018, the *dual till* system was applied in full.

Until the 2015 fiscal year, the Company's management had identified cash generating units in the individual assets that make up the off-terminal services segment (which was composed mainly of each of the real estate assets and the car parks considered as a whole), in the financial investments and in the airport network for the Airports segment (which consists of the infrastructure assigned to aeronautical activity and the commercial areas included in it).

The establishment of the "progressive *dual till*" with Royal Decree-Law 20/2012, of 13 July, on measures to ensure budgetary stability and encourage competitiveness, and Act 18/2014 referred to above (see Note 1), breaks the connection of commercial activities within the terminal from the establishment of airport charges, particularly from 2016 onwards in which most (60%) of the commercial costs and revenue from such activities is not included in the calculation of airport charges. As a result, the value judgement substantiating that all airports, including commercial areas, were treated as a single cash generating unit due to the interrelationship of the cash flows of both activities, had to be reconsidered from 2016. This legislative development does not affect the consideration of financial investments in subsidiaries and associates as independent cash generating units, which continue to be considered as such.

The analysis carried out for this purpose concluded that commercial activity within the terminal should continue as part of the airport network cash generating unit together with aeronautical activity. This is because of, among other reasons, the high interdependence of revenue between both activities and the existence of a single asset shared by both activities due to the legal impossibility of disposing, selling or splitting airport assets. For the same reasons, it is also concluded that as of the fiscal year 2016, the activity corresponding to the "car park network", which was included in the "Off-terminal services" cash generating unit and segment until the fiscal year 2015, should become part of the "airport network" cash generating unit and segment, within the "Commercial" sub-segment. This is because it was not included in the single till. As a consequence, in 2016, the segment and cash generating unit of "Off-terminal services" was renamed "Real estate services" as it is constituted exclusively by each of the real estate assets.

With regard to the calculation of the recoverable value, the procedure implemented by the Company's management to perform impairment tests at the cash generating unit level, where appropriate, is as follows:

- Traditionally, Management prepares an annual business plan, generally covering a space of four years, including the current fiscal year. However, considering the existing uncertainty as a result of COVID-19, it has been deemed more appropriate to extend the forecast period to 2027, a year in which, in any case, air traffic should be back to full normality.
  Additionally, and considering that the current changing environment greatly hinders and imposes clear limitations on the ability to make estimates regarding the consequences that this crisis may have for the business, a meticulous evaluation of the foreseeable scenarios has been carried out. It considers, in addition to the previously explained scenario, a more pessimistic scenario in which traffic recovers by about 2028. The main components of the business plan, which is the basis of the impairment *test*, are as follows:

    - Projected results.

- Projected investments and working capital.

These forecasts take into account the financial forecasts included in the Airport Regulation Document (DORA) for the period 2017-21 (see Note 5). Other variables that influence the recoverable value calculation are:

- The discount rate to be applied, understood as the weighted average cost of capital. The main variables that influence its calculation are the cost of liabilities and the specific asset risks.
- The cash flow growth rate used to extrapolate the cash flow forecasts beyond the period covered by the budgets or forecasts.

The business plans are prepared based on the best estimates available.

In the event that an impairment loss has to be recognised, the Company reduces the assets of the cash generating unit in proportion to their book value down to the recoverable value of that unit. Impairment is recorded as charged to the profit and loss account.

The possible reversal of impairment losses affecting the value of non-financial assets that suffer an impairment loss is analysed on all dates on which financial information is reported. When an impairment loss is subsequently reversed, the book value of the cash generating unit is increased up to the limit of the book value that the unit's assets would have had at that time if the impairment had not been recognised. This reversal is classified in the same line in which the impairment loss was originally recognised.

b) Property, plant and equipment

Items of property, plant and equipment are valued at the acquisition cost, production cost or value of the non-monetary contribution corrected by the accumulated depreciation and impairment losses experienced, if any, according to the criteria mentioned in the previous note.

Subsequent additions are valued at their acquisition price, which includes all necessary costs until the asset is in operation.

The Company activates, as the greatest value of the fixed assets, the initial estimate of the costs to repair the site to its original condition, when they constitute obligations incurred by the Company as a result of using the item.

Interest and other financial charges incurred directly attributable to the acquisition or construction of assets at the different airports, which must require a period of at least 12 months to be in operating conditions, are considered to be the highest cost thereof. The capitalisation of interest is carried out through the "Finance income-Activation of finance expenses" item of the profit and loss account.

The replacements or renewals of complete items that increase the useful life of the good, or its economic ability, are accounted for as the greatest amount of the property, plant and equipment, with the consequent accounting removal of the replaced or renewed elements.

Regular maintenance, conservation and repair expenses are charged to revenue, following the principle of accrual, as cost for the fiscal year in which they are incurred.

The Company depreciates its property, plant and equipment once it is in conditions of use following the straight-line method, distributing the book value of the assets among the years of estimated useful life, except in the case of lands considered indefinite useful life assets and not depreciated. The useful life of the different goods is as follows:

	Years
Buildings	12–51
Technical facilities	4–22
Machinery	5–20
Other facilities	6–12
Furniture	4–13
Other fixed assets	5–7

(Amounts in thousands of euros unless otherwise stated)

The real estate corresponding to airports is depreciated following the straight-line method based on their useful life, and the years of useful life are specified below:

	Years
Passenger and cargo terminals	32–40
Airport civil engineering works	25–44
Terminal equipment	4–22
Passenger transport between terminals	15–50
Airport civil engineering equipment	15

c) Real estate investments

Real estate investments consist of land, buildings, other structures and areas outside the airport terminals that are held to obtain non-current income and are not occupied by the Company. The items included under this heading are measured at acquisition cost less their corresponding accumulated depreciation and any impairment losses.

The Company recognises and values real estate investments following the criteria established for property, plant and equipment.

The straight-line method is used to calculate the depreciation of real estate investments, based on their estimated years of useful life.

	Years
Buildings and warehouses	32–51
Technical facilities	15

d) Inventories

The inventories include the spare parts and diverse materials existing in the central warehouses and in the logistics support warehouse, and are initially valued at their acquisition price (weighted average price). Commercial discounts, reductions obtained, other similar items and interest incorporated into the nominal amount of the debits are deducted in the determination of the acquisition price. Acquisition cost is determined based on the historical price for the items identified in the purchase orders. Subsequently, if the replacement cost of the inventories is lower than the acquisition price, the corresponding valuation adjustments are made. If the circumstances that caused the value correction of the inventories cease to exist, the correction amount is subject to reversal.

Greenhouse gas emission allowances

The greenhouse gas emission allowances received free of charge in accordance with the corresponding allocation plans have been recorded under the *"Inventories"* heading of the attached balance sheet, as established in the first additional provision of Royal Decree 602/2016, of 2 December. Their valuation is carried out at the prevailing market price at the start of the period for which they are granted, and they are recorded as a grant balancing entry within the *"Grants, donations and legacies received"* heading of Equity. The allocation to results is made based on the effective consumption of the emission allowances. Following the latest applicable provisions, the greenhouse gas emission allowances acquired from third parties are recorded in inventories. The allowances are initially valued at the acquisition price, and assessed at the end of the fiscal year on whether the market value is below their book value for the purpose of determining whether there is evidence of impairment. If applicable, it is determined whether those rights will be used in the production process or intended for sale, in which case, the appropriate valuation corrections would be made. Such corrections will be voided to the extent that the causes underlying the emission allowances' value correction cease to exist.

Expenses derived from the consumption of greenhouse gas emission allowances are recorded in the "Other operating expenses" heading of the profit and loss account, based on its accrual as the greenhouse gases are being emitted. As a balancing entry, a provision for risks and expenses is recorded. This provision will be maintained until the time the Company effectively delivers to the National Emissions Trading Registry (RENADE [Registro Nacional de Derechos de Emisión]).

Note 17 of this report includes detailed information about the emission allowances received and consumed in the current fiscal year.

e) Leases

Financial leases

Leases are classified as financial leases provided that the conditions thereof substantially transfer, to the lessee, the risks and rights inherent to the ownership of the asset covered in the contract. All other leases are classified as operating leases.

An asset is initially recorded according to its nature, according to whether it is an item of property, plant and equipment, or an intangible asset, and a financial liability for the same amount, which will be the lesser of the fair value of the leased asset and the present value of the minimum agreed payments at the beginning of the lease. This includes the payment for the purchase option when there are no reasonable doubts surrounding its fiscal year and any amount that has been directly or indirectly guaranteed, and excludes contingent charges, the cost of the services and the taxes to be charged by the lessor. The total financial burden is distributed throughout the term of the lease and is allocated to the profit and loss account of the fiscal year in which it is accrued, applying the effective interest rate method. Contingent charges are expenses for the fiscal year in which they are incurred. The corresponding lease obligations, net of financial burdens, are included in "Financial leasing creditors".

The lessee will apply the corresponding amortisation/depreciation, impairment and derecognition criteria to the assets that have to be recognised in the balance sheet as a consequence of the lease, according to their nature.

Operating leases

The income and expenses corresponding to the operating lease agreements are recorded in the profit and loss account in the fiscal year in which they are accrued. Any collection or payment that could be made when contracting an operating lease is treated as an advance collection or payment that is attributed to results throughout the lease period.

The Accounting and Auditing Institute (ICAC [Instituto de Contabilidad y Auditoría de Cuentas]) has published the accounting procedures that must be used to record the rent reductions agreed in a business premises lease agreement due to the extraordinary measures adopted by the Government to address the effects of the COVID-19 health crisis.

In the exceptional context produced by COVID-19, when the lessee and the lessor have reached an agreement to reduce the rents, it could be considered that the economic event that triggers the reduction in the price of the assignment of the right of use is not related to subsequent years, but to the current economic situation, a circumstance that would lead to classifying the agreement not as an incentive for the lease but as a temporary adjustment of the rent to the supervening economic situation and, consequently, to granting it the treatment provided for contingent rents.

As a result, the ICAC has proposed an accounting policy option for the treatment of lease modifications from the lessor's and lessee's point of view.

In those circumstances, in which the parties have been negotiating during 2020, but the amendment agreement is not signed until 2021 and it affects the rents for 2020 and 2021, the impact should not be recognized until the agreement is signed and no retroactive effect of the agreement would be appropriate.

f) Financial instruments

f.1) Financial assets

The financial assets held by the Company are classified into the following categories:

1. Loans and receivables: are non-derivative financial assets with fixed or determinable collections that are not listed in an active market. They are included in current assets, except for assets maturing in more than 12 months from the balance sheet date, which are classified as non-current assets. Loans and receivables are included in "Trade and other receivables" in the balance sheet.

These financial assets are initially valued at their fair value, including transaction costs that are directly attributable to them, and subsequently at their amortised cost. Notwithstanding the foregoing, commercial transaction loans maturing in no more than one year are valued, both at the time of initial recognition and subsequently, at their nominal value, provided that the effect of not updating the flows is not significant.

At least at the close of the fiscal year, the necessary valuation adjustments for impairment are made if there is objective evidence that not all amounts owed will be charged.

The amount of the value impairment loss is the difference between the book value of the asset and the present value of estimated future cash flows, discounted at the effective interest rate at the time of initial recognition. Valuation adjustments, as well as their reversal, if applicable, are recognised in the profit and loss account.

2. Financial assets held for trading: those acquired with the objective of disposing of them in the short-term, or those that form part of a portfolio of which there is evidence of recent actions with this objective. This category also includes financial derivatives that are not financial guarantee contracts (for example, guarantees) or have not been designated as hedging instruments. As of 31 December 2020 and 2019, no assets from this category have been recorded.

3. Investments in the equity of group, associated and multigroup companies: group companies are considered those related to the Company by a control relationship, directly or indirectly through subsidiaries, and associated companies are those over which the Company exercises a significant influence over, directly or indirectly through subsidiaries. Furthermore, the multigroup category includes those Companies over which joint control with one or more partners is exercised, by virtue of an agreement. The investments were recognised at the value of the consolidation made on the date of the non-monetary contribution.

   If there is objective evidence that the book value is not recoverable, the appropriate valuation adjustments will be made for the differences between the book value and the recoverable amount, which is understood as the highest amount between its fair value minus sales costs and the value in use.

   In this regard, value in use is calculated based on the Company's share in the present value of the estimated cash flows from ordinary activities and the final disposal, or of the expected estimated flows from the distribution of dividends and final disposal of the investment.

   However, and in certain cases, except in the event of better evidence of the recoverable amount of the investment, in the impairment test of this class of assets, the equity of the participating company is taken into consideration, adjusted, where appropriate, to the accounting principles and standards generally accepted in the Spanish regulations that are applicable, corrected by the net tacit capital gains existing on the date of the valuation. If the participating company forms a subgroup of companies, the net equity derived from the consolidated annual accounts is taken into account, in the event they are formulated and, otherwise, the net equity of the individual annual accounts.

   The valuation adjustment and, where appropriate, its reversal, is recorded in the profit and loss account in the fiscal year in which they occur.

   The valuation correction for impairment of the value of the investment is limited to the value of the investment, except in those cases in which contractual, legal or implicit obligations have been assumed by the Company, or payments have been made on behalf of the companies. In the latter case, a provision is recognised in accordance with the criteria set out in section j (provisions).

4. Financial assets available for sale: this category includes debt securities and equity instruments that are not classified into any of the previous categories. They are included in non-current assets unless management intends to dispose of the investment in the 12 months following the balance sheet date. They are valued at their fair value, recording the changes that occur directly in equity until the asset is disposed of or impaired, at which time the losses and profits accumulated in equity are allocated to the profit and loss account, provided that it is possible to determine the aforementioned fair value. If this is not the case, they are recorded at their cost less impairment losses. In the case of financial assets available for sale, valuation adjustments are made if there is objective evidence that their value has deteriorated as a result of a reduction or delay in estimated future cash flows in the case of debt instruments acquired, or due to the lack of recoverability of the asset's book value in the case of investments in equity instruments. The valuation adjustment is the difference between its cost or amortised cost less, where appropriate, any valuation

adjustment previously recognised in the profit and loss account and the fair value at the time the valuation is made. In the case of equity instruments that are valued at their cost due to not being able to determine their fair value, the valuation adjustment is determined in the same way as that for investments in the equity of group, multigroup and associated companies.

If there is objective evidence of impairment, the Company recognises the accumulated losses previously recognised in equity in the profit and loss account, due to the decrease in their fair value.

Impairment losses recognised in the profit and loss account as equity instruments are not reversed through the profit and loss account. The fair values of listed investments are based on current purchase prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value using valuation techniques that include the use of recent transactions between interested and duly informed parties, references to other substantially equal instruments, estimated future cash flow discount methods and option pricing models, making utmost use of observable market data and relying on the Company's subjective considerations as little as possible. Financial assets are derecognised from the balance sheet when all risks and benefits inherent to the ownership of the asset are substantially transferred. In the specific case of receivables, it is understood that this event generally occurs if the insolvency and default risks have been transferred. Assets designated as hedged items are subject to the valuation requirements of hedge accounting.

f.2) Financial liabilities

This category includes trade payables and non-trade payables. These external resources are classified as current liabilities, unless the Company has an unconditional right to defer their settlement for at least 12 months after the balance sheet date.

These debts are initially recognised at fair value, adjusted by the directly attributable transaction costs, then are subsequently recorded at their amortised cost.

Notwithstanding the foregoing, trade payables maturing in no more than one year and that have no contractual interest rate are valued, both initially and subsequently, at their nominal value, when the effect of not updating the flows is not significant.

The Company derecognises a financial liability when the obligation has been extinguished.

When there is an exchange of debt instruments with a lender, provided they have substantially different conditions, the original financial liability is derecognised and the new financial liability that arises is recognised. A substantial modification of the current conditions of a financial liability is also recorded.

The difference between the book value of the financial liability, or the part thereof that has been derecognised, and the consideration paid, including attributable transaction costs, and which also contains any assigned asset other than the cash or liability assumed, is recognised in the profit and loss account for the fiscal year in which it takes place.

When there is an exchange of debt instruments with no substantially different conditions, the original financial liability is not derecognised from the balance sheet, but instead the commission amount paid is recorded as an adjustment of their book value. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is equal to the book value of the financial liability on the modification date with the cash flows to be paid according to the new conditions.

For these purposes, the conditions of the contracts are considered substantially different when the lender is the same as the one who granted the initial loan and the present value of the cash flows of the new financial liability, including net commissions, differs by at least 10% from the current value of the cash flows of the original financial liability that are pending payment. Both are updated at the effective interest rate of the original liability.

f.3) Derivative instruments

The Company uses derivative financial instruments to mainly hedge interest rate variations.

The Company documents the hedging relationships and verifies that the hedging is effective at the end of each fiscal year, that is, that the changes in cash flows of the hedged item are expected to be almost completely offset by those of the hedging instrument and that, retrospectively, the results of the hedging have ranged between a variation of 80 to 125% with respect to the result of the hedged item.

Derivative financial instruments classified as hedges, in accordance with the preceding paragraph, are recorded as assets or liabilities, depending on their sign, at their fair value, plus, where applicable, the transaction costs that are directly attributable to their contracting, with a balancing entry in the "Hedging transactions" account of equity, until they mature, which is when they are allocated to the profit and loss account at the same time as the hedged item.

However, the transaction costs are subsequently recognised in results, to the extent that they are not part of the effective variation of the hedge.

The inefficient hedging part is taken directly to the profit and loss account for the fiscal year.

The accounting of hedges is interrupted when the hedge instrument matures, is sold, terminated or exercised, or stops meeting the hedge accounting criteria. At that time, any accumulated profit or loss corresponding to the hedging instrument is transferred to the results for the period.

f.4) Confirming

The Company has contracted confirming operations with various financial entities to mage payments to suppliers. The commercial liabilities whose settlement is managed by the financial entities are included in the heading "commercial creditors and other accounts payable" of the balance sheet up to the moment in which their settlement, cancellation or expiry has occurred.

In those cases in which the payment period of the debts initially held with the commercial creditors is postponed, they are cancelled on the original maturity date and a financial liability is recognised in the "Debt with credit institutions" line of the balance sheet.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand and sight deposits in credit institutions. Other highly liquid short-term investments are also included in this item, provided they are easily convertible into certain cash amounts and are subject to a negligible risk of changes in value. For these purposes, investments with maturities of less than three months from the acquisition date are included.

In the cash flow statement, the Company presents the payments and collections from highly rotated financial assets and liabilities at their net amount. For these purposes, the rotation period is considered to be high when the term between the acquisition date and the maturity date does not exceed six months.

h) Equity

The share capital is represented by ordinary shares. The costs of issuing new shares or options are presented directly against equity, as lower reserves. In the case of the acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental cost, is deducted from the equity until its settlement, new issue or disposal. When these shares are sold or subsequently reissued, any amount received, net of any directly attributable incremental transaction cost, is included in equity.

i) Grants, donations and legacies received

Non-refundable grants, donations and legacies of capital are accounted for as such when there is an individualised concession agreement for the grant, the conditions established for their concession have been met and there are no reasonable doubts surrounding their receipt. The Company applies Order EHA/733/2010, of 25 March, which approves accounting aspects of public companies operating under certain circumstances. In the case of grants awarded for the construction of an asset whose execution has not been completed, the grant is classified as non-refundable in proportion to the work executed, provided there are no reasonable doubts that the construction will be completed according to the conditions established in the concession agreement. In general, they are valued at the fair value of the amount or of the good awarded, and are accounted for in equity, deducting the tax effect, being attributed to results in proportion to the depreciation experienced by the assets financed by these grants, except in the case of non-depreciable assets, in which case they are attributed to results for the fiscal year in which their disposal or valuation adjustment occurs. The official grants awarded to offset costs are recognised as revenue on a systematic basis, throughout the periods in which the costs that are intended to be balanced are extended.

Grants, donations and legacies that are refundable will be recorded as liabilities until they acquire the status of non-refundable or they are refunded.

(Amounts in thousands of euros unless otherwise stated)

Operating grants are paid to results at the time they are awarded. If they are awarded to finance specific expenses, the allocation will be made as the financed expenses accrue, recording them as liabilities or equity depending on whether or not they are considered refundable.

As indicated in Note 4.d, greenhouse gas emission allowances received free of charge are initially recorded as an asset and a grant within Equity, at market value at the beginning of the fiscal year in which they are activated, and are allocated to the income statement as these allowances are consumed.

j) Provisions and contingencies

The Company, in the presentation of the annual accounts, differentiates between:

- Provisions: credit balances covering present obligations arising from past events, whose settlement is likely to cause an outflow of resources, but that are indeterminate in terms of their amount and/or timing of settlement.
- Contingent liabilities: possible obligations that arise from past events, whose future materialisation is contingent upon occurrence, or lack thereof, of one or more future events beyond the control of the Company.

The balance sheet includes all provisions whose obligations will, more likely than not, have to be met. Contingent liabilities are not accounted for, but are included in the report.

Provisions are recorded at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation to a third party, recording the adjustments arising from updating the provision as a finance expense as it accrues.

k) Provisions for work commitments acquired

The cost of the obligations arising from staff commitments is recognised based on their accrual, according to the best estimate calculated with the data available from the Company.

The Company is committed to paying long-term compensation to its staff, both defined contributions and defined benefits. In the case of defined compensation contributions, there will be compensation liabilities when, at the end of the fiscal year, there are accrued unpaid contributions. In the case of defined compensation benefits, the amount to be recognised as a provision corresponds to the difference between the present value of the committed compensation and the fair value of the contingent assets subject to the commitments with which the obligations will be settled.

Specifically, the attached balance sheet includes the following provisions for acquired work commitments:

Length of service awards

Article 138 of the 1st Collective Bargaining Agreement for the Aena Group of Companies (public business entity Enaire and AENA S.M.E., S.A.) stipulates length of service awards for services effectively rendered for a period of 25, 30 or more years. The Company includes the present value of the best possible estimate of future commitment obligations, based on an actuarial calculation. The most relevant assumptions taken into account to obtain the actuarial calculation are as follows:

Year	2020	2019
Technical interest rate:	0.15%	0.50%
Long-term salary growth:	0.90% in 2021 and 2% in the following years	3.85% in 2020 and 2% in the following years
Defined Contribution Fund Yield:	-	4.00%
Mortality table:	PER2020_Col_1er order	PERM/F 2000 P
Financial system used:	Individual capitalisation	Individual capitalisation
Accrual method:	Projected credit unit	Projected credit unit
Retirement age:	65 years	65 years
Disability tables	Ministerial Order 1977	Ministerial Order 1977

Early Retirement Award

Article 154 of the 1st Collective Bargaining Agreement for the Aena Group of Companies (public business entity ENAIRE and AENA S.M.E., S.A.) stipulates that any employee between the ages of 60 and 64 who is entitled to do so under current provisions may take voluntary early retirement and will receive an indemnity that, taken together with the vested rights in the Pension Plan at the time their employment contract is terminated, is equal to four monthly base salary payments and the length of service bonus for each year remaining until they reach the age of 64 or the relevant prorated amount.

(Amounts in thousands of euros unless otherwise stated)

In 2004, the early retirement awards were outsourced by taking out a single payment life insurance policy with Mapfre Vida on 25 March 2004. Currently, pension obligations are insured through Group Life Insurance policies. The Company includes the present value of the best possible estimate of future commitment obligations, based on an actuarial calculation.

The most relevant assumptions taken into account to obtain the actuarial calculation are as follows:

Year	2020	2019
Technical interest rate:	0.15%	0.50%
Long-term salary growth:	0.90% in 2021 and 2% in the following years	3.85% in 2020 and 2% in the following years
Defined Contribution Fund Yield:	-	4.00%
Mortality table:	PER2020_Col_1er order	PERM/F 2000 P
Financial system used:	Individual capitalisation	Individual capitalisation
Accrual method:	Projected credit unit	Projected credit unit
Retirement age:	63 years	63 years

The discount rate used in the valuation as at 31 December 2020 was 0.15%, a rate that is much lower than that used in the valuation relating to fiscal year 2019, which was 0.5% for long service awards and early retirement.

This lower discount rate is due to a drop in interest rates that continued throughout 2020. The rate of 0.15% used in the valuation is the rate derived from the highest credit quality (AA) corporate debt curve for the term of 10 years, being the financial duration of 10.63 years for the commitments subject to valuation.

The reduced discount rate implies an increase in the present value of the accrued obligation.

l) Severance payments

In accordance with current labour regulations, the Company is obliged to pay compensation to employees with whom it terminates their employment relationship under certain circumstances.

Severance payments are paid to employees when the Company decides to terminate their employment agreement before the normal retirement date or whenever an employee accepts voluntary resignation in exchange for these benefits. The Company recognises these benefits when it has demonstrably committed to ceasing the employment of workers in accordance with a formal detailed plan without the possibility of withdrawal, or to provide severance pay as a result of an offer to encourage voluntary resignation. Benefits that are not going to be paid within 12 months from the balance sheet date are discounted at their present value.

m) Variable remuneration

The Company recognises a liability and an expense for variable remuneration based on the results of the workers' annual performance evaluation. The Company recognises a provision when it is contractually obliged or when past practices have created an implicit obligation.

n) Income tax

The income tax expense or revenue comprises the part related to the current tax expense or revenue, and the part corresponding to the deferred tax expense or revenue.

Current tax is the amount that the Company pays as a result of the tax returns it files for income tax for a particular fiscal year.

Tax credits and other tax benefits applicable to tax due, excluding withholdings, prepayments and tax losses carried forwards from previous years and applied in the current year, result in a reduction in current tax.

The deferred tax expense or revenue corresponds to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences identified as those amounts that are expected to be payable or recoverable arising from differences between the book value of the assets and liabilities, and their tax value, as well as the tax losses that can be used to offset future taxes and the tax deductions not applied for tax purposes. These amounts are recorded by applying the tax rate at which they are expected to be recovered or paid to the corresponding temporary differences or credits.

Deferred tax liabilities are generally recognised for all taxable temporary differences, except those derived from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect the tax result or accounting profit and is not a business combination.

On the other hand, deferred tax assets are only recognised to the extent that it is considered likely that the Company will have future tax profits against which to make them effective.

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

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised with a balancing entry in equity.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made to them to the extent that there are doubts as to their future recoverability. Likewise, deferred tax assets not recognised in the balance sheet are also reviewed at the end of each reporting period and are recognised insofar as their recovery with future tax benefits becomes probable.

On 5 June 2015, the Tax Agency communicated the creation of new Fiscal Group 471/15 made up of Aena S.M.E., S.A. as parent company and Aena Desarrollo Internacional S.M.E., S.A. as subsidiary company. Therefore, this fiscal group has paid Corporate Income Tax since the 2015 fiscal year. In the 2019 fiscal year, the newly created company Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. was included in the tax consolidation group.

o) Transactions denominated in foreign currency

The Company's functional currency is the euro. Consequently, transactions in currencies other than the euro are considered to be denominated in "foreign currency" and are recorded at the exchange rates in effect on the transaction dates.

Exchange differences in monetary items in foreign currency that arise both when they are settled and converted at the closing exchange rate are generally recognised in the profit and loss account for the fiscal year.

p) Revenue and expenses

Ordinary revenue is measured at the fair value of the consideration received or to be received, and represents the amounts receivable for goods sold net of discounts, refunds and value added tax. Ordinary revenue is recognised when the revenue may be reliably measured, it is likely that the company will receive a future financial benefit and certain conditions are met for each of the Company's activities.
Ordinary revenue is recognised as follows:

- Sales of goods are recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the relevant receivables is reasonably assured.

- Sales of services are recognised in the reporting year in which the services are rendered, with reference to the end of the specific transaction evaluated based on the actual service provided as a percentage of the total service to be provided, when the revenue and costs relating to the service agreement and the extent to which it has been completed may be reliably estimated and it is likely that the related receivables will be recoverable. Where one or more of these service agreement items cannot be reliably estimated, revenue from sales of services is recognised only up to the limit of the costs of the agreement incurred that are likely to be recovered.

Rendering of services

The majority of the Company's revenue is from the airport services provided, which mainly correspond to the use of airport infrastructure by airlines and passengers (including airport charges and private prices). In addition, the Company has commercial revenue that mainly consists of the rental of areas in airport terminals for shops, food and beverage outlets, as well as advertising, and also off-terminal facilities such as the rental of premises and land, vehicle parking and rental cars.

Aeronautical (airport charges):

Airport charges are set pursuant to Act 1/2011, of 4 March, which establishes the State Operational Security Programme for Civil Aviation and amends the Aviation Safety Act 21/2003, of 7 July. Furthermore, Article 68 of Act 21/2003 defines the following items as airport charges:

- Use of runways at civil and joint-use airports and air bases open to civil aircraft traffic, and the provision of services required for such use, other than ground handling of aircraft, passengers and goods.

- Airport air traffic services provided by the airport operator, regardless of whether such services are provided through duly certified air traffic service providers that have been contracted by the airport operator and appointed for this purpose by the Ministry of Public Works.

- Meteorological services provided by the airport operator, regardless of whether such services are provided through duly certified meteorological service suppliers and, moreover, appointed for this purpose by the Ministry of the Environment and Rural and Marine Affairs.

- Inspection and screening services for passengers and luggage on airport premises as well as the resources, facilities and equipment required for the provision of services for controlling and monitoring in aircraft movement areas, open access areas, controlled access areas and restricted security areas on the entire airport premises connected to airport charges.

- Airport facilities made available to passengers, and which are not accessible to visitors, in terminals, on aprons and runways which are required to perform the air transport contract.

- Services that allow the general mobility of passengers and necessary assistance to persons with reduced mobility (PRMs) to allow them to travel between the point of arrival at the airport to the aircraft, or from the aircraft to the exit, including boarding and disembarkation from the aircraft.

- Use of aircraft stand areas equipped for this purpose at airports.

- Use of airport facilities to facilitate passenger boarding and disembarkation for airlines using airbridges or the mere use of an apron position that impedes the use of the airbridge by other users.

- Use of airport premises for the transport and supply of fuels and lubricants, regardless of the means of transport or supply.

- Use of airport premises to provide ground assistance services that are not subject to any other specific consideration.

On 5 July 2014, Royal Decree-Law 8/2014, of 4 July, was published in the Spanish Official State Gazette (BOE [Boletín Oficial del Estado]) and subsequently confirmed by Act 18/2014, of 15 October, on enacting urgent measures for growth, competitiveness and efficiency. This regulation sets out:

- The public interest airport network regime as a general economic interest service with the objective of guaranteeing the mobility of the public and economic, social and territorial cohesion. This regime also seeks to ensure the accessibility, adequacy and suitability of airport infrastructure capacity, the financial sustainability of the network and the continuity and appropriate provision of basic airport services. On the other hand, network management ensures the financial sustainability of the airports included in the network by allowing support for loss-making infrastructure under the conditions of transparency, objectivity and non-discrimination.
- The closure or disposal of all or part of any airport facilities or infrastructure required for maintaining the provision of airport services is prohibited, unless it is authorised by either the Council of Ministers or the Secretary of State for Infrastructure, Transport and Housing. (As applicable by amount.)
- A procedure may be legally implemented to make it possible to close or sell any of the airport facilities or infrastructure. Such a regulatory implementation may also provide for transfers to the State of capital gains generated during the disposal process.
- The Airport Regulation Document (DORA) is created with a five-year validity and will determine Aena's maximum revenue per passenger during the period, quality conditions for the provision of services, the capacity of the facilities and the investments to be made.
- The revenue of the airport operator in relation to basic airport services is considered to be airport charges. Its regulation complies with the legal provisions created by Act 21/2003, on Aviation Safety, as amended by Act 1/2011, and in the determination of their essential components. Non-essential airport services as well as the commercial management of infrastructure and their development operation are subject to the free market.
- In accordance with Act 18/2014, the Directorate General of Civil Aviation (DGAC [Dirección General de Aviación Civil]) is responsible for drafting the Airport Regulation Document (DORA) and presenting it to the relevant bodies in the Ministry of Public Works for its subsequent approval by the Council of Ministers.
- The airport operator's revenue associated with basic airport services will be subject to compliance with an annual maximum revenue per passenger (IMAP [Ingreso Máximo Anual por Pasajero]) determined on the basis of the efficient cost recovery as recognised by the regulator, along with traffic forecasts. The annual maximum revenue per passenger contained in the DORA will be adjusted annually in line with a series of incentives or penalties based on the degree of compliance with service quality levels and penalties for any delay in the execution of strategic investments. Aena believes that it has met the required quality levels in 2020, as well as having executed strategic investments planned, so it does not expect the annual maximum revenue per passenger to be penalised for these reasons.
- For the 2015–25 period, the maximum increase in charges will be zero. Charges may only be increased above this maximum increment if the annual average investment is increased above the approved amount subject to the prior agreement of the Council of Ministers, during the period of the second Airport Regulation Document (DORA) and for exceptional reasons such as unforeseen and non-deferrable regulatory investments. For the first DORA, it is established that the cumulative tariff deficit upon completion, together with that corresponding to previous years, may not be transferred to the next DORA.

On 27 January 2017, the Council of Ministers approved the Airport Regulation Document (DORA) for the 2017-21 period. This document establishes an annual reduction of 2.2% in the Maximum Annual Revenue per Passenger (IMAP) for this period (see Note 5).

In accordance with the Airport Regulations Document (DORA) for the 2017-21 period, the reduction in airport charges at that point in time came into force on 1 March 2018. This has meant a reduction in airport charges of 2.22%, which affected the months of January and February 2019.

On 1 March 2019, the 2019 airport charges came into force, which were based on freezing the 2019 adjusted annual maximum revenue per passenger (IMAAJ [ingreso máximo anual ajustado por pasajero]) at the level of the 2018 IMAAJ.

On 28 January 2020, the Board of Directors approved the charges corresponding to 2020, which came into force on 1 March 2020. In accordance with the criteria set by the CNMC (Comisión Nacional de los Mercados y la Competencia [National Markets and Competition Commission]), the IMAAJ that must be applied to the 2020 charges is €10.27 per passenger. This charge represents an average reduction of -1.44% on the prevailing Aena charges in the 2019 charges year.

On the other hand, it should be noted that Royal Decree 162/2020, of 22 March, was published on 10 April 2019, which regulates the P index calculation mechanism for updating airport charges. The P index includes the annual price variations of inputs outside of the operator's control (staff, air navigation services, security, repairs, cleaning, services for persons with reduced mobility (PRM), intensive labour services, electricity, local taxes, etc.) but which affect its activity, in accordance with the principles of economic efficiency and good business management. The value of the P index is not specified in the DORA because its amount is determined annually during the process of establishing the airport charges for the following year. The mentioned Royal Decree establishes the P index calculation mechanism using a formula that depends on specific indexes applicable for the review of the airport operator's costs and that is defined in its text, as well as the procedure for determining its annual value.

The CNMC is the body responsible for approving the P index value in accordance with current regulations. On 7 November 2019, the CNMC approved the Resolution on the P index applicable to the Aena S.M.E., S.A. airport charges in the fiscal year 2020, setting it at 0.8%.

On 19 November 2020, the CNMC approved the Resolution on the P index applicable to the airport rates of Aena S.M.E., S.A. in the fiscal year 2021, setting it at 0.72%.

Taking this into consideration, on 22 December 2020 the Board of Directors approved the charges corresponding to 2021, which will enter into force on 1 March 2021. The corresponding charges were based on freezing the 2021 adjusted annual maximum revenue per passenger (IMAAJ) relative to the 2020 adjusted annual maximum revenue per passenger (IMAAJ), which was established at €10.27 per passenger.

On 12 February 2021, the CNMC issued its Resolution on the supervision of Aena's airport charges in fiscal year 2021 (See Note 21).

All these new regulations have not led to any change in the Company's revenue recognition policy, which continues to be subject to what is explained at the beginning of this Note. In particular, the regulated revenue in the DORA period has been recognised in 2020 according to the same criteria as in previous periods, when the service is provided, based on the approved regulated charges.

- **Commercial**

Revenue from the rental of commercial areas located within airport infrastructures is recognised on a straight-line basis as long as there isn't another criterion that best reflects the economic substance of the lease agreements concluded with the counterparties (see Note 2e). The contingent part of the revenue for leases relating to the variable level of revenue generated by commercial areas is recognised as revenue in the period in which it accrues. Parking revenue (which until 2015 belonged to the "Off-terminal services" segment and became, as a result of that explained in note 4 a), a part of the Commercial component of the Airport Network as of the 2016 fiscal year) is recognised at the same time as services are rendered.

As lessor, the Company recognises the modification of an operating lease as a new lease from the effective date of the modification, and considers that any lease payment already made or accrued in relation to the original lease is part of the payments of the new lease.

- **Real estate services**

Real estate service revenue originates from land leases, warehouses and hangars, and the management and operation of cargo centres. Revenue from rental contracts is recognised on a straight-line basis in accordance with the lease agreements concluded with the counterparties. The conditional part of rental revenue is recognised as revenue in the period in which it is accrued.

q) Interest and dividends

Interest revenue is recognised using the effective interest method. When a loan or receivable is impaired, its book value is reduced to its recoverable amount by discounting estimated future cash flows at the original effective interest rate of the instrument and maintaining the discount as a reduction in interest revenue. Interest revenue on impaired loans is recognised either when cash is collected or on a cost-recovery basis when the conditions are guaranteed.

Dividend revenue is recognised when the right to receive payment is established.

r) Activities affecting the environment

Any operation designed mainly to prevent, lessen or repair damage to the environment is treated as an environmental activity.

In this regard, investments derived from environmental activities are valued at their acquisition cost and are activated as the highest cost of fixed assets in the fiscal year in which they are incurred, following the criteria described in section b) of this same note.

Expenses incurred to protect and improve the environment are assigned to the income statement when they accrue, irrespective of when the related monetary or financial flow takes place.

Provisions for probable or certain liabilities, litigation in progress and outstanding indemnity payments or obligations of an indeterminate amount related to environmental issues, not covered by the insurance policies taken out, are constituted at the time when the liability or obligation determining the indemnity arises.

s) Related-party transactions

A party is considered to be related to another when one of them or a group that acts together, exercises or has the possibility to exercise, directly or indirectly, or by virtue of pacts or agreements between shareholders or interested parties, control over another or a significant influence on the financial and operational decision-making of the other.

In any case, related parties will be considered as those companies that are considered a group, associated or multigroup company.

As a company that belongs to the public business sector, Aena is exempt from including the information contained in the section of the report on related-party transactions when the other company is also controlled or significantly influenced by the same Public Administration, as long as there are no signs of influence between them, or when the transactions are not significant in terms of their size. This influence is understood to exist when the operations are not conducted under normal market conditions (unless these conditions are imposed by a specific regulation), among other cases.

The Company conducts all its related-party transactions at market values. Additionally, the transfer prices are properly supported, so Company administrators believe that there are no significant risks in this respect, which could come from any liabilities that may exist in the future.

Generally speaking, transactions between the group companies are initially accounted for at fair value. Where applicable, if the agreed price differs from its fair value, the difference is recorded considering the economic reality of the transaction. The subsequent valuation is performed in line with the provisions of the corresponding regulations.

Despite this, in transactions of mergers, spin-offs or non-monetary contributions of a company, the constituent elements of the acquired business are valued by their corresponding amounts once the transaction has been completed, in the consolidated annual accounts of the group or subgroup.

When the parent company of the group or subgroup, and its subsidiary, is not involved, the annual accounts to be considered for these purposes will be those of the largest group or subgroup with a Spanish Parent Company to which the assets belong.

In these cases, the differences that may be found between the net value of the assets and liabilities of the acquired Company, adjusted by the balance of the groupings of grants, donations and legacies received, and adjustments of changes in value, and any amount of the capital and share premium, if applicable, issued by the absorbing company are recorded in reserves.

t) Business combinations

The merger, split and non-monetary contribution transactions of a business between group companies are recorded in accordance with the provisions for transactions between related parties.

Merger or spit transactions other than the foregoing and business combinations arising from the acquisition of all equity items of a company, or a party constituting one or more businesses, are recorded in accordance with the acquisition method.

In the case of business combinations arising as a result of the acquisition of shares or holdings in the capital of a company, the Company recognises the investment in accordance with the provisions for investments in the equity of group, multigroup and associated companies.

u) Joint ventures

A joint venture is an economic activity jointly controlled by two or more natural persons or legal entities. For these purposes, joint control is a statutory or contractual agreement under which two or more interested parties agree to share the power to direct financial and operational policies over an economic activity in order to obtain economic benefits, in such a way that strategic decisions, both financial and operational, related to the activity require the unanimous consent of all interested parties.

Joint ventures can be:

- Joint ventures that are not manifested through the incorporation of a company or the establishment of a financial structure independent of the interested parties, such as temporary unions of companies and joint ownership, and which include:

    - Jointly controlled operations: activities that involve the use of assets and other resources owned by the interested parties.
    - Jointly controlled assets: assets that are owned or jointly controlled by the interested parties.

- Joint ventures manifested through the constitution of an independent legal entity or jointly controlled companies.

Jointly controlled operations and assets (Note 7.l)

The company maintains interests in jointly controlled assets with the Ministry of Defence to operate Air Bases Open to Civilian Traffic (BAATC [Bases Aéreas Abiertas al Tráfico Civil]) via an agreement with the Ministry of Defence, which stipulates the rules on the assignment and compensation criteria of civilian aircraft using the BAATCs in Villanubla, León, Albacete, Matacán, Talavera and the joint-use airfield in Zaragoza. This agreement is based on the application of Royal Decree 1167/1995, of 7 July, on the system of using airfields, which are used both as an air base and an airport, and on air bases open to civilian traffic.

In this sense, the Company recognises the assets and liabilities derived from this agreement as a result of the use of the BAATCs in the annual accounts. Likewise, the profit and loss account recognises the corresponding part of the revenue generated and the expenses incurred for operating the jointly controlled assets.

5. Management of operational and financial risks

a) Description of key operational risks

i. Risks derived from the COVID-19 pandemic

The appearance of COVID-19 in China and its rapid expansion to a large number of countries in the early months of 2020 led to the viral outbreak being classified as a pandemic by the World Health Organisation on 11 March. The consequences of this health crisis and the containment measures taken in much of the world to contain the spread of infections caused by SARSCoV2 have significantly affected the global economy, with a very negative impact on businesses in the tourism and air transport sector as a result of radical restrictions on air operations and the mobility of people during the containment stages of the epidemic.

In this context, the Company's management has adopted a series of measures that it considers necessary to deal with the largely unpredictable consequences of this unprecedented situation in order to cover the most significant risks that have been identified, which are detailed below.

- Operational and business risk

The impact of the health crisis on the airports of the Spanish network began to be felt at the end of February, with the cancellation of flights connecting the main countries affected by the pandemic at that time.

On 14 March, the Spanish Government decreed a State of Emergency which limited the free movement of people, introduced restrictions on transport and suspended the opening to the public of retail premises and establishments; with the exception of, among others, businesses selling groceries and essential items, and pharmacies.

In compliance with these measures, with respect to the opening of essential businesses in order to address the essential needs of workers, suppliers and passengers in the air-side area of the facilities; from 15 March, only certain shop and food services remained open at the main network airports: convenience shops, tobacconists, pharmacies, some food services and vending machines.

On 17 March, the member countries of the European Union announced the general closure of external land borders and the prohibition of entry to citizens of third countries in all but exceptional circumstances.

The State of Emergency in Spain ended on 21 June, allowing for unrestricted mobility within Spanish territory, and, on 30 June, the Government of Spain lifted travel restrictions with Schengen area countries, and other European Union Member States. This measure was accompanied by the elimination of the quarantine period that had to be observed by all travellers arriving in Spain from abroad.

On 2 July, the Government of Spain amended the temporary restriction criteria for non-essential travel from third countries to the European Union and Schengen area countries, and adopted the Recommendation of the Council of the European Union on third countries and categories of persons exempt from travel restrictions, regardless of their place of origin.

Following this Recommendation, EU Member States began to gradually reopen their borders in July, both to non-EU foreign nationals and to European Union citizens themselves.

The worsening of the epidemiological situation and the emergence of outbreaks during the summer months, have led the governments of various European countries to tighten mobility restrictions from August. The review by the EU of the list of third countries for which travel restrictions should be lifted, the closure of so-called safe tourist corridors established between European destinations, the recommendation of countries to which travel is not recommended and quarantine requirements, have negatively affected the evolution of traffic.

In Spain, outbreaks of the disease and the aforementioned measures have particularly affected the evolution of traffic with countries such as the United Kingdom and Germany since mid-August, cutting short the recovery that began in July and causing traffic behaviour in the summer of 2020 to differ from what would have been the reasonable expectation. In July, passenger traffic was 23.8% of the corresponding amount in the same month of 2019, recovering to 30.4% in August and a modest 20.1% in September.

In Spain, as in most European and American countries, the arrival of Autumn translated to an upward trend in the number of cases. This has necessitated the implementation of a series of new restrictions on mobility, covered by a new state of emergency declaration via Royal Decree 926/2020, of 25 October, which declared a state of emergency to contain the spread of SARS-CoV-2 infections.

The European Commission is currently coordinating the management of vaccine availability for all Member States of the European Union (EU) through the "COVID-19 vaccination plan". Within this framework, in which Spain actively participates, advance procurement agreements (APAs) for vaccines with several pharmaceutical companies are being signed.

Notwithstanding the foregoing, the current circumstances show no signs of short-term traffic recovery. This means that it is not possible to forecast when the recovery will begin.

At airports managed by the Company, passenger traffic of 75.8 million (275.2 million in 2019) was recorded in 2020, representing a year-on-year decline of 72.3%.

As has been described, the decline in activity became apparent at the end of March and, in response to it, Aena acted quickly to adjust the capacity of its airports to the specific needs of the operation, as well as to the mobility measures adopted by the Spanish Government.

In relation to the commercial business, commercial activity in the network airports has gradually resumed from 21 June. Alongside the reopening, Aena has implemented various measures in the network airports that are aimed at facilitating passengers safely passing through commercial areas, shops and food and beverage establishments. These measures comply at all times with the health guidelines set out by the authorities. These measures include the following:

- Coordinating with the commercial lessees on staggered openings, adapted to passenger traffic, maximum capacity and social distancing measures.
- Coordinating health and safety measures for customers and employees, and supervising maximum capacity restrictions in walk-through and traditional shops.
- Adapting VIP lounges to the new operating environment. Establishing which rooms to open, opening hours, service levels, maximum capacities, as well as new social distancing layouts.
- Advertising campaigns to reactivate VIP lounge and car park marketing.
- In terms of car rental activity, the lessees in question, in collaboration with Aena, have developed and implemented safety, cleaning and hygiene protocols aimed at increasing the level of service associated with the reactivation of traffic.

As a consequence of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, Aena S.M.E, S.A. began negotiations with the commercial activity tenants to agree on changes in the contractual conditions, including the fixed rent and the minimum annual guaranteed rent (MAG, hereinafter).

These negotiations, in which the Company has made different commercial proposals based on the evolution of the activity and always under the legal framework existing at each moment in time, have been affected by the continued deterioration of expectations regarding the recovery of air traffic.

Following the entry into force on 24 December 2020 of Royal Decree-Law 35/2020 on urgent measures to support the tourism, hospitality and commerce sector and in tax matters, this negotiation process has culminated in the proposal made by the Company on 18 January 2021 to the commercial operators of Duty Free activities, Shops, Food and Beverage and vending machines in relation to the MAGs:

- For the period between 1 January 2020 and 14 March 2020 (both inclusive) the rent will be applied in accordance with the provisions of the original contracts, that is, a MAG that will be proportionally spread out over 74 days.
- The MAG will not be applied for the period between 15 March 2020 and 20 June 2020 (both inclusive).
- For the period between 21 June 2020 and 31 December 2020 (both included) an MAGR resulting from applying a 50% reduction on the MAG provided for in the contract, which will be proportionally spread out over the 194 days of this period, will be applied. Except for advertising, where an MAG per passenger will be applied.
- For the period between 1 January 2021 and 8 September 2021 (both inclusive) a percentage of 50% of the prorated MAG will be applied on the days accrued in this period. Except for advertising, where an MAG per passenger will be applied.

- As of 9 September 2021 (included) and until the end of the contract, the conditions provided for in the original wording thereof will resume.
- If the Company, in order to comply with the measures imposed by the health authorities, has been forced to close some airport areas, it is willing, if so requested and within the framework of the agreement reached, to reduce up to 100% of the MAG corresponding to the number of days of each annuity in which the area in which the premises are located has not been operational.

However, until the agreements have been closed with those commercial operators that are affected by the aforementioned proposal, and in application of Recording and Valuation Standard (NRV [Norma de Registro y Valoración]) 8 "Leases and other transactions of a similar nature" of the New General Accounting Plan (NPGC [Nuevo Plan General de Contabilidad), revenue has been recognised from the Minimum Annual Guaranteed Rent (MAG) from duty free shops, specialty shops, food and beverage establishments, commercial operations, financial services and advertising corresponding to 2020, This amounts to €619.0 million, including rent corresponding to the State of Emergency period amounting to €198.6 million, given that Aena has a contractual right to receive these rents and, as this NRV is applicable, their non-recording is not possible. However, in the event of such contracts undergoing changes in the future as a result of the aforementioned negotiations, their effect will be recorded in accordance with the of the rules for incentives, in exercise of the option established by ICAC (see Note 4 (e) "Leases"). Therefore, the incentives and granted concessions that directly arise from the adverse situation caused by COVID-19 will be treated as a prospective change of estimates, from the effective date of the contractual amendment, reducing the lease revenue for the remaining periods of the contract through a linear distribution system.

In activities not subject to MAG, revenue for the fiscal year 2020 reflects the measures adopted by Aena in order to collaborate with companies that provide services at the airports, customers and tenants, in view of the situation caused by COVID-19:

- The partial exemption of fixed rents to operators of vehicle rental during the State of Emergency period, for the amount of €18.4 million. Through the linearisation explained above, a total of €4.2 million has been allocated as lower revenue in 2020.
- On 29 and 30 December, the novation of most of the existing contracts with the vehicle rental operators was signed. This novation mainly establishes that, for the period between 21 June 2020 and 31 December 2021 (both inclusive), the system for calculating the monthly fixed rent stipulated in the previous contract is replaced by a variable rent system linked to the number of Airport passengers. These fixed rent variability conditions will remain until 31 December 2021 or until 95% of the passengers declared in 2019 have been reached, whichever comes first, at which time the monthly fixed rent conditions of the contract will resume. This contractual amendment entails a €28.6 million reduction in rent for the period from 21 June 2020 to 31 December 2020, according to the accounting method explained previously, this amount shall remain in the balance sheet attached as accrual accounts on 31 December 2020. This balance will be paid by reducing, through a straight-line distribution system, the lease revenue for the remaining period of the agreement, until 22 October 2022.
- The partial monthly fixed rent exemptions that took effect during the state of emergency, from 15 March to 20 June, corresponding to real estate services, have amounted to €6.8 million. This measure involved a 75% discount for the majority of agreements signed by airlines and handling agents and companies that managed offices, warehouses, and commercial counters (including commercial counters of tour operators and transport companies). Through the straight-line method explained above, in 2020, a revenue shortfall of €1.4 million was recorded.

  In addition to this, at the end of April, Aena approved an extraordinary six-month postponement on collections, subject to certain conditions; applicable to the amounts invoiced from the date the State of Emergency was decreed, 14 March 2020, and for a period of three months, which ended on 14 June 2020. As for commercial operators, this measure has benefited them to the extent of €19.5 million.

Valuation of assets

The risks of material misstatement related to the recoverable amount of assets, provisions for credit losses or fair values, among others, have increased due to the higher level of uncertainty in the estimates resulting from the current economic situation.

Whenever there is an indication that these assets could have suffered impairment, the Company checks whether goodwill, intangible assets, property, plant and equipment, investment property and equity-accounted financial investments have undergone any impairment loss. This is conducted in accordance with the accounting policy described in Note 4, which describes how management identifies the cash generating units (CGUs) and the methodology used to subject their allocated assets to impairment tests.

The measures adopted in each country to halt the spread of the coronavirus have led to an extraordinary reduction in the activity and revenue of all the Aena network airports, translating to a sharp decline in operating cash flows. These circumstances are considered as indicators of impairment for the purposes mentioned in the foregoing paragraph.

Consequently, these impairment tests have been carried out.

The key assumptions and other parameters used to determine, during the period, the recoverable amount of the cash generating units and the conclusions reached from the analysis performed are detailed in Note 7 to the annual accounts.

- **Liquidity risk**

As a result of the exceptional situation caused by the pandemic, the Company's cash flows have been drastically reduced in 2020.

In order to ensure liquidity in the face of the severity and uncertainty surrounding the progress of the pandemic, the Company has deployed a plan to strengthen liquidity, making use of available credit lines and signing new financing operations.

Between April and May, in order to strengthen the Company's liquidity, Aena signed loans with various financial institutions for a combined amount of €2,325.6 million. Due to this, the objective of its plan to strengthen liquidity in response to the effects caused by the spread of COVID-19 has been reached.

With the signing of these loans, Aena has increased the availability of cash and credit facilities at 31 December 2020 to a total of €1,941 million, to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, of which, at the end of the year, €845 million were available.

On 1 December 2020, waivers have been obtained, until at least June 2022, of the financial ratios of leverage and finance expenses of all existing debt as of 31 December 2020 (see Note 15.a).

Closely related to the adjustment of capacity at airports, the Parent Company has implemented a cost-saving plan with a view to protecting the Group's financial position. This plan was based on the renegotiation of operational services agreements, the elimination of expenses and the halting of new non-essential contracts.

The adjustment of capacity, the cost cutting and, therefore, the decrease in monthly operating cash outflow has been adjusted to the evolution of traffic, in accordance with which Aena is reopening terminals, and operational spaces at airports in which the capacity was adapted to meet the specific needs of the operation. The accumulated savings obtained during the period April–December amounted to €404.7 million.

Likewise, Aena temporarily suspended the investment programme, estimating a monthly reduction in average cash outflows of approximately €52 million. Since June, the 2020 investment plan has been reimplemented and, as a consequence of the temporary suspension, the amount of investment carried out amounted to €435.7 million.

As indicated in note 3 of this report, the Board of Directors of AENA S.M.E., S.A., at its meeting on 30 June 2020, resolved to replace the proposed profit distribution for the fiscal year 2019 included in the annual accounts prepared on 25 February 2020, This meant cancelling the planned dividend distribution in order to strengthen the Group's solvency and safeguard its liquidity as much as possible in the current circumstances, which do not enable assessment of the future impact of the COVID-19 health crisis on the markets in which the Group operates.

The capacity adjustment, cost-cutting and hence the decrease in monthly operating cash outflows are modulated based on the evolution of the level of traffic.

The Company also has a cash balance of €1,141,265,000 as of 31 December 2020. In addition, the Company has €124,370,000 available (undrawn) financing relating to loans with the EIB; €800,000,000 available in a syndicated line of credit with long-term maturity (Note 15). This availability of cash and credit facilities of the Company at 31 December 2020 amounts to a total of €2,065 million, to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, of which, at the end of the year, €845 million are available. Together with the implementation of specific plans for the efficient management of the Opex and Capex, this will allow future liquidity tensions to be faced.

Health risk

Collaborating with measures designed to prevent the spread of COVID-19 and protecting the health of its workers, suppliers, external personnel and passengers are priorities for the Company. Since the beginning of the health crisis, AENA has created Operational Recovery Groups (GRO [Grupos de Recuperación Operativa]) in order to identify and implement measures to ensure that airports operate safely and generate confidence in passengers and workers. The measures envisaged have been coordinated with other players in the air transport sector (airlines through their main associations ALA and IATA, handling operators, commercial concessionaires, etc) and with the Ministries of Transport and Health of the Government of Spain and the European Commission. In addition to this, Aena is an active member of the ACI Europe (Airports Council International Europe) “Off the Ground” project.

Regarding health and operational controls at airports managed by Aena, in accordance with the first additional provision of Royal Decree-Law 21/2020, of 9 June, on urgent prevention, containment and coordination measures to deal with the health crisis caused by COVID-19, Aena, as manager of the public interest airport network, must temporarily make available to the central and peripheral services of the Foreign Health sub-directorate of the Spanish Ministry of Health, the human, healthcare and support resources necessary to ensure health checks on passengers arriving on international flights entering the country at the airports it manages. This is why, in collaboration with the Ministry of Health, Aena is currently managing the human and material resources that carry out primary checks on all passengers arriving in Spain from any other country, consisting of taking the temperature of passengers with thermal screening cameras, collecting data for locating passengers and a visual inspection, as well as a secondary check on passengers with symptoms. In addition, the Government of Spain announced the requirement in airports, as of 23 November, for a PCR test at origin for passengers from countries where the epidemiological situation may be risky. In order to comply with this decision, Aena will collaborate with the Ministry of Health, providing the technical and human means necessary for this new function.

Aena will be entitled to recover, as part of the Airport Regulation Document (DORA) framework, the costs actually incurred for collaborating in carrying out health checks at airports, and the operational health and safety measures adopted, discounting any grants or other financial assistance it may receive for carrying out these activities under the first additional provision of Royal Decree-Law 21/2020, of 9 June, and the other operational health and safety measures to be adopted as a result of the COVID-19 pandemic.

The proposed measures affecting workers have been developed locally in each of the workplaces. Following the declarations of the pandemic and the State of Emergency in Spain, different measures and procedures, as far as possible taking into account the requirements of the different services, have been implemented, such as: teleworking, preventive measures related to cleaning, information and training, organisational measures, guidelines for the gradual return to face-to-face activity, protection equipment, diagnostic tests, risk assessments, etc. This was done in order to try and preserve the health of employees and, in order to do so, each job position had to be looked at individually when deciding which measures to take.

With regard to the investment plan, during the State of Emergency period, from 14 March 2020, when the country’s activity was paralysed, Aena temporarily suspended, for reasons of health safety and strategic prudence, the execution of its contracts for construction projects and technical assistance work associated with the plan. Airport projects require the direct and continuous participation of a multidisciplinary group of professionals from different companies and organisations, whose work was not compatible with compliance with the recommendations of the health authorities or with the legislation passed. In view of the new context, Aena carried out an exhaustive analysis and review of all ongoing and planned investments, in order to adapt its investment plan to the different, more realistic scenarios, based on meeting needs as they arise. It was therefore necessary to stop and rationally assess the projects that would be associated with such investments.

As a result of the measures taken to control, contain and foresee events surrounding the pandemic in 2020, the Company incurred exceptional expenses, both in airport facilities, as well as in personal and health protection, to the reported amount of €53 million, recorded under the heading of "Other results" in the Income Statement. In addition, investments have been made in fixed assets amounting to €9.8 million.

The Royal Decree-Law 21/2020, of 9 June, states that under the framework of DORA, Aena will have the right to recover the costs incurred as a consequence of collaborating with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic.

- **Legal and regulatory risk:**

  This risk is related to uncertainty on the interpretation of legislation in the context of the current crisis and adherence to new and ongoing legal requirements, which could lead to an increase in litigation arising from conflicts with operators, suppliers and customers.

ii. Risks related to Brexit

Following the result of the referendum in the United Kingdom in favour of its departure from the European Union (Brexit) and its materialisation as of 31 January 2020 through the withdrawal agreement reached by both parties, the Company considers the following risks, whose final realisation is subject to the regulatory developments that both the United Kingdom and the European Union may carry out as of 1 January 2021:

- In 2020, 10.9% (16.3% in 2019) of the passengers of the Aena S.M.E., S.A. airport network in Spain, had their origin/destination in the United Kingdom, closing with a drop of 81.6% compared to 2019. Macroeconomic factors such as lower economic growth in the United Kingdom and/or the European Union, greater volatility in currency markets or the introduction of new trade barriers may affect passenger volume.

- From an operational point of view, the risk focuses on European legislation that prevents airlines from operating among the countries of the European Union if the majority ownership and control is not in European hands, so the European ownership of, among others, Iberia, Vueling, Iberia Express and easyJet to operate in Spain could be questioned, both on domestic and European routes. The IAG group represented 31.4% of total traffic in the airport network in Spain in 2020 (28.7% in 2019), while easyJet accounted for 4.0% in 2020 (6.5% in 2019). The aforementioned airlines have taken different measures aimed at meeting these criteria that have been ratified by different national regulators. In addition, the UK's withdrawal agreement from the European Union covers the analysis of these ownership and control requirements as the result of a possible reciprocal liberalisation thereof.

- As for the fare framework, the United Kingdom's departure from the European Union could affect the stability of flight fares with the United Kingdom, as they would no longer be considered flights to the European Economic Area (E.E.A.) and the rate for a passenger boarding with an international destination would apply, which could mean an increase of around 25%. In this regard, the General Budgets Act of 2021 foresees a measure that allows these flights to continue to have the same consideration as regards the passenger departure fare, until 28 February 2022.

- From the standpoint of commercial revenue, the depreciation of the pound compared to the euro means a loss in purchasing power for British passengers, which is affecting the sales of the retail concessions in the airports, and therefore Aena S.M.E., S.A.'s revenues, although much of Aena S.M.E., S.A.'s commercial activity is ensured by the Annual Guaranteed Minimums. In addition, British passengers would switch from Duty Paid to Duty Free.

- Investments, expenses and operational difficulties caused by the reconfiguration of passenger flows at airports.

The Company has evaluated possible scenarios arising from Brexit, and concluded that the likelihood of impairment arising from the materialisation of the aforementioned risks is remote.

The Company's management bodies have implemented mechanisms aimed at identifying, quantifying and covering situations of risk. Regardless of the above, situations that can entail a major risk are closely tracked, as are the measures taken in this regard.

iii. Regulatory risks

AENA S.M.E., S.A. operates in a regulated sector and changes or future developments in the applicable regulations may have a negative impact on the income, operating profit/(loss) and financial position of Aena. In particular, the said regulations affect:

- Management of the airport network with public service criteria.
- The airport charges regime.
- Airport security measures (*security*).
- Operational safety (*safety*).
- Assignment of slots (*slots*).

The Airport Regulation Document for the 2017-2021 period, in accordance with Act 18/2014, establishes obligations regarding the quality standards of the service and the commissioning of strategic investments, failure to comply with these obligations may lead to penalties on the Annual Maximum Revenue per Passenger.

Act 18/2014 introduces the mechanism governing the determination of airport charges for the first Airport Regulation Document ("DORA").

On 27 January 2017, the Council of Ministers approved the DORA for the 2017-21 period, in which they established the minimum service conditions that will be in force in airports in the Aena network for said period, providing a foreseeable regulatory framework in the medium-term that will has enabled improved levels of efficiency and competitiveness in terms of airport operations.

The DORA was prepared by the Directorate General of Civil Aviation (DGAC), following the proposal submitted by AENA and approved by its Board of Directors on 8 March 2016, duly adjusted to the conditions and principles set out in Act 18/2014, of 15 October. It contains AENA's obligations for said five-year period, establishing, amongst other aspects, the following:

- The tariff path, with the establishment of a maximum annual revenue per passenger (IMAP) that allows AENA to recover costs associated with the provision of basic airport services, costs that also respond to efficiency criteria set forth by the regulator. AENA'S IMAP will undergo an annual decrease of 2.22% over the period 2017–21, starting from 1 March 2017.
- The investments that AENA must carry out and that have to meet the standards of capacity and service levels, must also remain in line with traffic forecasts. Regulated investment related to airport services amounts to €2,185 million for the five years (€437.1 million on average per year). Furthermore, a series of strategic investment projects have been drawn up, although any delay in their execution entails a penalty in the IMAP.
- The levels of service quality, as well as a system of incentives and penalties to ensure compliance with them. The penalty/maximum annual bonus applicable to AENA for this item would be a ±2% of IMAP.
- The amount of operating costs reported in the DORA 2017–21 were estimated without price effect and prospectively, and must be updated through the P index. Therefore, any unexceptional deviation such as the current inflationary pressure that may be transferred to service providers is considered an operator risk.

In a non-exceptional situation, AENA assumes the risk derived from air traffic. However, in accordance with article 27 of Act 18/2014, the Airport Regulation Document (DORA) may be reviewed for exceptional causes during its validity period. This article considers exceptional causes to mean "anything not attributable to Aena, S.A., that are unforeseeable at the time of approving the Airport Regulation Document (DORA), whenever they have a true and substantial effect on the financial viability of the airport network of Aena, S.A., and so, among others, annual reductions in passenger traffic over the entire network of more than 10% caused by natural disasters, terrorist acts or warlike situations will be considered as such".

In 2012, the European Commission initiated an infringement procedure against the Kingdom of Spain to assess whether there has been an incorrect transposition of Directive 2009/12/EC, or an incorrect application of Regulation (EC) No. 1008/2008, on common rules for the exploitation of air services in the Community. The resolution of this procedure could lead to changes in the regulatory framework applicable to airport charges.

The consultation process of the new Airport Regulation Document for the 2022-2026 period (DORA II) is being developed, which could involve changes in its rates and impacts derived from the new regulatory context. It is expected that this consultation process will take place until 15 March 2021, the date on which Aena S.M.E., S.A. will send its final proposal for DORA II. Then, the General Directorate of Civil Aviation (DGAC), as the regulatory body, will request the corresponding mandatory reports from both the National Commission of Markets and Competition (economic aspects of the proposal), the State Agency for Air Security (technical and operational aspects) and the General Directorate of Economic Policy of the Ministry of Economic Affairs and Digital Transformation. The Act establishes that the deadline for final approval by the Council of Ministers is 30 September 2021.

In addition, the activity of AENA is regulated by both domestic and international law in terms of operational safety regarding persons, property and the environment, which may limit activities or growth of AENA airports, and/or require significant investments or expenses. AENA is a state trading company and, as such, its management capacity may be conditioned.

The main shareholder of AENA is a company belonging to the Spanish State. The Spanish State will continue to have control of AENA's operations, and its interests may differ from those of the other shareholders.

iv. Operational risks

The Group's activity is directly related to the levels of passenger traffic and air operations at its airports, so it can be affected by the following factors:

- Aena's business is directly related to passenger traffic and air operations levels. In this regard, and aggravated by the effects of the COVID-19 pandemic, Aena may be affected by macroeconomic, political or other factors with a negative impact on Spain and other countries, both those that are the origin/destination of traffic and others that are competing tourist destinations. These external factors with an impact on the aeronautical business include the risks derived from the dependence on airline companies, possible bankruptcy and airline mergers in a context of crisis as well as the competition of new means of transportation or alternative airports.

- Aena is exposed to risks related to airport operations (operational and physical security). The negative impacts on the safety of persons or property, due to incidents, accidents and illegal interference activities (including terrorists) derived from operations that could expose the Company to potential responsibilities that may involve indemnities and compensations, as well as loss of reputation or interruption of operations.

- Risk of losing competitiveness by not developing innovation and technological development policies that are appropriate to the needs of the business.
- Failure to adapt to health safety requirements and their impact on the quality of the service perceived by passengers and in relation to other airports, which affect Aena's reputation or entail breaches.

- Aena is dependent on information and communication technology, and systems and infrastructures face certain risks including risks related to cybersecurity, that are the result of threats and the exploitation of vulnerabilities as a result of cyberattacks.
- Aena is a listed state trading company and, as such, its management capacity in certain areas (international expansion, hiring of personnel and suppliers, among others) is affected by the application of public and private regulations.
- Aena depends on the services provided by third parties at its airports. Aspects such as labour disputes and breaches in service levels by these providers could have an impact on operations.
- Aena's international activity is subject to risks associated with the planning and subsequent development of operations in third countries and the fact that profitability prospects may not be as expected. Specifically, the investment made by the Company in Brazil requires a continuous analysis of its recovery and evolution of its main indicators, which may be affected by the circumstances of the market/country in which it operates.
- There is a risk that Aena may suffer from sanctions, financial losses or damage to its reputation, or be held liable due to non-compliance or defective compliance with legal regulations, rules of conduct and other standards enforceable in its operation.
- Changes in tax legislation could result in additional taxes or other forms of harm to the tax position of Aena.
- The Group is and will continue to be exposed to the risk of loss in the legal or administrative proceedings in which it is involved.
- Aena is exposed to risks specifically related to commercial activity. Commercial revenues are affected by both the volume of passengers and by their greater or lower spending capacity. Additionally, changes in consumption trends that affect the sector and the passenger mix, aggravated by the reduction in air traffic, cause a worsening of commercial business at airports, leading to a greater concentration of commercial operators, risks of non-payment and abandonment of agreements.
- Insurance coverage may be insufficient.
- Aena is exposed to risks related to its indebtedness, whose obligations may limit Aena's activity and the possibility of accessing financing, distributing dividends or making its investments, among others.
- Aena is exposed to the effects of climate change. This risk involves economic, operational and reputational impacts arising from the following aspects:
    - Regulatory changes that may result in an increase in the price of carbon emissions or a reduction in demand.

- Implementation of measures related to climate action and sustainability in the Network's airports in a context of increasing pressure from investors and society as a whole.
- Resilience of airport infrastructure and operations in the event of incidents associated with climate change, natural disasters and extreme weather conditions and the need to undertake actions to adapt the airports in the medium-long term. The regulations for environmental protection could limit the activities or growth of Aena's airports and/or require significant outlays.

2020 began in a climate emergency context and, a few weeks later, the health crisis linked to the COVID-19 pandemic broke out, which has lasted throughout the year and affected all sectors, including tourism and aviation, and in general, the mobility of citizens around the world.

The urgency to address the health crisis has not diverted the global concern for climate change and its consequences, and key institutions are advocating economic recovery that allows the negative consequences of both situations to be addressed at the same time: the pandemic and the fight against climate change. The achievements reached before the start of the pandemic, with the presentation of the "European Green Deal" in the EU, the "Energy and Climate Framework" or the "Climate Emergency Declaration" in Spain, are reinforced months later with the focus placed on the "new normal" phase. This can be seen, for example, in Spanish initiatives such as the Draft of the "Climate Change and Energy Transition Act" and the "National Integrated Energy and Climate Plan" (PNIEC [Plan Nacional Integrado de Energía y Clima]) and the already ratified "Hydrogen Roadmap". Challenges that the business world has very actively joined.

In line with this trend, for Aena, the situation created by COVID-19 has not hindered its commitment to sustainability, rather it has reinforced it by bringing forward and expanding the milestones related to its decarbonisation. The Company has defined its new roadmap fully aware that the recovery can only be green and is committed to sustainability, protecting the environment, decarbonisation and the climate emergency as key issues in its management.

As stated in section 2.1 Sustainable environmental management model of the Non-financial information statement chapter of the 2020 Integrated Management Report, in 2020, taking things one step further, the General Shareholders' Meeting approved the principles of Aena's Climate Action Plan, which includes actions to mitigate the effects of climate change, as well as the follow-up of the indicators established for compliance with the decarbonisation objectives. Its evolution and the level of progress of its measures will be approved annually. By doing this, the Company has become the first company in the world to submit its Action Plan on Climate Change to a vote at the Shareholders' Meeting each year. This Climate Action Plan consists of a multiannual plan, aligned with:

• The "climate change sustainability objectives" based on regulatory requirements at the European and national level, as well as the objectives of the Paris Agreement.

• The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

• Act 11/2018 on non-financial information and diversity and the guidelines derived from the European Commission's climate information supplement, included in Directive 2014/95/EU of the European Parliament and of the Council, which establishes a description of the policies, results and risks related to environmental issues.

The Company's management bodies have implemented mechanisms aimed at identifying, quantifying and covering risk situations. Regardless of the above, situations that can entail a major risk are closely tracked, as are the measures taken in this regard.

b) Description of the main financial risks

The Company's activities are exposed to various financial risks: market risk (including exchange rate risk and fair value risk due to the interest rate), credit risk and liquidity risk. The Company's global risk management programme focuses on the uncertainty of financial markets and tries to minimise the potential adverse effects on its financial profitability. In specific cases, the Company uses derivative financial instruments to hedge certain risk exposures.

The Board of Directors issues policies to manage global risk, as well as specific areas, such as exchange rate risk, interest rate risk, liquidity risk, the use of derivatives and investment of surplus liquidity.

There is an acknowledgement of financial debt agreement between Aena S.M.E., S.A. and its parent company ENAIRE, which originated in the non-monetary contribution that led to the creation of Aena Aeropuertos, S.A., through which 94.9% of the parent company's bank debt was initially taken on ("Mirror loan with ENAIRE"). On 29 July 2014, this contract was novated (See Note 15.a).

The main financial risks are described below:

i. Market risk

Exchange rate risk

The Company does not usually carry out significant commercial transactions in a currency other than the euro.

Interest rate risk on cash flows and fair value

The Company's interest rate risk arises from the financial debt. Loans issued at variable rates expose the Company to interest rate risk from cash flows. Fixed interest rate loans expose the Company to fair value interest rate risks.

Finance expenses are due mainly to financial debt recognised with the parent company. The Company also has finance expenses derived from its own debt with credit institutions (see Note 15).

The Company's goal when managing interest rates is to optimise the finance expenses within the risk limits established, with the risk variables being the Euribor at three and six months, the main reference for long-term debt. In addition, the value of the finance expenses risk over the horizon of the projects is calculated and rate trend scenarios are established for the period to be taken into consideration.

AENA S.M.E., S.A. manages the interest rate risk in cash flows through variable to fixed interest rate swaps (see Note 15.d). On 10 June 2015, the Company engaged in a hedging operation from a variable interest rate to a fixed rate, for a notional amount of €4,195 million to cover part of its exposure to the Mirror Loan with ENAIRE. The average spread of these loans over three and six month Euribor was 1.0379%. The execution fixed rate was 1.978%. The objective of the transaction was to provide a stable framework of interest rates in the DORA 2017–21 period. As of 31 December 2020, the total amount of the liability for these interest rate swaps amounts to €128,479,000 (2019: €125,777,000) (See Note 15,d).

The Group has carefully monitored the market and the work of the various groups in the industry that manage the transition to new reference interest rates. This includes announcements made by regulatory bodies of the LIBOR (including the Financial Conduct Authority [FCA] and the US Commodity Futures Trading Commission) regarding the transition from LIBOR (including LIBOR GBP, LIBOR USD and LIBOR JPY) to the Sterling Overnight Index Average Rate (SONIA), the Secured Overnight Financing Rate (SOFR) and the Tokyo Overnight Average Rate (TONA), respectively.

In response to these announcements, the Group has established a transition programme in which the Treasury and Finance department is involved under the supervision of the Chief Financial Officer. The objective of the programme is to define which areas of the business are exposed to LIBOR, and prepare and present an action plan to allow a smooth transition to alternative reference rates. The Group will end its transition to the SONIA rate during 2021.

None of the Group's current contracts that follow LIBOR GBP include solid and suitable alternative provisions for an interruption of the referenced interest rates. The different working groups in the industry are working on alternative language for different instruments and different rates, which the Company is closely supervising and which it will apply when applicable. The Company maintains an ongoing relationship with the Financial Entities Arrangers of the current debt to manage the bank liabilities affected at the LIBOR GBP rate.

As of 31 December 2020, if the interest rate of variable-rate loans had increased or decreased by 20 basis points, keeping the remaining variables constant, the pre-tax profit for the year would have been €4,409,000 higher and €4,409,000 lower (in 2019: €1,473,000 higher and €1,473,000 lower, respectively).

As a result of all of this, the composition of debt by rates, at 31 December 2020 remains at 70% of fixed-rate debt, compared to 30% of variable-rate debt (at 31 December 2019: 87% fixed and 13% variable), if the effect derived from the contracted interest rate swaps is considered.

ii. Credit risk

The Company's credit risk originates from cash and cash equivalents, derivative financial instruments and bank and other deposits, as well as exposure to trade receivables and agreed transactions.

Credit risk relating to trade accounts is reduced, given that main clients are airlines, and collections are usually made in advance. As for retail customers who have leased premises at the various airports, their risk is managed by obtaining sureties and guarantees. As of 31 December 2020, the Company has, in addition to the guarantees and other cash sureties listed in the Balance Sheet, sureties and other guarantees related to the normal course of the aeronautical business amounting to €221,900,000 and the normal course of the commercial business amounting to €543,720,000, which amounts to a total of €765,620,000 (€504,496,000 as of the close of the previous year).

(Amounts in thousands of euros unless otherwise stated)

On 5 March 2011, Act 1/2011, of 4 March, which amends Act 21/2003, of 7 July, on Air Security, was published in the Spanish Official State Gazette. This act allowed Aena S.M.E., S.A. or its subsidiaries to use debt collection proceedings in order to manage, liquidate and collect payment of all outstanding airport charges, this being managed by the collection bodies of the State Tax Administration Agency.

Credit limits have not been exceeded during the year and management does not expect any unforeseen losses as a result of default by these counterparties.

iii. Liquidity risk

The main risk variables are the limitations in the financial markets, the increase in planned investment and the reduction in cash flow generation.

The credit risk policy described in the previous section results in short average collection periods. Furthermore, as reflected in point a.i) of this note, as a result of the exceptional situation caused by the pandemic, the Company's cash flows have been drastically reduced in 2020. In order to ensure liquidity in the face of the severity and uncertainty surrounding the progress of the pandemic, the Company has deployed a plan to strengthen liquidity, making use of available credit lines and signing new financing operations. This situation, together with the substantial reduction of costs and investments, has had a positive effect on the Company's generation of cash. As of 31 December 2020, the Company has a positive working capital of €754,103,000 (negative in 2019: €1,292,485,000), EBITDA, calculated as the sum of operating profit and amortisation/depreciation of fixed assets, of €815,081,000 (2019: €2,669,161,000), and there is no risk in meeting its short-term commitments given the positive operating cash flows, which the Company expects to remain positive in the short term. The Company tracks cash flow generation to ensure that it is capable of meeting its financial commitments.

The Company also has a cash balance of €1,141,265,000 as of 31 December 2020. In addition, the Company has €124,370,000 available (undrawn) financing relating to loans with the EIB; €800,000.000 available in a syndicated line of credit with long-term maturity (Note 15). This availability of cash and credit facilities of the Company at 31 December 2020 amounts to a total of €2,065 million, to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, of which, at the end of the year, €845 million are available. Together with the implementation of specific plans for the efficient management of the Opex and Capex, this will allow future liquidity tensions to be faced.

On 31 December 2019, Aena S.M.E., S.A. kept €409,000,000 available in a syndicated line of credit, with long-term maturity (Note 15); €741,000,000 available from its Short-Term Commercial Paper Programme (ECP) issued on 30 October 2019; €400,000,000 and €86,460,000 of available financing (not drawn down) corresponding to loans with the EIB and €150,000,000 of financing available with Unicaja. The Company also had a cash balance of €149,375,000 at 31 December 2019.

The breakdown of Aena S.M.E., S.A. loans by applicable interest rate and the annual average interest rate, taking into account the hedging derived from the interest rate swaps contracted (see Note 15.c), is as follows:

Thousands of euros	31 December 2020		31 December 2019	
	Balance	Average rate	Balance	Average rate
Variable	2,204,557	0.37	736,602	0.21
Fixed	5,229,933	1,32	4,855,878	1.40
TOTAL	**7,434,490**	**1,07**	**5,592,480**	**1.25**

Aena SME, S.A. has taken out loans that include the obligation to meet the following financial ratios, for an outstanding amount at 31 December 2020 totalling €5,800 million:

- Net Financial Debt / EBITDA must be less than or equal to 7.0x
- EBITDA / Finance Expenses must be higher than or equal to 3.0x.

These *covenants* are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months, and the net financial debt at the end of the period. In view of the ratios default forecast at the end of 2020, Aena obtained, on 1 December 2020, waivers thereof until, at least, June 2022.

(Amounts in thousands of euros unless otherwise stated)

6. Intangible fixed assets

The movements in the accounts included in intangible fixed assets for the 2020 and 2019 fiscal years have been as follows:

2020

	Operational	Intangible assets, concession agreement	Software	Other intangible assets	Intangible fixed assets underway	Total
Cost:						
Opening balance	818	15,528	205,396	8,740	57,240	287,722
Additions	-	51	10,520	3	20,329	30,903
Derecognitions (*)	-	-	(866)	-	(23)	(889)
Transfers (Notes 7 and 8)	-	31	5,599	1,312	(8,175)	(1,233)
Closing balance	**818**	**15,610**	**220,649**	**10,055**	**69,371**	**316,503**
Amortisation:						
Opening balance	(818)	(6,142)	(163,232)	(6,843)	-	(177,035)
Allocation	-	(697)	(19,969)	(439)	-	(21,105)
Derecognitions (*)	-	-	866	-	-	866
Transfers (Notes 7 and 8)	-	-	74	655	-	729
Closing balance	**(818)**	**(6,839)**	**(182,261)**	**(6,627)**	**-**	**(196,545)**
Net:	**-**	**8,771**	**38,388**	**3,428**	**69,371**	**119,958**

(*) Derecognitions corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.

2019

	Operational	Intangible assets, concession agreement	Software	Other intangible assets	Intangible fixed assets underway	Total
Cost:						
Opening balance	813	15,500	184,808	8,000	48,298	257,419
Additions	5	23	16,016	-	15,375	31,419
Derecognitions (*)	-	-	(286)	(16)	(679)	(981)
Transfers (Notes 7 and 8)	-	5	4,858	756	(5,754)	(135)
Closing balance	**818**	**15,528**	**205,396**	**8,740**	**57,240**	**287,722**
Amortisation:						
Opening balance	(813)	(5,450)	(145,121)	(6,490)	-	(157,874)
Allocation	(5)	(692)	(18,483)	(448)	-	(19,628)
Derecognitions (*)	-	-	282	16	-	298
Transfers (Notes 7 and 8)	-	-	90	79	-	169
Closing balance	**(818)**	**(6,142)**	**(163,232)**	**(6,843)**	**-**	**(177,035)**
Impairment:						
Opening balance	-	-	-	(243)	-	(243)
Application	-	-	-	243	-	243
Closing balance	-	-	-	-	-	-
Net:	**-**	**9,386**	**42,164**	**1,897**	**57,240**	**110,687**

(*) Derecognitions corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.

The “Other intangible fixed assets” heading mainly includes the Master Plans for airports.

The main additions of the 2020 and 2019 fiscal years in the "Software" and "Intangible fixed assets underway" headings correspond to acquisitions, as well as improvements and developments, of new software technologies related to airports and central services.

Of the total costs activated on 31 December 2020 and 2019 in the different kinds of intangible fixed assets, these include assets underway in accordance with the following breakdown:

	2020	2019
Software	32,873	19,533
Other intangible assets	36,498	37,707
Total	**69,371**	**57,240**

a) Intangible fixed assets acquired from related companies

The Company has acquired the following items of intangible fixed assets from related companies during the 2020 and 2019 fiscal years (in thousands of euros):

	2020		2019	
	Cost	Accumulated amortisation	Cost	Accumulated amortisation
Intellectual Property	-	-	5	(5)
Software	319	(38)	974	(217)
Other intangible assets	755	-	743	-
Intangible fixed assets underway	1,269	-	574	-
Total	**2,343**	**(38)**	**2,296**	**(222)**

b) Finance expenses

During the 2020 fiscal year, a total of €8,000 of finance expenses associated with intangible fixed assets (2019: €28,000) have been activated, which are recorded under the finance income heading "Activation of finance expenses" (see Note 23.f).

c) Fully amortised assets

On 31 December 2020, there are fully amortised intangible fixed assets in use according to the following detail:

	2020	2019
Concessions	39	39
Operational	794	794
Software	250,898	234,344
Other intangible assets	86,273	87,529
Total	**338,004**	**322,706**

Because the non-monetary contribution mentioned in note 1 was made at net book value, in 2020 and 2019, the original cost of these fixed assets is higher than the cost of the intangible fixed assets shown in the movement.

d) Concession agreement, regulated asset

- Ceuta Heliport: the Company operates the civilian-use Ceuta heliport with all its services under a service concession agreement with the Port Authority of Ceuta. This concession started on 28 March 2003 and lasts for 30 years. The Company pays an annual fee of €39,000 for the occupancy of the public port. Likewise, in accordance with article 69 bis of Act 27/92, the Company pays a fee amounting to €0.823386 per passenger to the Port Authority, depending on volume of passengers.

- Algeciras Heliport: the Company has an administrative concession agreement with the Port of Algeciras Bay for the use of the facilities that will be used for installation and operation activities of the publicly owned heliport at the Port of Algeciras. This concession started on 3 February 2009 and lasts for 25 years. The agreement establishes an occupancy rate for the exclusive use of the public port area of €82,000 per year and a rate of special use of the public space of €1 per passenger loaded or unloaded at the facility.

(Amounts in thousands of euros unless otherwise stated)

e) Impairment of intangible assets

As described in Note 5.a)i, at the close of the fiscal year ended on 31 December 2020, the Company has carried out the appropriate impairment tests, and results show that there is no need to allocate any amount for this item in the 2020 fiscal year. Likewise, in fiscal year 2019, the Company carried out an impairment test corresponding to the unamortised intangible assets, finding no adjustments at 31 December 2019.

The main assumptions used in the calculation of the value in use in the 2020 and 2019 fiscal years are as follows:

	2020	**2019**
Growth rate	1.50%	1.50%
Pre-tax discount rate	8.50%	5.40%
Post-tax discount rate	6.34%	4.05%

The recoverable amount of the CGU is determined as detailed in Note 7, based on calculations of the value in use. The discount rate applied to cash flow forecasts is the Weighted Average Cost of Capital (WACC), and is determined by the weighted average cost of equity and cost of debt capital according to the financial structure established for each cash generating unit, applying the CAPM (Capital Asset Pricing Model) methodology.

Cash flow forecasts from the last year of forecast are calculated using an expected constant growth rate, taking into account the growth estimates for air traffic contained in the DORA (CAGR of 1.8% in passenger traffic for the period 2022–31).

The Company performed a sensitivity analysis of the impairment calculation, on the contemplated traffic scenarios, using reasonable variations in the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)
- Perpetuity growth rates (+1 p.p./-1 p.p.)

The result of this sensitivity analysis performed at the end of the 2020 fiscal year shows that there are no significant risks associated with reasonably possible changes in the assumptions, considered on an individual basis. That is, management believes that, within the above ranges, no corrections for impairment will be necessary. The main assumptions affecting the Company's cash flows are passenger traffic, change in prices, investment levels and efficiencies in operating costs.

(Amounts in thousands of euros unless otherwise stated)

7. Property, plant and equipment

The movements in this section during the 2020 and 2019 fiscal years have been the following:

	2020					
	Land and buildings	**Technical facilities and machinery**	**Other facilities, tools and furnishings**	**Other fixed assets**	**Property, plant and equipment under construction**	**Total**
Cost:						
Opening balance	13,546,292	871,677	3,466,785	11,412	486,635	18,382,801
Additions	53,848	14,312	51,446	747	290,347	410,700
Derecognitions (*)	(13,316)	(15,229)	(32,400)	(220)	(3,955)	(65,120)
Transfers (Notes 6 and 8)	94,859	32,279	100,545	250	(230,601)	(2,668)
Closing balance	**13,681,683**	**903,039**	**3,586,376**	**12,189**	**542,426**	**18,725,713**
Amortisation						
Opening balance	(3,206,964)	(488,741)	(2,261,648)	(7,578)	-	(5,964,931)
Allocation	(385,739)	(65,063)	(243,424)	(952)	-	(695,178)
Derecognitions (*)	8,302	13,714	30,912	220	-	53,148
Transfers (Notes 6 and 8)	3,210	219	(2,400)	-	-	1,029
Closing balance	**(3,581,191)**	**(539,871)**	**(2,476,560)**	**(8,310)**	-	**(6,605,932)**
Impairment:						
Opening balance	(109)	(37)	(10)	-	-	(156)
Closing balance	**(109)**	**(37)**	**(10)**	**-**	**-**	**(156)**
Net book value	**10,100,383**	**363,131**	**1,109,806**	**3,879**	**542,426**	**12,119,625**

(*) Derecognitions corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.

(Amounts in thousands of euros unless otherwise stated)

	2019					
	Land and buildings	**Technical facilities and machinery**	**Other facilities, tools and furnishings**	**Other fixed assets**	**Property, plant and equipment under construction**	**Total**
Cost:						
Opening balance	13,426,164	816,335	3,391,836	10,030	351,615	17,995,980
Additions	94,573	35,419	49,777	1,258	347,008	528,035
Derecognitions (*)	(90,368)	(20,345)	(28,794)	(209)	(4,196)	(143,912)
Transfers (Notes 6 and 8)	115,923	40,268	53,966	333	(207,792)	2,698
Closing balance	**13,546,292**	**871,677**	**3,466,785**	**11,412**	**486,635**	**18,382,801**
Amortisation						
Opening balance	(2,847,591)	(441,521)	(2,042,216)	(6,868)	-	(5,338,196)
Allocation	(383,671)	(63,422)	(244,117)	(915)	-	(692,125)
Derecognitions (*)	27,479	16,155	24,666	205	-	68,505
Transfers (Notes 6 and 8)	(3,181)	47	19	-	-	(3,115)
Closing balance	**(3,206,964)**	**(488,741)**	**(2,261,648)**	**(7,578)**	-	**(5,964,931)**
Impairment:						
Opening balance	(41,792)	(2,434)	(1,418)	-	(361)	(46,005)
Application	41,683	2,397	1,408	-	361	45,849
Closing balance	**(109)**	**(37)**	**(10)**	**-**	**-**	**(156)**
Net book value	**10,339,219**	**382,899**	**1,205,127**	**3,834**	**486,635**	**12,417,714**

(*) Derecognitions corresponding to assets that entered at their net book value in the non-monetary contribution are made at their net book value.

The Company owns properties whose net value, separately from land and buildings, at the end of the 2020 and 2019 fiscal years, is as follows:

	2020	2019
Land	3,535,875	3,537,030
Buildings	6,564,508	6,802,189
Total	**10,100,383**	**10,339,219**

a) Property, plant and equipment acquired from related companies

During the 2020 and 2019 fiscal years, the Company has acquired the following items of their property, plant and equipment from group company Aena Desarrollo Internacional S.M.E., S.A. (ADI) and related companies Ingeniería y Economía del Transporte, S.A. (INECO) and Ingeniería de Sistemas para la Defensa de España (ISDEFE):

	2020		2019	
	Book value (gross)	**Accumulated amortisation**	**Book value (gross)**	**Accumulated amortisation**
Land and buildings	271	(15)	548	(32)
Technical facilities and machinery	50	(4)	245	(17)
Other facilities, tools and furnishings	293	(10)	554	(123)
Other fixed assets	7	-	132	(24)
Property, plant and equipment under construction	3,900	-	7,848	-
Total	**4,521**	**(29)**	**9,327**	**(196)**

b) Finance and other expenses

During the 2020 fiscal year, a total of €618,000 of finance expenses accrued in the fiscal year have been activated, corresponding to the financing of property, plant and equipment under construction (2019: €458,000), which are recorded in the finance income section “Activation of finance expenses” (Note 23.f). In addition, €5,177,000 of internal work carried out by the Company for its property, plant and equipment have been activated, which are recorded in the heading "Works carried out by the company for its assets" of the attached profit and loss account (2019: €5,099,000).

c) Additions of property, plant and equipment

The main additions recognised in the 2020 and 2019 fiscal years are described below:

- *Land and buildings*

During the 2020 fiscal year, the main additions in the period were the works related to connecting the apron with the parallel taxiway and the rapid exit taxiways, the refurbishment of the paving of the apron and runway thresholds, and the strips and taxiways at Ibiza airport.

The most important actions put into service were: the adaptation of the Reus Airport terminal building to the new functional design; the resurfacing of the runway at Sevilla Airport; the marking actions at Málaga-Costa del Sol Airport to comply with the technical standards; the thermal insulation work on the terminal building and modules, and the new flooring in the terminal building at Palma de Mallorca Airport; and the renovation work on the T1, A2, A3, A4 and A5 taxiways, as well as the expansion of the commercial aircraft apron at Zaragoza Airport.

In the 2019 fiscal year, the main additions during the period consisted of the "Rehabilitation of runway 32R-14L" at Adolfo Suárez Madrid-Barajas Airport, the "New flooring in the terminal building" at Palma de Mallorca Airport, the "Improvement and adaptation of civil works and facilities in VIP lounges" at Barcelona-El Prat Josep Tarradellas Airport, the planned actions related to the "Sound insulation plans" at the Gran Canaria and Tenerife Norte-Ciudad de La Laguna airports, and the "Refurbishment of the general aviation apron" at Ibiza Airport.

The most significant implementations were the "Refurbishment of the apron" at Tenerife Sur Airport, the "Refurbishment of the apron paving" at Girona-Costa Brava Airport, the "Supply and installation of airbridges and aircraft assistance equipment for terminal 2 phase II" at Málaga-Costa del Sol Airport, the "Resurfacing of runway 12-30" at Bilbao Airport and the "Extension of the C-module air conditioning ring" at Palma de Mallorca Airport.

- *Technical facilities, machinery, furniture and other fixed assets*

In the 2020 fiscal year, the most important additions were:

- Acquisitions of explosives detection systems (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various network airports.
- The transfer of central services from the Data Processing Centre to Terminal 4 at Adolfo Suárez Madrid-Barajas Airport.
- The implementation of automatic passport control systems at various airports.
- The investment in hyperconverged infrastructure equipment and the remodelling of cloud-oriented server infrastructure for airports and central services
- And the supply and installation of boarding airbridges at Barcelona-El Prat Josep Tarradellas Airport.

During the 2019 fiscal year, the most important additions were:

- 6X6 fire-fighting vehicles 10000L at the airports of Gran Canaria, Málaga-Costa del Sol , Tenerife Norte-Ciudad de La Laguna and Zaragoza, among others.
- Actions related to the marking of the airfield at Ibiza airport.
- Unmanned passport checkpoints at the airports of César Manrique-Lanzarote, Fuerteventura, Gran Canaria and Bilbao.
- Acquisition of communications and video conferencing equipment of the Central Services of Aena.
- Equipment for check-in desks and self-check-in stations at various airports in the network.

Property, plant and equipment under construction

In terms of actions underway, it is worth highlighting the investments in works to remodel and extend the 'dique sur' building at Barcelona-El Prat Josep Tarradellas Airport, the works related to the T4S remote apron at Adolfo Suárez Madrid-Barajas Airport, the extension of the baggage handling system (SATE [sistema automatizado de tratamiento de equipajes]) at Palma de Mallorca Airport, those related to the functional improvements of the terminal building at Tenerife Sur Airport, and, notably, the acquisitions of explosives detection systems (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various airports in the network. Additionally, , the main actions that are being carried out as of 31 December 2020 are: improvements in the Terminal Building according to a new functional design at Sevilla Airport, the regeneration of runway 06L-24R, and new rapid exit taxiways at Palma de Mallorca Airport.

During the 2019 fiscal year, the main property, plant and equipment under construction additions corresponded to the works related to the "Remodelling and expansion of the 'dique sur' building" at Barcelona-El Prat Josep Tarradellas Airport, the "Adaptation of the Hold Baggage Inspection System to the new standard 3 EDS" at several airports in the network, the "Runway resurfacing" at Sevilla Airport, and the "Functional improvements to the terminal building" at Tenerife Sur Airport. Likewise, the main actions underway as of 31 December 2019 are: "SICA Systems" (Integrated Access Control Systems) in several of the network's airports, the "Marking actions to comply with technical standards" and the "Remodelling of the Picasso T-2 terminal building" at Málaga-Costa del Sol Airport.

d) Derecognitions and results for disposals of property, plant and equipment

Property, plant and equipment with an acquisition cost of €129,196,000 were derecognised during the 2020 fiscal year (during the 2019 fiscal year: €219,669,000). The most significant derecognitions were due to the replacement of various installations and items of equipment at several network airports and central services, demolitions to replace airport infrastructure, and derecognitions related to payments from suppliers of fixed assets in respect of amounts capitalised in previous fiscal years.

The derecognitions of property, plant and equipment that occurred during the 2020 fiscal year, with allocation to results, have led to a total negative result of €5,051,000 (€1,124,000 of profits from asset repurchases need to be added to the negative result of €6,265,000 of the net value of the derecognitions). Moreover, the following items that have not generated any result in the profit and loss account are included within derecognitions:

- Reversals of provisions recorded in previous fiscal years for fair value differences arising primarily from land expropriations and estimated environmental investments to comply with current legislation, and for litigation related to works, which have been charged to the provisions for risks and expenses accounts (see Note 21) amounted to a total of €880,000.
- Payments to suppliers of fixed assets in relation to amounts activated in previous fiscal years, amounted to €4,850,000.

During the 2019 fiscal year, the items from Murcia-San Javier Airport that were not ceded to Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia (SC AIRM, S.M.E, S.A.) for a net book value of €46,005,000, which refer to assets that were impaired at 31 December 2019 for an amount of €45,849,000, were derecognised. Derecognitions also occurred due to the replacement of assets in their renovation, such as the renovation work of runway 32R-14L at Adolfo Suárez Madrid-Barajas Airport, the resurfacing of the runways at Tenerife Norte-Ciudad de La Laguna and Tenerife Sur airports, and the multi-service network at Menorca Airport.

The derecognitions of property, plant and equipment that occurred during the 2019 fiscal year, with allocation to results, led to a total negative result of €9,272,000 (the negative result of €9,339,000 listed in the attached profit and loss account also includes €67,000 of losses in derecognitions of real estate investments). Moreover, the following items that did not generate any result in the profit and loss account were included within derecognitions:

- Reversals of provisions recorded in previous fiscal years for fair value differences arising primarily from land expropriations and estimated environmental investments to comply with current legislation, and for litigation related to works, which are charged to the provisions for risks and expenses accounts (see Note 21) amounted to a total of €13,089,000.

- Payments to suppliers of fixed assets in relation to amounts activated in previous fiscal years, amounted to €6,849,000.

e) Impairment of property, plant and equipment

As described in section a.i) of Note 5 and section e) of Note 2 of these annual accounts, on the effects of the COVID-19 pandemic, the measures to stop the spread of the coronavirus have led to an extraordinary reduction in the Company's activity and revenue, which has caused a sharp reduction in operating cash flows. These events can be considered as indicators of impairment, in accordance with the provisions of the accounting standards. Consequently, at the end of the fiscal year ended 31 December 2020, the Company has carried out the appropriate impairment tests on all its cash generating units, not identifying any adjustments as of 31 December 2020 and 2019 that affect the items of property, plant and equipment.

The reasonableness of the key assumptions made, as well as of the sensitivity analyses carried out, the results and the conclusions reached in the impairment tests carried out, have been favourably reviewed by independent professional experts from Ernst & Young.

CGU "Aena Airport Network"

During 2020, there has been a sharp fall in passenger traffic (72.33%) and operations (53.32%) when compared with the same period of the previous fiscal year. Aena S.M.E., S.A's turnover has fallen by 50.9%, while EBITDA (€815.081 million) have fallen by 69.46% compared to 2019.

Given that the aforementioned falls were not contemplated in the scenario used in the impairment test carried out at the end of 2019, for the airport network, at the end of the six-month period ended 30 June 2020, the Group carried out an impairment test that was updated at the end of the 2020 fiscal year. However, no significant impacts have been identified in the Annual Accounts for the fiscal year ended 31 December 2020, even after applying sensitivities to the variables used.

The main premises used for this impairment test were the following:

- **Traffic**

According to EUROCONTROL forecasts from January 2021 related to number of operations, a maximum of 51% of the 2019 European traffic volume will be recovered throughout 2021, accelerating from the summer onwards.

Considering that the current changing environment makes it extremely difficult to make estimates, Aena has considered, when conducting these impairment tests, the most pessimistic sensitivity based on the recovery of traffic levels from 2019 to 2027, with a traffic level for 2021 of (65%)compared to 2019.

Additionally, a more optimistic scenario has been considered, in which traffic recovery to 2019 levels would occur around 2025, and traffic in 2021 would be (50%) compared to 2019.

- **Financial forecasts**

The Company carried out the calculations of the recoverable amount as the value in use at 31 December 2020 based on the financial forecasts approved by Management for the period ranging from 2021 to 2027.

Traditionally, the Company uses a forecast period of four years, however, considering the existing uncertain environment, it was considered more appropriate to extend the forecast period to 2027, the year in which it is considered that, in any case, air traffic will have fully returned to normal.

Cash flow forecasts from the eighth year were calculated using an expected constant growth rate of 1.5%, taking into account the growth estimates for air traffic contained in the DORA (CAGR of 1.8% in passenger traffic for the period 2022–31).

(Amounts in thousands of euros unless otherwise stated)

The key assumptions that mainly affect the cash flows of the airport network's Cash Generating Unit are:

- Passenger traffic, in which the base scenario mentioned above has been contemplated.
- The variation in airport service charges in the base scenario: In 2021, the approved charge is considered (0% variation).
- Level of investments in correlation with the traffic level.
- Efficiencies in operational expenses (OPEX). The inflation percentages used are:

PROYECCIÓN OPEX	2020	2021	2022	2023	2024	2025	2026	2027
IPC		0%	1%	2%	2%	2%	2%	2%

During the 2021–27 period, operating expenses grew slightly above inflation, due to some variability in traffic increases.

- The revenue from airport services has been calculated based on the variations in traffic and charges, and commercial incentives to support the recovery of traffic have been considered.
- For commercial revenue, conservative scenarios have been considered that reflect the reduction of lease payments derived from ongoing negotiations with lessees (see Note 5).

Discount rates

	31 December 2020
Perpetual growth rate	1.50%
Pre-tax discount rate	8.5 %
Post-tax discount rate	6.34%

The discount rate applied to cash flow forecasts is the Weighted Average Cost of Capital before taxes (WACCBT), estimated according to the Capital Asset Pricing Model (CAPM) methodology, and is determined by the weighted average cost of equity, and cost of debt capital. It has been revised upwards for the year 2019, in order to reflect the impact of the health crisis and the measures taken to control it on its various components: risk-free rate, country risk, market risk premium, cost of debt and the risk inherent to the asset itself.

Sensitivity analysis

In addition, the Group has performed a sensitivity analysis of the impairment calculation, using reasonable variations of the main financial assumptions considered in the calculation, assuming the following increases or decreases, expressed in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)
- Perpetuity growth rates (+1 p.p./-1 p.p.)

As well as the following changes in the key hypotheses:

- Passenger traffic, in which the more optimistic scenario mentioned above has been considered, according to which traffic recovery to 2019 levels would occur around 2025, and traffic in 2021 would be (50%) compared to 2019.
- The variation in airport service charges: In 2021, the approved change is considered (0% variation). For the second DORA, a variation of (2%) of the charge is foreseen.
- Level of investments in correlation with the foreseen traffic level.

The result of these sensitivity analyses, performed at the close of the fiscal year ended 31 December 2020, show that there are no significant risks associated with reasonably possible changes to the assumptions, considered on an individual basis. That is, management believes that, within the above ranges, no corrections for impairment will be necessary.

Moreover, with regard to the impairment test carried out at the end of 2019, on 15 January 2019, civilian air operations were interrupted at the Murcia-San Javier Airport. This fact was considered to be one of the assumptions that the applicable regulations include within the so-called "signs of impairment" of an asset. Also, given that, at 31 December 2018, the cash flows derived from the continued use thereof, up to its definitive closure, were insignificant, it was estimated that the value in use of Murcia-San Javier Airport was very close to its fair value less the cost of sale. Consequently, an individual impairment test was carried out at this airport and an impairment loss was recognised in 2018 for the amount of €46,249,000, of which

(Amounts in thousands of euros unless otherwise stated)

€45,849,000 was applied in 2019 corresponding to the book value of all assets that could not be reused at AIRM or at other network airports, detailed as follows:

	2018	Application	2019
Land and buildings	(41,792)	41,683	(109)
Technical facilities and machinery	(2,434)	2,397	(37)
Other facilities, tools and furnishings	(1,418)	1,408	(10)
Property, plant and equipment under construction	(361)	361	-
Total	**(46,005)**	**45,849**	**(156)**

In 2019, the Company did not detect signs of impairment in fixed assets other than those mentioned in the previous paragraph. However, at the end of the 2019 fiscal year, the Company carried out the impairment test in accordance with the procedure described in Note '4a)' for the cash generating units also described in this note, not identifying any impairment even after applying sensitivities to the variables used. The main assumptions used in 2019 were:

	2019
Growth rate	1.50%
Pre-tax discount rate	5.40%
Post-tax discount rate	4.05%

f) Capital grants (Note 19.d)

As of 31 December 2020, the Company has grants for fixed assets amounting to €345,466,000 net taxes (2019: €373,002,000) (see Note 19d). The gross cost of the assets in use related to these grants is €2,394 million, which correspond to property, plant and equipment (2019: €2,410 million).

Of the above amount, AENA S.M.E., S.A. has collected practically all amounts, leaving only a debit balance for this item of €1,153,000 at 31 December 2020 (2019: €1,345,000 euros) (see Note 22).

g) Limitations

The land and buildings contributed have lost their capacity as public domain property due to the reversal carried out by article 9 of Royal Decree-Law 13/2011, of 3 December, which establishes that all state public domain properties assigned to the public business entity ENAIRE that are not used for air navigation services, including those destined for air traffic services, will cease to have the nature of public domain property and the expropriatory purpose is understood as unchanged. Therefore, their reversion will not take place.

There are certain limitations on the sale of airport assets (see Note 15).

h) Fully amortised assets

On 31 December 2020 and 2019, there is property, plant and equipment that is fully amortised and still in use, according to the following details:

	2020	2019
Buildings	1,323,307	1,232,528
Technical facilities and machinery	481,273	467,201
Other facilities, tools and furnishings	1,723,320	1,639,321
Other fixed assets	13,571	13,694
Total	**3,541,471**	**3,352,744**

(*) These amounts refer to the original cost of the assets (the non-monetary contribution was made at net book value).

i) Commitments

The commitments for investments pending execution as of 31 December 2020 amount to approximately €1,288 million (2019: €1,300.2 million), among which are the awarded investments pending contractual formalisation and the final investments pending execution.

j) Insurance policies

The Company's policy is to take out insurance policies to suitably cover all possible risks that could affect the various items of its property, plant and equipment. At the end of the 2020 and 2019 fiscal years, it is considered that there is no coverage deficit.

k) Leases

The Company leases part of its property, plant and equipment to third parties for commercial use. The Company's operating and financial leases are detailed in Note 9.

l) Jointly controlled assets

The Company has an agreement with the Ministry of Defence to establish the rules on the assignment and compensation criteria for the use by civilian aircraft of Air Bases Open to Civilian Traffic in Villanubla, León, Albacete, Matacán, Talavera and the joint-use airfield in Zaragoza. This Agreement is based on the application of Royal Decree 1167/1995, of 7 July, on the system for using airports both as an airbase and an airport, and the airbases open to civilian traffic.

The amounts shown below represent the Company's shareholdings in assets and liabilities, not including the allocation of indirect costs, which have been included in the balance sheet (in thousands of euros):

	2020	2019
- Non-current assets	178,119	187,022
Net assets	**178,119**	**187,022**
- Revenue	9,893	14,541
- Expenses	(36,265)	(35,680)
Profit/(loss) after taxes	**(26,372)**	**(21,139)**

There are no contingent liabilities corresponding to the Company's interest in the joint operations or contingent liabilities in the joint operations itself.

m) Renovation costs

In accordance with the accounting policy described in Note '4b)', the Company activates, as the greatest value of the fixed assets, the initial estimate of the costs to repair the site to its original condition, when they constitute obligations incurred by Aena as a result of using the item. Thus, all obligations envisaged for carrying out noise insulation and soundproofing of residential areas in order to comply with current legislation on noise generated by airport infrastructures are capitalised as an increase in airport assets (see Note 21).

(Amounts in thousands of euros unless otherwise stated)

8. Real estate investments

Real estate investment movements during the 2020 and 2019 fiscal years are shown below:

	2020		
	Real estate land and buildings	**Other Facilities**	**Total**
Cost:			
Opening balance	185,437	3,359	188,796
Additions	75	-	75
Transfers (Notes 6 and 7)	3,753	148	3,901
Closing balance	**189,265**	**3,507**	**192,772**
Amortisation:			
Opening balance	(38,397)	(3,228)	(41,625)
Allocation	(4,983)	(104)	(5,087)
Transfers (Notes 6 and 7)	(1,708)	(50)	(1,758)
Closing balance	**(45,088)**	**(3,382)**	**(48,470)**
Impairment:			
Opening balance	(6,243)	-	(6,243)
Allocation	(724)	-	(724)
Reversal	1,841	-	1,841
Closing balance	**(5,126)**	**-**	**(5,126)**
Net:	**139,051**	**125**	**139,176**

	2019		
	Real estate land and buildings	**Other Facilities**	**Total**
Cost:			
Opening balance	180,415	3,359	183,774
Additions	7,660	-	7,660
Derecognitions	(75)	-	(75)
Transfers (Notes 6 and 7)	(2,563)	-	(2,563)
Closing balance	**185,437**	**3,359**	**188,796**
Amortisation:			
Opening balance	(36,157)	(3,191)	(39,348)
Allocation	(5,195)	(37)	(5,232)
Derecognitions	9	-	9
Transfers (Notes 6 and 7)	2,946	-	2,946
Closing balance	**(38,397)**	**(3,228)**	**(41,625)**
Impairment:			
Opening and closing balance	**(6,243)**	**-**	**(6,243)**
Net:	**140,797**	**131**	**140,928**

This section mainly includes real estate assets used for leasing operations (land, offices, hangars and warehouses). In the cases in which these properties are composed of one part that generates rent and another part that is used in the production or supply of goods or services, or for administrative purposes, such properties are considered real estate investments when only an insignificant portion of them is used for the production or supply of goods or services, or for administrative purposes.

At the end of the 2020 and 2019 fiscal years, there were no real estate investments subject to guarantees.

The Company's policy is to obtain insurance policies to cover possible risks that could affect its real estate investments. At the end of the 2020 and 2019 fiscal years, the Company had reasonably covered these risks.

In the 2020 fiscal year, the main additions in real estate investments correspond to improvements made in real estate constructions, and the transfers are caused by the change of use of various buildings.

In the 2019 fiscal year, the additions in real estate investments corresponded to two hangars at Santiago-Rosalía de Castro Airport built by a third party and delivered at the beginning of the contract for the amount of €7,112,000, €154,000 derived from reversals at the end of the contract of assets built by third parties on leased plots, and €393,000 to the investment in refurbishment works to various buildings.

(Amounts in thousands of euros unless otherwise stated)

In 2020, the Company did not acquire real estate constructions from group or related companies, nor did it in 2019.

On 31 December 2020 and 2019, there are real estate investments that are fully amortised and still in use, according to the following details:

	2020	2019
Real estate buildings	14,007	13,878
Real estate facilities	2,832	2,767
Total	**16,839**	**16,645**

(*) *These amounts refer to the original cost of the assets (the non-monetary contribution was made at net book value).*

The fair value of the real estate investments, taking into account the present values as of the dates presented, are as follows:

	2020	2019
Land	331,874	303,476
Buildings	499,580	588,807
Total	**831,454**	**892,283**

The Company has commissioned an independent appraisal company (Gloval Valuation, S.A.U.) to review and value the real estate portfolio at 31 December 2020, as it also did for 30 June 2020 and 31 December 2019, in order to determine the fair value of its real estate investments, with special attention put on the significant changes and market conditions caused by the COVID-19 pandemic. In particular, the report says: "*This means that we are facing a set of circumstances with a certain degree of uncertainty and unprecedented volatility in the various productive sectors and financial markets on which to base our judgement. Therefore, the valuation may contemplate a higher degree of uncertainty and a higher level of caution with respect to normalised stable conditions. Given the unknown future impact that COVID-19 may have on the real estate market, it is recommended to review these more frequently. Given this lack of normality in the market, a series of additional measures have been adopted to assist in obtaining values that reasonably reflect the current market situation and are indicated in the report.*"

As for the valuation method, it has been performed using a capitalisation approach, which provides an indication of value by converting future cash flows into a single present capital value. This approach, which is similar to a Discounted Cash Flow (DCF) model, is generally used to estimate the value of cash-generating operating units, explicitly recognising the time value of cash flows that the asset itself will generate.

The comparison between the fair value, as at 31 December 2020, and the book value of the various Cash Generating Units resulted in an impairment provision for four buildings for a total of €724,000, and a partial reversal of the impairment provision for land occupied by golf courses at Barcelona-El Prat Josep Tarradellas and Valencia airports for a total of €1,841,000, thus giving a net positive result of €1,117,000. At the end of the 2019 fiscal year, it was considered that there were no additional impairments to those already recognised.

In fiscal year 2019, the Company entrusted an independent appraisal company (CBRE Valuation Advisory S.A.) with the review and valuation of the real estate portfolio on 30 June 2019, in order to determine the fair value of its real estate investments. During the second half of 2019, it was considered that there were no significant changes in market conditions or appraised assets that could invalidate the valuations made.

9. Leases

Operating leases

- Lessee

The Company uses a variety of assets in the system of operating leases to third parties. These include the ones outlined below with the main characteristics of the corresponding agreements:

Asset	Location	Date of maturity	Annual rent without VAT (thousands of euros)	Notes
Piovera building	Madrid	31/01/2024	3,551	Rent based on contract conditions
Arturo Soria building	Madrid	29/02/2020	116	Unrevised rent

The total minimum future payments of operating leases that cannot be cancelled (until the agreement expires) are as follows:

	2020	2019
Less than one year	3,754	3,644
Between one and five years	8,185	11,920
More than five years	-	-
Total	**11,939**	**15,564**

- Lessor

The Company leases several shops and warehouses under non-cancellable operating lease agreements. These contracts last between five and ten years, and most of them can be renovated upon expiry in accordance with market conditions.

The minimum total collections from non-cancellable operating leases are as follows for the terms indicated:

	2020	2019
Less than one year	701,756	797,758
Between one and five years	2,514,572	3,197,262
More than five years	25,777	80,108
Total	**3,242,105**	**4,075,128**

Financial leases

In its property, plant and equipment, the Company includes a power cogeneration plant at Adolfo Suárez Madrid-Barajas Airport and certain computer equipment (acquired in 2018), which are under a financial lease agreement in which the Company is the lessee. The amount for which the assets were initially recognised amounted to €17,955,000, corresponding to their estimated fair value. The amounts are shown below in thousands of euros:

	2020	2019
Cost — capitalised finance leases	17,955	17,955
Accumulated Amortisation	(10,453)	(8,946)
Net book value	**7,502**	**9,009**

On 31 December 2020 and 2019, the current value of the minimum lease payments to be paid in the future, not including increases in inflation or other contingent charges, derived from said financial lease agreement is as follows (in thousands of euros):

	2020	2019
Less than one year	1,682	1,673
Between one and five years	7,332	7,123
More than five years	-	1,913
	9,014	**10,709**

10. Financial instruments

Analysis by category

The book value of each category of financial instruments established in the "Financial instruments" recording and valuation standard, except for investments in equity of group, multigroup and associated companies (Note 11), is as follows (in thousands of euros):

	Long-term financial assets							
	Equity instruments		Loans to companies		Other financial instruments		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Investments held until maturity (*)	-	-	-	-	92,907	80,660	92,907	80,660
Loans of group companies (Note 12)	-	-	370,000	340,000	-	-	370,000	340,000
Other loans and receivables (Note 13)	-	-	-	-	5,255	4,363	5,255	4,363
Assets available for sale:								
- Valued at cost (Note 11.3)	-	180	-	-	-	-	-	180
Total	**-**	**180**	**370,000**	**340,000**	**98,162**	**85,023**	**468,162**	**425,203**

	Short-term financial assets							
	Equity instruments		Loans to companies		Other financial instruments		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Investments held until maturity (*)	-	-	-	-	1,517	1,438	1,517	1,438
Loans of group companies (Note 12)	-	-	282	30,282	-	-	282	30,282
Loans and receivables (**)	-	-	17	172	741,541	454,083	741,558	454,255
Total	**-**	**-**	**299**	**30,454**	**743,058**	**455,521**	**743,357**	**485,975**

(*) The "Other financial instruments" item mainly includes deposits consigned by legal mandate with various public institutions of Autonomous Regions, corresponding to deposits in guarantee previously received from lessees of commercial spaces owned by AENA S.M.E., S.A., in compliance with Act 29/1994, of 24 November, on Urban Leases.

(**) The item "Other financial instruments" contains the total of the "Trade and other receivables" section, excluding "Other loans with Public Administrations" and "Current tax assets".

(Amounts in thousands of euros unless otherwise stated)

Long-term financial liabilities

	Financial leasing creditors and others		Debts		Finances and Derivatives		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Debits (*)	7,523	9,297	4,159,882	4,705,603	137,341	144,750	4,304,746	4,859,650
Debits and payables with credit institutions (**)	-	-	2,673,731	250,000	-	-	2,673,731	250,000
Hedging derivatives	-	-	-	-	96,834	94,115	96,834	94,115
Total	**7,523**	**9,297**	**6,833,613**	**4,955,603**	**234,175**	**238,865**	**7,075,311**	**5,203,765**

(*) The section "Debts" refers to "Debts with group companies" and includes the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €2,630,000 (2019: €3,257,000) (see Note 15).

(**) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €1,899,000 (2019: €0 thousands of euro) (see Note 15).

Short-term financial liabilities

	Debts with Group and Associated Companies		Others		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Loan with the ultimate parent company	546,349	633,619	-	-	546,349	633,619
Interest accrued on outstanding loans	11,656	13,162	-	-	11,656	13,162
Current account with AIRM	-	-	-	-	-	-
Debt due to tax effect	4,109	2,475	-	-	4,109	2,475
Hedging derivatives	-	-	31,645	31,662	31,645	31,662
Subtotal	**562,114**	**649,256**	**31,645**	**31,662**	**593,759**	**680,918**
Commissions at amortised cost criteria	(316)	(358)	-	-	(316)	(358)
Subtotal	**561,798**	**648,898**	**31,645**	**31,662**	**593,443**	**680,560**
Bonds and other negotiable securities	-	-	55,000	159,000	55,000	159,000
Debts with credit institutions	-	-	50,000	391,000	50,000	391,000
Payables (*)	-	-	224,060	276,148	224,060	276,148
Financial leasing creditors	-	-	1,682	1,673	1,682	1,673
Interest accrued with credit institutions, pending payment	-	-	3,370	40	3,370	40
Other financial liabilities (**)	-	-	230,682	284,133	230,682	284,133
Total	**561,798**	**648,898**	**596,439**	**1,143,656**	**1,158,237**	**1,792,554**

(*) Section "Trade and other payables", excluding "Other debts with Public Administrations".

(**) Mainly includes debts to suppliers of fixed assets, for an amount of €206,734,000 (2019: €256,754,000), as well as guarantees received.

Analysis by maturity

On 31 December 2020, the amounts of financial instruments with a determined or determinable maturity, classified by year of maturity, are as follows (in thousands of euros):

Financial assets	2021	2022	2023	2024	2025	2026 and thereafter	Total
Investments held until maturity	1,517	21,513	9,866	5,681	38,341	17,506	**94,424**
Other receivables	741,541	-	-	-	-	-	**741,541**
Loans of group companies	282	-	-	-	-	370,000	**370,282**
Other loans to companies	17	-	-	-	-	-	**17**
Other financial instruments	-	22	-	-	-	5,233	**5,255**
Total	**743,357**	**21,535**	**9,866**	**5,681**	**38,341**	**392,739**	**1,211,519**

Financial liabilities	2021	2022	2023	2024	2025	2026 and thereafter	Total
Loan with the ultimate parent company (*) (Note 15)	546,349	535,836	514,364	512,641	649,777	1,949,894	**4,708,861**
Interest accrued on outstanding loans	11,656	-	-	-	-	-	**11,656**
Debts due to tax effect (Note 12)	3,461	-	-	-	-	-	**3,461**
Subtotal of debts with group and associated companies	**561,466**	**535,836**	**514,364**	**512,641**	**649,777**	**1,949,894**	**4,723,978**
Bonds and other negotiable securities (Note 15)	55,000	-	-	-	-	-	**55,000**
Debts with credit institutions (Note 15)	50,000	530,000	480,000	255,000	555,000	855,630	**2,725,630**
Interest on debts with credit institutions	3,370	-	-	-	-	-	**3,370**
Aena hedging derivatives (Note 15)	31,645	28,066	23,889	19,868	15,818	9,193	**128,479**
Financial leasing creditors	1,682	1,794	1,822	1,835	1,881	-	**9,014**
Other long-term debts	121	82	82	27	-	-	**312**
Trade and other payables	430,849	-	-	-	-	-	**430,849**
Guarantees received	23,771	35,141	16,350	10,296	42,576	32,978	**161,112**
Total	**1,157,904**	**1,130,919**	**1,036,507**	**799,667**	**1,265,052**	**2,847,695**	**8,237,744**

(*) Excluding the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €2,946,000, of which an amount of €316,000 corresponds to the long-term (2019: €3,615,000, of which €3,257,000 long-term) (see note 15), as these concepts do not involve cash outflow.

On 31 December 2019, the amounts of financial instruments with a determined or determinable maturity, classified by year of maturity, are as follows (in thousands of euros):

Financial assets	2020	2021	2022	2023	2024	2025 and thereafter	Total
Investments held until maturity	1,438	15,339	7,204	8,943	5,523	43,651	**82,098**
Other receivables	454,083	-	-	-	-	-	**454,083**
Loans of group companies	30,282	-	-	340,000	-	-	**370,282**
Other loans to companies	172	-	-	-	-	-	**172**
Other financial instruments	-	-	22	-	-	4,341	**4,363**
Equity instruments	-	-	-	-	-	180	**180**
Total	**485,975**	**15,339**	**7,226**	**348,943**	**5,523**	**48,172**	**911,178**

Financial liabilities	2020	2021	2022	2023	2024	2025 and thereafter	Total
Loan with the ultimate parent company (*) (Note 15)	633,619	546,349	535,836	514,364	512,641	2,599,670	**5,342,479**
Interest accrued on outstanding loans	**13,162**	**-**	**-**	**-**		**-**	**13,162**
Debts due to tax effect (Note 12)	2,677	-	**-**	**-**		**-**	**2,677**
Subtotal of debts with group and associated companies	**649,458**	**546,349**	**535,836**	**514,364**	**512,641**	**2,599,670**	**5,358,318**
Bonds and other negotiable securities (Note 15)	159,000	-	-	-		-	**159,000**
Debts with credit institutions (Note 15)	391,000	-	50,000	50,000	50,000	100,000	**641,000**
Interest on debts with credit institutions	40	-	-	-	-	-	**40**
Aena hedging derivatives (Note 15)	31,662	27,194	22,011	16,958	12,816	15,136	**125,777**
Financial leasing creditors	1,673	1,736	1,762	1,790	1,835	1,913	**10,709**
Other long-term debts	121	82	82	82	15	-	**382**
Trade and other payables	532,891	**-**	**-**	**-**	**.**	**-**	**532,891**
Guarantees received	27,269	21,492	19,274	16,294	10,709	76,981	**172,019**
Total	**1,793,114**	**596,853**	**628,965**	**599,488**	**588,016**	**2,793,700**	**7,000,136**

(*) Excluding the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €4,366,000, of which an amount of €3,965,000 corresponds to the long-term (2018: €5,337,000, of which €4,866,000 long-term) (see note 15), as these concepts do not involve cash outflow.

The net profits and losses of financial assets and liabilities as of 31 December 2020 and 2019 are shown in Note 23.f.

(Amounts in thousands of euros unless otherwise stated)

11. Investments in group, associate and multigroup companies, and other shareholdings

Equity instruments

The breakdown of investments in equity instruments of group companies is as follows:

Subsidiaries	Thousands of euros	
	2020	2019
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ("SCAIRM")	16,192	11,606
Aena Desarrollo Internacional S.M.E., S.A. ("ADI")	165,032	165,032
Cost	**181,224**	**176,638**
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ("SCAIRM")	(16,192)	-
Impairment	**(16,192)**	**-**
Total equity instruments	**165,032**	**176,638**

At the end of the 2019 fiscal year, the stakes in group companies were valued at cost price with no value impairment. In 2020, as described in Note 5 on the effects of the COVID-19 pandemic, the measures to stop the spread of the coronavirus have led to an extraordinary reduction in activity and revenues of all Aena Group companies, which has caused a sharp reduction in operating cash flows and which can be considered indicators of impairment in accordance with the accounting standards. Consequently, at the close of the fiscal year ended 31 December 2020, Aena has proceeded to calculate the recoverable amount of its shares. As a result of said calculation, at the end of the 2020 fiscal year, it has only been necessary to record an impairment in its stake in AIRM for the amount of €16,192,000 (see Note 23.f).

The main data regarding shareholdings in group and associated companies, as well as other shareholdings, none of which are listed on the stock exchange as of 31 December 2020 and 2019, are set out below:

1. Shareholdings in group companies

Details of the Group's subsidiary companies as of 31 December 2020 and 2019, all consolidated by applying the global integration method in the consolidated annual accounts of the group of which the Company is parent, are as follows:

Subsidiaries	Address	Activity	%		Share holder
			Direct	Indirect	
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E. ("SCAIRM") (1)	Murcia	Company holding the operating concession for Región de Murcia International Airport.	100	-	AENA, S.M.E. S.A.
Aena Desarrollo Internacional S.M.E., S.A. ("ADI") (1)	Madrid	Operation, maintenance, management and administration of airport infrastructure, as well as complementary services.	100	-	AENA, S.M.E. S.A.
London Luton Airport Holdings III Limited ("LLAH III") (2)	Luton (United Kingdom)	Holding of shares in the company that holds the concession for the operation of London-Luton Airport.	-	51	Aena Desarrollo Internacional S.M.E., S. A.
London Luton Airport Holdings II Limited ("LLAH II") (2)	Luton (United Kingdom)	Holding of shares in the company that holds the concession for the operation of London-Luton Airport.	-	51	London Luton Airport Holdings III Limited (LLAH III)
London Luton Airport Holdings I Limited ("LLAH I") (2)	Luton (United Kingdom)	Holding of shares in the company that holds the concession for the operation of London-Luton Airport.	-	51	London Luton Airport Holdings II Limited (LLAH II)
London Luton Airport Group Limited ("LLAGL") (2)	Luton (United Kingdom)	Guarantor company for the acquisition of the concession for the operation of London-Luton Airport.	-	51	London Luton Airport Holdings I Limited (LLAH I)
London Luton Airport Operations Limited ("LLAOL") (2)	Luton (United Kingdom)	Company holding the concession for the operation of London-Luton Airport.	-	51	London Luton Airport Group Limited ("LLAGL")
Aeroportos do Nordeste do Brasil S.A. (Aena Brasil) (2)	Sao Paulo (Brazil)	Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	-	100	Aena Desarrollo Internacional S.M.E., S. A.

(1) Companies audited by KPMG Auditores, S.L.
(2) Companies audited by the KPMG network

(Amounts in thousands of euros unless otherwise stated)

The main amounts of capital, equity, results and book value related to the group companies at the end of the 2020 and 2019 fiscal years are the following:

- Companies with a direct stake in Aena

  - **Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ("SCAIRM")**

Name / Address / Activity	31 December 2020 (*)						
	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation	Profit/(Loss) Net	Other Equity	Total equity	Book value (*)
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. Avenida España 101, Valladolises y Lo Jurado (Murcia)/ Administrative concession for the management, operation and maintenance of the Región de Murcia International Airport.	100%	8,500	(54,535)	(41,754)	3,729	(29,525)	-
Total							-

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.

Name / Address / Activity	31 December 2019 (*)						
	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation	Profit/(Loss) Net	Other Equity	Total equity	Book value (*)
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. Avenida España 101, Valladolises y Lo Jurado (Murcia)/ Administrative concession for the management, operation and maintenance of the Región de Murcia International Airport.	100%	8,500	(4,610)	(3,948)	3,091	7,643	11,606
Total							**11,606**

(*) Data obtained from the individual annual accounts for the 2019 fiscal year.

On 25 January 2018, Aena incorporated the concession company holding the contract for the management, operation, maintenance and conservation of the Región de Murcia International Airport (SCAIRM), operating this airport as a concession and its complementary activities area for a period of 25 years, the concession agreement being formalised on 24 February 2019. Aena thereby complied with the requirements of the Specific Administrative Terms and Conditions of the contract that was awarded by the Autonomous Community of the Murcia Region on 20 December 2017. The new company, which takes the form of a limited company, is called "Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A." and has AENA S.M.E., S.A. as its sole shareholder.

On 17 December 2018, the Company, as sole shareholder of SCAIRM, made a monetary contribution for the amount of €1,914,648 in accordance with the provisions of the Economic-Financial Plan of Airport Activities of the Concession Company for the year 2019. Likewise, on 16 May 2020, in accordance with the provisions of the aforementioned Economic-Financial Plan of Airport Activities of the Concession Company, a new direct monetary contribution has been made to the Company's equity for the amount of €4,586,296.

At the end of the 2020 fiscal year, the value of the Company's stake in SCAIRM amounts to zero, corresponding to the cost of the stake in SCAIRM amounting to €16,192,000 (€11,606,000 at the end of the 2019 fiscal year), minus the value impairment correction of the stake recorded in the 2020 fiscal year for its entire cost value.

(Amounts in thousands of euros unless otherwise stated)

The impairment of this share is caused by the impairment test performed for the fixed assets of the AIRM Concession Company, which showed the need to record a valuation correction for the entire book value of the intangible assets and tangible fixed assets attached to the concession. The factual situation created by COVID-19 and the measures adopted to combat it, have had a decisive impact on the airport's air traffic, leaving it practically without activity, and has, therefore, affected the execution of the management, operation, maintenance and conservation agreement for the Región de Murcia International Airport.

This test includes the effects derived from the economic rebalancing mechanism of Article 34.4 of Royal Decree-Law 8/2020, for the amount of 2.6 million euros corresponding to the period between 14 March and 30 June 2020, and approved by the awarding entity.

The main assumptions used in the calculation of the value in use at 31 December 2020 are the following:

• The contractual conditions and obligations reflected in Aena's offer (investments, minimum insured fees) are maintained.
• The recovery of 2019 traffic levels in 2025, with an air traffic level for 2021 down by 41% on 2019, was used as the base scenario, and with growths for 2022, 2023 and 2024 of 20%, 21% and 16%, respectively. From 2025, the proposed traffic scenario has been built by directly postponing the original assumptions behind the Bid by eight years.
• These assumptions foresee a decrease of 18.7 million passengers during the concession period when compared with estimated passenger numbers in the Economic Bid (42.7 million passengers compared to 61.4 million passengers in the Bid, (31%) fewer passengers).

In this scenario, it is estimated that, in addition to the previous, a rebalancing based on Article 282 of the Consolidated Text of the Public Sector Contracts Act (TRLCSP [Texto Refundido de la Ley de Contratos del Sector Público]) would be applicable, which is currently being negotiated with the awarding Administration, which has expressed its willingness to reach an agreement that mitigates the impact of the pandemic on the concession agreement. Therefore, Aena SCAIRM is going to request a rebalancing based on Article 282 of the TRLCSP that modifies the economic conditions of the concession agreement, although nothing has been presented yet in this regard, so no hypothesis of this additional rebalancing has been taken into account in the calculation of the recoverable value of the share.

- **Aena Desarrollo Internacional S.M.E., S.A.**

	31 December 2020						
Name / Address / Activity	**Fraction of Direct capital (%)**	**Capital**	**Profit/(Loss) Operation**	**Net**	**Other equity**	**Total equity**	**Book value (*)**
Aena Desarrollo Internacional S.M.E., S.A. Peonías, 12. Madrid/ Operation, conservation, management and administration of airport infrastructures.	100%	161,182	6,034	(300,323)	230,988	91,848	165,032
Total							**165,032**

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.

	31 December 2019						
Name / Address / Activity	**Fraction of Direct capital (%)**	**Capital**	**Profit/(Loss) Operation**	**Net**	**Other equity**	**Total equity**	**Book value (*)**
Aena Desarrollo Internacional S.M.E., S.A. Peonías, 12. Madrid/ Operation, conservation, management and administration of airport infrastructures.	100%	161,182	41,901	37,333	193,655	392,170	165,032
Total							**165,032**

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.

In the 2020 and 2019 fiscal years, Aena Desarrollo Internacional S.M.E., S.A. ("ADI") has not distributed dividends.

In line with the test conducted by Aena, at the end of the fiscal year on 31 December 2020, Aena Desarrollo Internacional has calculated the recoverable amount of its stakes, as well as the loan granted to its affiliate LLAHL II, by estimating its share in the cash flows expected to be generated by the investee company, arising from both its ordinary activities and its disposal or derecognition in accounts. These calculations use cash flow forecasts based on financial budgets approved by Management that cover the duration of the operating concessions of the Luton (London, United Kingdom) and Brazilian airports. The flows consider past experience and represent Management's best estimate of future market evolution. As a result of this test, at the end of the 2020 fiscal year, ADI has recorded an impairment in its stake in LLAHII for the amount of €61,277,000 and in its stake in Aena Brasil for the amount of €238,238,000.

As a result of the aforementioned impairments, ADI has obtained losses of €300,323,000 euros in fiscal year 2020 and, consequently, its Net Equity has been reduced, as of 31 December 2020, to €91,848,000. Therefore, on that date, the company's net equity is less than 2/3 of its capital stock, which means it would be incurring in the mandatory capital reduction scenario foreseen in Article 327 of the Shareholder Companies Act (LSC [Ley de Sociedades de Capital]) if the net equity is not recovered within the term of one fiscal year. However, in this case, the administrators would carry out the necessary measures to ensure the rebalancing of the Company's equity and the Company would have the necessary financial support from its sole shareholder.

On the other hand, it is important to mention that the management and administrators of ADI estimate that the valuation of the Company's investment in AMP at 31 December 2020, made on the basis of the traded value of the GAP shares on that date, would amount to €295,495,000, while the net book value of the Company's investment in AMP at 31 December 2020 amounts to €66,237,000.

On the basis of the foregoing, the Company's management considers that the calculated recoverable amount of the ADI investment, as of 31 December 2020 and 2019, is higher than its acquisition cost.

Companies with an indirect stake in Aena

- **London Luton Airport**

The Company AENA S.M.E., S.A. has a majority stake in London Luton Airport Holding III Limited (hereinafter, "LLAH III") and all of its subsidiaries through Aena Desarrollo Internacional S.M.E., S.A. (hereinafter, "ADI"). The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed at the acquisition date, related to this company at the end of the 2020 and 2019 fiscal years are the following (expressed in thousands):

	31 December 2020				
Name / Address / Activity	% Stake	Capital	Profit/(loss) for the year	Other equity	Total equity
		Thousands of GBP			
London Luton Airport Holdings III Limited (*)	51.0%	986	(61,666)	(38,456)	(99,136)
London Luton Airport Holdings II Limited (*)	51.0%	986	(57,443)	(69,303)	(125,760)
London Luton Airport Holdings I Limited (*)	51.0%	1,930	(49,636)	24,975	(22,731)
London Luton Airport Group Limited (*)	51.0%	5,274	(13,047)	98,363	90,590
London Luton Airport Operations Limited (**)	51.0%	5,274	(13,047)	98,363	90,590

(*) Data obtained from the consolidated annual accounts as of 31 December 2020.
(**) Data obtained from the individual annual accounts as of 31 December 2020.

	31 December 2019				
Name / Address / Activity	% Stake	Capital	Profit/(loss) for the year	Other equity	Total equity
		Thousands of GBP			
London Luton Airport Holdings III Limited (*)	51.0%	986	6,547	(49,074)	(41,541)
London Luton Airport Holdings II Limited (*)	51.0%	986	9,499	(82,873)	(72,388)
London Luton Airport Holdings I Limited (*)	51.0%	1,930	17,074	3,830	22,834
London Luton Airport Group Limited (*)	51.0%	5,274	47,061	50,415	102,750
London Luton Airport Operations Limited (**)	51.0%	5,274	47,061	50,415	102,750

(*) Data obtained from the consolidated annual accounts as of 31 December 2019.
(**) Data obtained from the individual annual accounts as of 31 December 2019.

In the 2013 financial year, "ADI" subscribed the shares representing 40% of the capital of London Luton Airport Holdings III Limited (LLAHL III) for an amount of £39.4 million (corresponding to €47.3 million), with Aerofi S.a.r.l. (Aerofi) being the other shareholder of the company with a stake of 60%.

LLAHL III is a holding company created with the objective, through its 100% subsidiary London Luton Airport Holdings II Limited (LLAHL II), which in turn owns 100% of London Luton Airport Holdings I Limited (LLAHL I); of carrying out the acquisition, on 27 November 2013, of London Luton Airport Group Limited and its subsidiary London Luton Airport Operations Limited, the company that manages London Luton Airport in the United Kingdom. Within the framework of the transaction, Aena Desarrollo Internacional S.M.E., S.A. and Aerofi signed an agreement whereby Aena Desarrollo Internacional S.M.E., S.A. had the option (purchase option) to acquire, from Aerofi, the shares representing 11% of the share capital of LLAHL III, for an eleven-month period as of 27 November 2013, at a price equivalent to the subscription price of those shares. This price was adjusted due to certain factors linked to the dividends received by Aerofi, the financial costs of 51% of the debt subscribed by Aerofi in LLAHL II, return on earnings and the issuance of new LLAHL III shares that occurred during the fiscal year.

On 16 October 2014, Aena Desarrollo Internacional S.M.E., S.A., once the relevant authorisations were obtained, proceeded to execute the purchase option, reaching 51% of the share capital in LLAHL III for an amount of £13.7 million (corresponding to €17.2 million). Aena Desarrollo Internacional S.M.E., S.A. also took on 51% of the debt subscribed by Aerofi in LLAHL II, which amounted to £48.3 million (corresponding to €56.7 million in 2020 and €54 million in 2019). This debt corresponds to a 10-year shareholders loan, at 8% interest, with a semi-annual payment of interest and with amortisation upon maturity in November 2023. The financing of the transaction was implemented by a capital increase in Aena Desarrollo Internacional S.M.E., S.A., 100% subscribed by parent company AENA. In the 2020 fiscal year, this loan generated interest in favour of Aena Desarrollo Internacional S.M.E., S.A. of €4,474,000 (2019: €4,411,000).

As a result of this operation, in 2014, Aena Desarrollo Internacional S.M.E., S.A. acquired control of LLAHL III and, therefore, the Aena Group consolidated this company (and its subsidiaries) through the global integration method.

In 2014, the Company, through its investee ADI and with the advice of independent experts, completed the process of carrying out the valuations of (i) the fair value of the previous 40% stake held in LLAH III and (ii) the fair values of the assets and liabilities of the acquired business. Therefore, the Aena Group's consolidated accounts recognised and valued the identifiable assets acquired and liabilities assumed at the acquisition date.

In order to strengthen Luton's liquidity, a credit policy for the amount of £55 million was drawn up on 31 July 2020, through which Aena Desarrollo Internacional, S.M.E., S.A. and AMP Capital Investors Crown S.à r.l., shareholders of LLAH III, undertake to facilitate liquidity to London Luton Airport Holdings III Limited, and to its subsidiaries, in order to ensure that London Luton Airport Holdings I Limited can comply with the requirements of the monthly liquidity test demanded by its creditors. The amount corresponding to Aena Desarrollo Internacional amounts to £28 million. At the close of the fiscal year, LLAH III has not drawn down any amount from this policy.

As of 31 December, Aena Desarrollo Internacional S.M.E., S.A. has recorded an impairment of €61,277,000 in its stake in LLAH III, resulting in a book value of €1,739,000. Likewise, on that date, Aena Desarrollo Internacional S.M.E., S.A. maintains a loan with said subsidiary company for the amount of €58,093,000.

As a consequence of the exceptional situation caused by COVID-19 and its impact on EBITDA, as of June 2020, the Luton subgroup exceeded the financial ratios it had undertaken to comply with under the financing contracts. However, it obtained temporary exemptions (waivers) from the financial institutions regarding the fulfilment of the ratios as of December 31, 2020.

It is likely that in the next twelve months the Luton subgroup will fail to comply with the aforementioned financial ratios. Therefore, it has continued to negotiate with the financial institutions the extension of these exemptions to 30 June 2021 and 31 December 2021.

In the event that the extension of this exemptions was not finally obtained, a breach of the contractual obligations would be clear that could lead to the financial institutions having the right to enforce the guarantees associated with the financing agreements, among which are the pledge on the shares of the airport concessionaire.

In response to this process, and with the objective of strengthening Luton's liquidity, on 31 July 2020, a credit policy was formalised according to which Luton's shareholders (Aena and AMP) undertake to facilitate liquidity to Luton in the amount of up to £55 million. At the close of the fiscal year, it has not drawn down any amount from this policy.

Failure to comply with the aforementioned obligations would not entail any additional liability on the part of the shareholders.

In any case, Luton's Management expects that, as a result of the negotiation underway with the financial institutions, the exemption will be extended successively for the immediately following semester.

- **Northeast Brazil Airports**

In the scope of the objectives of the 2019-21 Strategic Plan, on 15 March 2020, Aena was declared the winner by the Brazilian National Civil Aviation Agency (ANAC) of the auction held in connection with the concession for the operation and maintenance of the Recife, Maceió, Aracajú, Campina Grande, João Pessoa and Juazeiro do Norte airports in Brazil, grouped into the Northeast Brazil Airport Group.

In accordance with Act 40/2015, of 1 October, on the Legal Regime of the Public Sector, at its meeting on 12 April 2020, the Council of Ministers agreed to authorise Aena Desarrollo Internacional, S.M.E., S.A. to create the state trading company Aeroportos do Nordeste do Brasil S.A. (hereinafter, "Aena Brasil") as the concession holder for airport management of the aforementioned airports. On 30 May 2020, the new Brazilian company was incorporated, wholly owned by Aena Desarrollo Internacional S.M.E. S.A., with a share capital of R$10,000, and with the specific and exclusive corporate purpose of providing public services for the expansion, maintenance and operation of the infrastructure of the airport complexes that make up the Northeast Brazil block. At its meeting held on 1 July 2020, the Board of Directors of the Brazilian company approved a share capital increase of R$2,388,990,000, which was fully subscribed by its sole shareholder. The form and term in which this disbursement was made is as follows:

- On 18 July 2020: R$488,894,033 (€110.1 million at the insured exchange rate mentioned above) corresponding to the contribution stipulated by the Government of Brazil for concession expenses to be paid to Infraero (advisers, auction expenses and Infraero worker severance plan), and remaining cash.
- On 26 August 2020: R$1,900,000,000 (€427.7 million at the insured exchange rate mentioned above) corresponding to the amount of the offer.

Likewise, the stake amount increased by R$14,601,360 (€3,233,465.45 at the exchange rate of 4.5157 EUR/BRL) corresponding to the assumption by the Company of tender expenses arising from obtaining the concession registered in Aena Brasil mentioned previously.

In January 2020, Aena Brasil began operating the airports of Juazeiro del Norte and Campina Grande. In the following weeks, the aforementioned concession company proceeded to manage the rest of the airports.

Given the characteristics of the bid specifications, it is possible to qualify this contract as a public services management contract in the form of a concession, and its successful tenderer must provide all services corresponding to an airport manager, although not including ATC (Air Traffic Control) services. The main summarised points of this agreement are the following:

- The concession, which has a period of 30 years that may be extended for 5 additional years, is a BOT (build, operate and transfer) concession. Once the total term of the concession has ended, the full and unlimited possession of the land and the entirety of the existing facilities (including the useful expenses made by the concessionaire and the improvements that may have been incorporated by it) will revert to the Brazilian National Civil Aviation Agency without any right to compensation in favour of the Concessionaire.
- Revenue from aeronautical activity is regulated under a dual till model.
- The new Concession Company will have the right to receive remuneration for the price of the use of the facilities and for the provision of services linked to the management of the airport.
- For its part, the Administration receives a fixed fee of R$1,900 million (approximately €427.7 million) on the date of signing the contract and a variable fee from the fifth year based on the gross revenue of the concession agreement. The variable financial consideration is set at 8.16% of gross revenue, with an initial grace period of 5 years and 5 progressive years. This would commence at 1.63% in 2025 and gradually

increase to 3.26% in 2026, 4.90% in 2027, 6.53% in 2028, reaching the applicable contractual rate of 8.16% in 2029 and in successive years.

- The National Civil Aviation Agency (ANAC) estimated an investment amount of R$2,153 million in the bidding specifications (equivalent to €486.6 million at the exchange rate of 4.4239 EUR/BRL), distributed among investments aimed at adapting infrastructures to traffic (25.6% of the total estimated by the Brazilian authority); non-mandatory discretionary investments (31.7%), mainly intended for commercial areas; and the maintenance of infrastructures, runways and equipment (42.7%).

The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed at the acquisition date, related to this company at the end of the 2020 fiscal year are the following (expressed in thousands):

	31 December 2020						
	Thousands of RBL (*)						Thousands of euros
Name / Address / Activity	**Fraction of Indirect capital (%)**	**Share capital**	**Profit/(Loss) Operation**	**Profit/(Loss) Net**	**Other equity**	**Total equity**	**Book value (*)**
Aeroportos do Nordeste do Brasil S.A. (Aena Brasil) *State of Sao Paulo-Brazil* Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	100%	2,389,000	(491,823)	(330,398)	(12,818)	2,045,784	293,494
Total							**293,494**

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.

	31 December 2019						
	Thousands of RBL (*)						Thousands of euros
Name / Address / Activity	Fraction of Indirect capital (%)	Share capital	Profit/(Loss) Operation	Profit/(Loss) Net	Other equity	Total equity	Book value (*)
Aeroportos do Nordeste do Brasil S.A. (Aena Brasil) *State of Sao Paulo-Brazil* Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	100%	2,388,895	(27,695)	(14,667)	-	2,374,228	531,453
Total							**531,453**

(*) Data obtained from the individual annual accounts for the 2019 fiscal year.

As a result of the COVID-19 pandemic, the activity of Aeroportos do Nordeste do Brasil has been strongly impacted, with significant reductions in traffic. This has significantly affected activity and, therefore, the turnover and results of Aena Brasil, which is objective evidence of the impairment of the Company's investment in said subsidiary company.

As of 31 December 2020, the Company has conducted an impairment test for the investment it maintains in Aena Brasil. The calculation of the recoverable value of the investment has been carried out in accordance with the estimated value in use through the valuation of the cash flows expected to be generated by this subsidiary company, converted at the exchange rate applicable on the date of the determination of that value (closing exchange rate on the balance sheet date), which has been carried out with the collaboration of independent experts. These calculations are based on cash flow forecasts based on financial budgets prepared by Aena Brasil, with the collaboration of an independent consultant and approved by Management, and which cover the duration of the concession of the Brazilian airports. Said flows represent Management's best estimate of the market's future evolution. As a result of this test at the close of 2020, the existence of an impairment in the amount of €238,238,000 has been detected, which is mainly due to the unfavourable evolution of the Brazilian currency during 2020, as well as to decreases of the concession's operating cash flows due to the COVID-19 pandemic.

2. Stakes in associated and jointly controlled companies

Moreover, the Company invests indirectly in other Companies through Aena Desarrollo Internacional S.M.E., S.A. The main capital, equity, results and book value amounts are expressed in local currency and under local accounting principles. The amounts, related to these companies at the end of the 2020 and 2019 fiscal years, are the following (expressed in thousands):

		31 December 2020			
Name / Address / Activity	% Stake	Capital	Profit/(loss) for the year	Other equity	Total equity
Sociedad Aeroportuaria de la Costa S.A. (SACSA) Rafael Núñez Airport. Cartagena de Indias-Colombia. Operation of Cartagena Airport (*)		*Thousands of COP*			
	37.89%	3,698,728	(10,357,953)	33,150,541	26,491,316
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) Mexico City Operator of 12 airports in Mexico (*)		*Thousands of MXN*			
	33.33%	1,306,400	274,798	2,171,190	3,752,388
Aerocali, S.A. Alfonso Bonilla Aragón Cali Airport-Colombia Operation of Cali Airport (*)		Thousands of COP			
	50.00%	3,800,000	(22,523,231)	23,345,307	4,622,076

(*) Data obtained from the annual accounts at 31 December 2020.

(Amounts in thousands of euros unless otherwise stated)

Name / Address / Activity	% Stake	Capital	Profit/(loss) for the year	Other equity	Total equity
	31 December 2019				
Sociedad Aeroportuaria de la Costa S.A. (SACSA) Rafael Núñez Airport. Cartagena de Indias-Colombia. Operation of Cartagena Airport (*)		*Thousands of COP*			
	37.89%	3,698,728	51,860,776	(17,427,678)	38,131,826
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) Mexico City Operator of 12 airports in Mexico (*)		*Thousands of MXN*			
	33.33%	1,306,400	932,459	1,202,529	3,441,388
Aerocali, S.A. Alfonso Bonilla Aragón Cali Airport-Colombia Operation of Cali Airport (*)		Thousands of COP			
	50.00%	3,800,000	19,679,055	3,666,252	27,145,307

(*) Data obtained from the annual accounts at 31 December 2019.

The equity of the investee Companies in Colombia and Mexico includes the inflation adjustments item, following the rules established for this purpose in the respective country.

On 1 September 2020, the concession of the Alfonso Bonilla Aragón International Airport in Cali, managed by Company Aerocali S.A. ended. Likewise, on 26 September 2020, the concession of the Rafael Núñez International Airport in the city of Cartagena de Indias, managed by Sociedad Aeroportuaria de la Costa S.A. ended. Both concession agreements have been extended for six months, with the new scheduled termination dates being 1 March 2021 for the Alfonso Bonilla Aragón International Airport in Cali, and 25 March 2021 for the Rafael Núñez International Airport in the city of Cartagena de Indias. The companies Aerocali S.A. and Sociedad Aeroportuaria de la Costa S.A. are negotiating with the granting authorities for additional duration extensions to the concession agreements, which compensate for the effects of the COVID-19 pandemic.

At 31 December 2020, Aena Desarrollo Internacional has calculated the recoverable amount of its shares in associated and joint control companies. As a result, at the end of the 2020 fiscal year, there has been an impairment in its stake in Aerocali for the amount of €296,000. Moreover, given the evolution of AMP, the administrators have not considered it necessary to make provisions for value impairments.

a) Aerocali

On 29 May 2014, subsidiary company Aena Desarrollo Internacional S.M.E, S.A. purchased 63,335 additional ordinary shares in Aerocali, S.A., which amount to a 16.67% stake. With this acquisition, Aena Desarrollo Internacional S.M.E, S.A. now has a 50% stake in this company. The amount paid for this acquisition was €2,036 million. According to the analysis carried out by the management of Aena Desarrollo Internacional S.M.E, S.A., with this acquisition, there would be no control over the investee, since there is joint control. Therefore, on 31 December 2020 and 31 December 2019, it continues to be recorded by the equity method with changes in the invested percentage from the acquisition of the new shares.

(Amounts in thousands of euros unless otherwise stated)

b) Aeropuertos Mexicanos del Pacífico

On 24 February 2006, Grupo Aeroportuario del Pacífico, S.A. (a company in which AMP has invested) was listed on the Mexican and New York stock markets through an IPO carried out by the Mexican Government (former owner of the remaining 85% of the share capital). In addition, Aeropuertos Mexicanos del Pacífico acquired 2.296% of Grupo Aeroportuario del Pacífico, S.A. on the stock exchange for Mex$286,297,895, increasing its stake to 17.296% of its capital. In May 2008, 640,000 shares were acquired on the stock exchange for an amount of Mex$26,229,376, increasing from 0.11396% to 17.40996% of Grupo Aeroportuario del Pacífico, S.A. On 19 December 2019, in compliance with the board determination, AMP sold 250,000 series B shares representing 1.85% of the 2.41% held in these shares, and therefore having sold 0.04% and maintaining 17.4% (17.36996% vs. 17.40996%) of GAP with an income of Mex$29.6 million.

The average acquisition price for the shares held by Aeropuertos Mexicanos del Pacífico in Grupo Aeroportuario del Pacífico is Mex$23.12, while the share price at 31 December 2020 was Mex$222.14 (2019: Mex$224.67). In this regard, in relation to the impairment test of its stake in ADI carried out by the Company, there is a relevant tacit gain arising from the difference between the book value and the traded value mentioned above. In this regard, and as mentioned previously, it is important to mention that the management and administrators of ADI estimate that the valuation of the Company's investment in AMP as of 31 December 2020, made on the basis of the traded value of the GAP shares on that date, would amount to €295,495,000, while the net book value of the Company's investment in AMP as of 31 December 2020 amounts to €66,237,000.

On 7 January 2019, at the General Shareholders' Meeting of the investee company Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V., the reduction of 60 million shares from the variable portion of its share capital was approved, establishing a total of Mex$1,608.4 million. As a result of this transaction, the Group has recognised a cash inflow of €919,000, reduced its shareholding in the associate by €917,000 and recorded the difference resulting from this transaction into equity. Likewise, on 14 May 2019, at the General Shareholders' Meeting of the investee company Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V., the reduction of 302 million shares from the variable portion of its share capital was approved, establishing a total of Mex$1,306.4 million. As a result of this transaction, the Group has recognised a cash inflow of €4,716 million, reduced its shareholding in the associate by €4,313 million and recorded the difference resulting from this transaction into equity. These transactions did not generate changes in the stake percentage.

3. Other stakes

In October 2020, Aena proceeded to sell, to Barcelona City Council, its stake in the company Agencia Barcelona Regional, obtaining a profit of €42,000 registered under the section of "Impairment and net gain or loss on disposals of financial instruments" of the profit and loss account (see Note 23.f).

At 31 December 2019, the most significant information regarding this stake was as follows:

Name / Address / Activity	2019 (*)						
	% Stake	Capital	Profit: Operation	Profit: Net	Other equity	Total equity	Total book value as of 31 December 2019
Agencia Barcelona Regional	11.76%	1,533	9	3	353	1,889	180
Urban planning and environmental consulting Edificio Centreservei, Zona Franca Carrer 60, 25-27 Barcelona (*)							
Total							**180**

(*) Data obtained from the annual accounts at 31 December 2019.

(Amounts in thousands of euros unless otherwise stated)

12. Transactions and balances with related parties

The breakdown of the debit and credit balances maintained with group and related companies at the end of the 2020 and 2019 fiscal years is the following:

2020 fiscal year

	Debtor (Note 13)	Long-term loans	Short-term loans	Short-term loans (Taxes) (Note 22)	Other short-term financial assets	Long-term debts (Note 15)	Short-term debts (Note 15)	Short-term debts (Taxes) (Note 15)	Real Estate Provider (Note 15)	Advances to customers (Note 16)	Creditors (Note 16)
Parent company:											
ENAIRE	356	-	-	-	-	(4,159,882)	(557,689)	-	-	-	(19,670)
Transactions with group and associated companies:											
Aena Desarrollo Internacional S.M.E., S.A. (ADI)	142	370,000	-	-	-	-	-	(1,595)	-	(2)	(172)
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (AIRM)	58	-	-	-	282	-	-	(2,514)	-	(35)	-
Aeroportos do Nordeste do Brasil, S.A. (Aena Brasil)	767	-	-	-	-	-	-	-	-	-	-
Transactions with related parties:											
Servicios y Estudios para la Navegación Aérea y la Seguridad Aeronáutica, S.A.U. (SENASA)	-	-	-	-	-	-	-	-	-	-	(1)
State Meteorological Agency (AEMET)	1	-	-	-	-	-	-	-	-	-	(1,153)
Ingeniería de Sistemas para la Defensa de España, S.A. (ISDEFE)	-	-	-	-	-	-	-	-	(405)	-	(181)
Ingeniería y Economía del Transporte, S.A. (INECO)	-	-	-	-	-	-	-	-	(667)	-	(736)
Other related parties	458	-	-	-	-	-	-	-	(1,758)	(1)	(1,452)
	1,782	**370,000**	**-**	**-**	**282**	**(4,159,882)**	**(557,689)**	**(4,109)**	**(2,830)**	**(38)**	**(23,365)**

(Amounts in thousands of euros unless otherwise stated)

2019 fiscal year

	Debtor (Note 13)	Long-term loans	Short-term loans	Short-term loans (Taxes) (Note 22)	Other short-term financial assets	Long-term debts (Note 15)	Short-term debts (Note 15)	Short-term debts (Taxes) (Note 15)	Real Estate Provider (Note 15)	Advances to customers (Note 16)	Creditors (Note 16)
Parent company:											
ENAIRE	190	-	-	-	-	(4,705,603)	(646,423)	-	-	-	(23,863)
Transactions with group and associated companies:											
Aena Desarrollo Internacional S.M.E., S.A. (ADI)	232	340,000	30,000	212	-	-	-	(1,159)	-	-	(278)
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (AIRM)	151	-	-	-	70	-	-	(1,316)	-	-	-
Aeroportos do Nordeste do Brasil, S.A. (Aena Brasil)	510	-	-	-	-	-	-	-	-	-	-
Transactions with related parties:											
Servicios y Estudios para la Navegación Aérea y la Seguridad Aeronáutica, S.A.U. (SENASA)	7	-	-	-	-	-	-	-	-	-	-
State Meteorological Agency (AEMET)	1	-	-	-	-	-	-	-	-	-	(1,008)
Ingeniería de Sistemas para la Defensa de España, S.A. (ISDEFE)	-	-	-	-	-	-	-	-	(280)	-	(393)
Ingeniería y Economía del Transporte, S.A. (INECO)	-	-	-	-	-	-	-	-	(1,808)	-	(1,644)
Other related parties	8,654	-	-	-	-	-	-	-	(3,240)	-	(1,585)
	9,745	**340,000**	**30,000**	**212**	**70**	**(4,705,603)**	**(646,423)**	**(2,475)**	**(5,328)**	**-**	**(28,771)**

The breakdown of transactions made with group and related companies during the 2020 fiscal year is as follows (in thousands of euros):

	ENAIRE (Public Entity)	ADI	INECO	AEMET	ISDEFE	SENASA	Aena Brasil	AIRM	London Luton Airport Operations Limited	Other related parties
Revenue from services rendered	(495)	(183)	-	-	-	(25)	(257)	(1,031)	-	(5,264)
Services received	270	7	4,387	-	1,570	-	-	-	-	8,248
Subcontracted work and other supplies: Works performed by other companies (Note 23.a)	113,075	1,307	-	10,846	-	-	-	-	-	-
Acquisitions of fixed assets (Notes 6 and 7)	-	99	1,319	-	2,099	-	-	-	-	3,347
Voluntary reserves	14	-	-	-	-	-	-	-	-	-
Gains or losses on disposals and others	-	-	-	-	-	-	-	(17)	-	-
Other results	-	-	-	-	-	-	-	-	-	1,199
Finance income (Note 23f)	37,688	(3,762)	-	-	-	-	-	-	-	-

The breakdown of transactions made with group and related companies during the 2019 fiscal year is as follows (in thousands of euros):

	ENAIRE (Public Entity)	ADI	INECO	AEMET	ISDEFE	SENASA	Aena Brasil	AIRM	London Luton Airport Operations Limited	Other related parties
Revenue from services rendered	(512)	(329)	(13)	-	(2)	(67)	(510)	(1,543)	(18)	(9,546)
Services received	291	-	7,724	-	2,165	9	-	-	-	7,078
Subcontracted work and other supplies: Works performed by other companies (Note 23.a)	130,923	1,131	284	10,000	-	-	-	-	-	202
Acquisitions of fixed assets (Notes 6 and 7)	371	167	2,943	-	2,363	-	-	-	-	5,778
Voluntary reserves	40	-	-	-	-	-	-	-	-	-
Other results	161	-	-	-	-	-	-	-	-	-
Finance income (Note 23f)	-	(1,472)	-	-	-	-	-	-	-	-
Finance expenses (Note 23f)	42,870	53	-	-	-	-	-	-	-	-

All related party transactions are conducted at market values. Additionally, the transfer prices are properly supported, thus the Company administrators believe that there are no significant risks in this respect that could arise from any liabilities that may exist in the future.

Main contracts

Listed below are the agreements drawn up by the Company with its majority shareholder, public business entity "ENAIRE", and the other group and related companies for the 2020 and 2019 fiscal years:

- **ENAIRE**

On 20 December 2016, the Board of Directors of Aena S.M.E, S.A. approved the ATM (Air Traffic Management) and CNS (Communication, Navigation, Surveillance) agreement, "Agreement to provide air navigation services between ENAIRE and Aena", which was also approved by the Board of Directors of ENAIRE on 23 December 2016. This agreement extends to the 2017-21 period, for a total amount of €662,367,000. On 26 May 2020, Aena's Board of Directors approved an addendum to the "Agreement for the rendering of air navigation services between ENAIRE and Aena", which implies a reduction of the annuity by €12 million in the total amounts of the ATM and CNS aerodrome services distributed across the months of May and December 2020.

On 31 October 2017, Aena and ENAIRE signed a service provision agreement for the car parks of the Aena network, for the free use of the car park 15 days a year for ENAIRE employees. As a result of this agreement, the economic benefits between the parties during 2020 amounted to €37,000 (2019: €104,000), recorded at market value, although the amount paid by ENAIRE amounted to €9,000 (2019: €26,000).

- **Aena Desarrollo Internacional S.M.E., S.A.**

On 1 October 2014, in effect since 1 April 2012, an agreement was signed with subsidiary company Aena Desarrollo Internacional, S.M.E., S.A., in which it provides AENA with flight verification services. The length of the agreement is three years with annual extensions, unless either party expressly wishes not to extend it.

On 1 December 2017, with the purpose of efficiently and appropriately implementing the Group's policies for more efficient corporate management, Aena Desarrollo Internacional, S.M.E., S.A. contracted with Aena S.M.E., S.A. the provision of certain consulting and management support services, which are outlined in the agreement signed for this purpose. The duration period of the agreement is three years with up to a maximum of four annual extensions, as long as there is agreement between the parties. The price of the services rendered is set annually and is revised according to the volume of services rendered. In 2020, services rendered amounted to €183,000 (2019: €329,000).

On 20 June 2019, and taking effect on this day, a credit line agreement was signed between AENA (crediting party) and Aena Desarrollo Internacional (credited party) for €400 million, of which €30 million were reimbursed before 31 December 2019, to finance the treasury needs of the capital contribution of the airports in Northeast Brazil. The duration is four years and may be extended for periods of two years up to a maximum of three extensions, provided that neither party requests the cancellation 15 days before the maturity date. This line of credit accrues interest referenced to the 1 month Euribor, plus a 1% differential.

Moreover, on 16 March 2018, and taking effect on this day, a credit line agreement was signed between and Aena Desarrollo Internacional (crediting party) and AENA (credited party) at a maximum limit of €100 million to finance general treasury needs. The duration is two years and may be extended for two more years, provided there is agreement between the parties.

- **Aena, Sociedad Concesionaria del Aeropuerto de la Región Internacional de Murcia S.M.E., S.A.**

On 25 April 2018, an agreement was signed whereby Aena, Sociedad Concesionaria del Aeropuerto de la Región Internacional de Murcia S.M.E., S.A., hired Aena, S.M.E., S.A. for the provision of consulting services and assistance in the planning, organisation, coordination and management of business activity areas. The agreement has a duration of three years from the signing date. Among the services rendered, the following stand out:

- Economic-Financial Management
- Legal and equity management consultancy.
- Human Resources management.
- Management of the Chairman's Office.
- Commercial management
- Communication management

The provision of services has been developed in two phases:

1. Pre-operational stage: from the signing of the agreement until the start of airport operations.

2. Operational stage: begins from the entry into operation of the airport until the termination of the agreement.

In 2020, the services rendered derived from this agreement amounted to €1,000,000 (2019: €1,500,000).

- **Aeroportos do Nordeste do Brasil S.A. (Aena Brasil)**

On 1 September 2020, an agreement was signed whereby Aeroportos do Nordeste do Brasil S.A. hired Aena, S.M.E, S.A. for the provision of consulting services and assistance in the planning, organisation, coordination and management of business activity areas. The agreement has a duration of two years from its signing with up to a maximum of four annual extensions of one year in duration each, agreeing to a suspension of billing and collection during 2020 due to the pandemic.

In 2020, the services rendered derived from this agreement amounted to €257,000 (2019: €510,000).

- **INECO**

Additionally, there is a cooperation agreement with Ingeniería y Economía del Transporte, S.A. (INECO) to draw up and revise projects, supervise construction and provide technical monitoring assistance, engineering for certification, maintenance and operation of facilities and airport processes, planning, airport and environmental development, commercial airport development and logistics designs and studies in terminal buildings to improve operating efficiency and reduce costs even further. Its appendix of actions is renewed every year.

- **ISDEFE**

Related company ISDEFE has been providing Aena with a series of services, which fall within the activities of its corporate purpose, among which are the following activities in accordance with the agreement signed in December 2016, and which replaced the one previously in force dated 8 November 2013, whose appendix of actions is being renewed on an annual basis:

- General coordination of Information and Communication Technologies, henceforth ICT.
- Definition of ICT systems and infrastructures.
- Life cycle management of IT applications.
- Office management of ICT projects.
- Quality and tests of IT applications and ICT infrastructures.
- Integration of systems and support for operations.

- **AEMET**

The State Meteorological Agency (AEMET), in its capacity as the meteorological authority of the state and as the supplier of certificate services, is the sole officially designated organisation in Spain to provide meteorological services for aeronautical activities. In order for more suppliers of this service to be designated, regulations must previously be developed. AEMET also provides meteorological services to the rest of Spanish airports that are not managed by AENA S.M.E., S.A.

Additionally, AEMET is the owner of the facilities and basic equipment that are required to manage the meteorological services for air navigation.

As a result of the need for these services, Aena and AEMET signed an Agreement regulating this rendering of services covering the period from 30 December 2014 to 29 December 2016, signing a new contract with entry into force on 30 December 2016 for a period of one year, counted from the previous date. It is extendable by mutual agreement of the parties year by year, up to a maximum of two additional years, and has been renewed for the 2020–24 period for a total amount of €60.2 million.

Aena, since 2014, has paid for the services provided by AEMET with an initial payment of €7,500,000, for the March–November period of the aforementioned year 2014, and monthly payments of €833,000 since then and until June 2020, the date on which the monthly payment increased to €953,000.

13. Trade and other receivables

The balance of the section “Trade and other receivables” of the attached balance sheet at the end of the 2020 and 2019 fiscal years is broken down as follows:

(Amounts in thousands of euros unless otherwise stated)

	Thousands of euros	
	2020	**2019**
Customers, rendering of services	758,500	465,504
Customers, bad debt	104,657	99,281
Less: impairment provision	(131,400)	(120,289)
Customers, group and associated companies (Note 12)	1,323	1,083
Sundry debtors (*)	7,826	7,735
Current tax assets	8,931	-
Staff	635	769
Other loans with Public Administrations (Note 22)	71,939	7,626
	822,411	**461,709**

(*) The sundry debtors heading includes the outstanding balance corresponding to the incident due to the runway invasion at Barcelona-El Prat Josep Tarradellas Airport on 28 July 2006, for the amount of €7,423,000, which the Company maintains provisioned.

On 5 March 2011, Act 1/2011, of 4 March, which amends Act 21/2003, of 7 July, on Air Security, was published in the Spanish Official State Gazette. This act allowed Aena S.M.E., S.A. or its subsidiaries to use debt collection proceedings in order to manage, liquidate and collect payment of all outstanding airport charges, this being managed by the collection bodies of the State Tax Administration Agency.

A significant part of the balances included under the section “Customers, rendering of services” belong to the following companies:

	Thousands of euros	
	2020	**2019**
World Duty Free (DUFRY)	335,045	123,464
Áreas, S.A	91,162	30,839
Pansfood S.A	29,159	11,889
Select Service Partner, S.A.	28,817	9,669
Air Europa Líneas Aéreas, S.A.	28,810	17,657
Lagardere Travel Retail S.A.	20,439	7,419
Sinapsis Trading	17,963	12,747
Eurodivisas S.A.	16,852	-
Vueling Airlines	12,721	59,764
Iberia, Líneas Aéreas de España, S.A.	9,953	24,075
Autogrill Iberia SLU	7,900	5,474
UTE Exact Change 2	7,441	7,138
AB Servicios Selecta España S.A.	6,881	-
Management and Operation of Restaurants	6,791	-
Whsmith Spain S.L.	6,683	-
Exterior Plus S.L.-Sistemas	5,927	-
Airfoods Restauración y Catering	5,580	-
UTE Sistemas -Exterior Plus	5,176	-
SSP Airport Restaurant S.L.U.	5,019	-
Air Nostrum	-	11,638
Easy Jet Airlines Co. Ltd.	-	5,081
Priority Pass LTD	-	4,925
Others	110,181	133,725
	758,500	**465,504**

(Amounts in thousands of euros unless otherwise stated)

The activity of the provisions account for commercial operations during the 2020 and 2019 fiscal years has been the following:

	Thousands of euros	
	2020	**2019**
Opening balance	120,289	107,854
Variation in the impairment provision	11,111	12,184
Segregation of the Murcia-San Javier Airport	-	251
	131,400	**120,289**

In addition to the variation of €11,111,000 (2019: €12,184,000) in the provision for impairment from commercial operations, during the 2020 fiscal year, losses amounting to €696,000 (2019: €840,000) have been recorded under the section "Losses, impairment and change in provisions for operations" of the profit and loss account, due to definitive derecognitions carried out by the State Tax Administration Agency of debts sent to legal proceedings for collection, up to the expense amounting to €11,807,000 that appears in this heading (2019: expense amounting to €13,024,000).

At 31 December 2020 and 2019, there are no balances to be collected in a currency other than the euro.

14. Short-term financial investments

The balance of the accounts under the section "Short-term financial investments" at the end of the 2020 and 2019 fiscal years is as follows:

	Thousands of euros	
	2020	**2019**
Loans to companies	17	172
Short-term bonds and deposits	1,517	1,438
	1,534	**1,610**

15. Financial debt

a) Debts with group and associated companies

The Company's loans and credits are formalised at 70% at fixed/reviewable fixed interest rates (see Note 5), and the remaining percentage is formalised at variable rates generally referenced to the Euribor (2019: 87% at fixed/reviewable fixed interest rates and the remaining percentage formalised at variable rates generally referenced to the Euribor). The average rate of this debt during 2020 was 1.07% (2019: 1.25%) (Note 5).

Due to the non-monetary contribution described in Note 1, the Company and its sole shareholder at that time signed a financing agreement whereby the debts corresponding to the branch of activity contributed in the capital increase described in said Note 3 were transferred from the public business entity "Aeropuertos Españoles y Navegación Aérea" to the Company AENA S.M.E., S.A. In this agreement between both parties, the initial debt and the future cancellation conditions of this debt were recognised, as well as the procedure to settle the interest and repayment of the debt. It also specified that the public business entity "Aeropuertos Españoles y Navegación Aérea" is the formal borrower as regards the financial lending institutions, even though it recognised that AENA S.M.E., S.A. was obliged to pay the percentage of the active balance of the public entity Aena debt attributable to the airport line of business. This is to be done upon making any payments that the public business entity "Aeropuertos Españoles y Navegación Aérea" was required to make to the financial institutions, in accordance with the financial conditions and the other terms and conditions established in the Financing Agreements. The average rate of this debt during 2020 was 1.34% (2019: 1.32%).

Moreover, in the Council of Ministers' meeting of 11 July 2014, the public business entity "Aeropuertos Españoles y Navegación Aérea" was authorised to initiate proceedings for the sale of the share capital of AENA S.M.E., S.A. and to dispose of up to 49% of its capital.

In the context of offering company shares to private investors, and in order to ensure that the financing agreements were compatible with said process (long and short-term borrowings) and the hedging agreements taken out with all of the financial institutions, on 29 July 2014, the public business entity "ENAIRE", AENA S.M.E., S.A. and the respective financial institutions agreed a novation amending, but not extinguishing, the corresponding financial agreements. This novation modifies the agreement signed on 1 July 2011 via which all goods, rights, debts and obligations of the public business entity "ENAIRE", concerning the performance of airport activities, commercial activities and other state services related to airport management; were contributed to AENA S.M.E., S.A., including those concerning air traffic services, for the amount of €11,672,857,000.

By virtue of this novation, the parties agreed to modify certain aspects of the recognition of debt agreement with merely substitutive effects and, under no circumstances, extinguishing effects, for the purposes of stipulating the following: i) the updated amount of the recognised debt; ii) the regulation of the payment by the public business entity "ENAIRE" and AENA S.M.E., S.A. of the amounts due under the financing agreements; iii) the co-creditors' exercise of powers under these financing agreements; iv) AENA S.M.E., S.A.'s obligation to fulfil the same financial ratios, as outlined in the novations of the financial agreements; v) the commitment to the future pledge on credit rights (the amount corresponding to one year of service of the debt which is paid back under the financing agreements) by the Company in favour of the public business entity "ENAIRE" in the event of failure to meet its obligations under the recognition of debt agreement or loss of the majority share capital of AENA S.M.E., S.A. by the public business entity "ENAIRE".

In the debt novation process, the parties expressly agreed that, notwithstanding their status as co-debtors and their joint responsibility to fulfil the obligations called for in the financing agreements, the payments that must be made under any concept based on these financing agreements shall be made by the public business entity "ENAIRE" and, therefore, the contractual relationship between AENA S.M.E, S.A. and the public business entity "ENAIRE" is maintained through the recognition of debt agreement.

Notwithstanding the joint and primary responsibility that AENA S.M.E., S.A. and the public business entity "ENAIRE" take on with regard to the financial entities under the financing agreements, the payments made by AENA S.M.E., S.A. will proportionally lower its payment obligations stemming from the contribution before the public business entity "ENAIRE".

In any event, the failure of AENA S.M.E., S.A. to meet its obligations stemming from the recognition of debt agreement will not release the public business entity "ENAIRE" from fulfilling its commitments to pay by virtue of the provisions in the financing agreements.

Via these novations, the financial terms of the loan transactions granted at the time to the public business entity "ENAIRE" were not altered, nor were those outlined in the model loans taken out at the time with AENA, S.M.E., S.A. (such as, among others: repayment of principal, maturity dates, interest rate regime, terms of repayment, etc).

For all of these reasons, the modifications agreed to in the financing agreements with banks and with the public business entity "ENAIRE" did not change the accounting treatment of the Company's financial debt with the ultimate parent company, the public business entity "ENAIRE".

The main clauses that were changed are summarised below:

- The joint nature of the lenders, the public business entity "ENAIRE" and AENA S.M.E., S.A., which are mutually obligated to each other before the bank with regard to the obligation to pay back the amount of the loan that has been used by either of them and to pay interest, commissions, costs, expenses and any other amount payable by either of them directly to the bank by virtue of the agreements. The banks expressly recognise that the payment that they receive, for any item, from either of the lenders, in accordance with the stipulations of the agreement, will have full clearing effects for that item and amount.
- The elimination of the clauses that imposed limitations on the transmission of AENA S.M.E., S.A. shares and the sale of a percentage of shares higher than 49%.
- The obligation to fulfil certain financial ratios on the basis of the consolidated annual accounts of the Aena Group, which shall be certified by the delivery of a certificate accrediting fulfilment of these ratios on a half-yearly and yearly basis, with the following limits:

(Amounts in thousands of euros unless otherwise stated)

Ratio	2019	2020	2020	2021	2022 and thereafter
Net Financial Debt/EBITDA Less than or equal to:	7.00x	7.00x	7.00x	7.00x	7.00x
EBITDA / Finance Expenses Greater than or equal to:	3.00x	3.00x	3.00x	3.00x	3.00x

- With regard to the possibility of granting charges and duties, a more favourable framework is established compared to what had been provided for in the initial financing agreements, as certain real guarantees on international assets may now be granted in international financing operations without recourse to AENA S.M.E., S.A. or the Public Business Entity "ENAIRE", as opposed to the prohibition which existed in many initial agreements and which have often hindered business expansion.
- The unification of the clauses that restrict the disposal of assets: AENA S.M.E., S.A. will retain, either directly or indirectly, ownership of all the airport assets and will not dispose of them in even a single operation or series of operations, related or not, with several exceptions in relation to airport assets located outside Spain.
- Certain clauses were unified in order to clarify the events in which financial contracts may be the object of early maturity as the result of defaults derived from the commercial relationships of AENA S.M.E., S.A.

The financing agreements include the following causes of early maturity rated in ordinary market terms:

a) Failure to meet any of the payment obligations stemming from each of the financing agreements.

b) Failure to meet any payment obligation stemming from other financing agreements.

c) Failure to meet any payment obligation stemming from habitual commercial relations in the ordinary traffic of AENA S.M.E., S.A., unless Aena has judicially or extrajudicially opposed the corresponding claim for payment stemming from a failure to meet obligations and/or has filed, or is going to file, the corresponding legal actions that AENA S.M.E., S.A. has a right to file, as long as there has not been a ruling concerning the payment against it.

d) General embargoes of AENA S.M.E., S.A. and/or ENAIRE assets.

e) The constitution by ENAIRE, and/or by the Companies and entities of the ENAIRE group (with the exception of AENA S.M.E., S.A. and the companies in its group, which are governed by the limitation indicated in the following point), of any real right, burden, duty or privilege over any of the assets or rights, present or future.

f) The constitution by AENA S.M.E., S.A. and the companies in its group of any real right, burden, duty or privilege over any of the assets or rights existing in its balance sheet, with the exception of any real right, burden, duty or privilege over assets located outside Spain (including in this exception shares or stock in companies located in Spain, as long as all their operating assets are located outside of Spain) exclusively, in guarantee of financing or other obligations without recourse to Aena S.M.E., S.A. contracted by subsidiaries and/or other companies in the Aena group.

g) Unless the bank has given its authorisation in writing: Aena will maintain, directly and indirectly, ownership over all its airport assets and shall not dispose of them in either a single operation or in a series of related or unrelated operations, with the exception, exclusively concerning airport assets located outside of Spain that are directly or indirectly owned by Aena, of disposals up to a joint aggregate amount during the entire lifetime of the agreement that does not exceed 20% of the consolidated assets of Aena. The value of both the consolidated assets and the disposed assets being determined at all times in reference to the values accounted in Aena's consolidated balance sheet corresponding to 31 December of the last fiscal year closed at the time that the disposal of assets agreement is signed. For the purposes of this clause, "Airport Assets" means any assets that are part of the airport activity included in the consolidated property, plant and equipment of Aena.

h) The change in the risk weight of ENAIRE or of the loans or credits generated by means of the financing agreements.

Only these causes of early maturity could authorise the banks, in accordance with the specific terms and conditions of their respective agreements, to declare an early maturity of their respective financing agreements, notwithstanding the need for good faith and the essential nature of the cause cited.

In the event of a breach by AENA S.M.E., S.A. of its obligations under the recognition of debt contract:

- AENA S.M.E., S.A. agrees to the future constitution of a first-ranking pledge agreement on certain credit rights (the amount corresponding to one year of service of the debt accrued under the financing agreements) in favour of ENAIRE (this obligation also arises in the event of a loss of control of AENA S.M.E., S.A. by ENAIRE).

- The amounts unpaid by AENA S.M.E., S.A. will accrue late payment interest.

- In the event that ENAIRE has had to pay any amount to the financial institutions that, under the recognition of debt contract, had to be paid by AENA S.M.E., S.A., ENAIRE will be subrogated in the rights and guarantees of the creditor vis-à-vis AENA S.M.E., S.A., and the debt recognised in the recognition of debt contract will be automatically increased by the amount paid by ENAIRE.

- Likewise, in the event that, as a result of the breach of an obligation by AENA S.M.E., S.A. under the financing agreements, this causes the early maturity of one or several financing agreements and the claim for effective payment of any amounts, AENA S.M.E., S.A. must pay ENAIRE a penalty equivalent to 3% of the total overdue principal of the respective breached financing agreement. This provision shall also be applied in the event that the delinquent party was ENAIRE, in which case it must pay the aforementioned penalty to AENA S.M.E., S.A.

The breakdown of "**Financial debt in which the Company appears as a joint creditor with ENAIRE**" (henceforth, "Co-accredited debt") with banks on 31 December 2020 is the following (in thousands of euros):

Financial institutions	Amount
EIB	2,869,923
ICO	1,329,975
FMS	506,133
TOTAL Co-accredited	**4,706,031**

Of the €4,706,031 mentioned above, AENA S.M.E., S.A. owes the public entity "ENAIRE" the debt derived from the contribution to the airport activity, which on 31 December 2020 totalled €4,674,316,000 (2019: €5,303,393,000), 99% of the total debt owed. AENA S.M.E., S.A. also owes public entity "ENAIRE" €34,544,000 for other loans (2019: €39,086,000). The maturity schedule of both items, at year-end, is detailed further on.

Regarding the causes for declaring early maturity, ENAIRE, as the holder of the financing agreements, has not breached any of the conditions on early maturity, so this does not affect the Company's balance sheet at 31 December 2020 and 31 December 2019.

As a result of the exceptional situation caused by COVID-19 and its impact on EBITDA, at 31 December 2020, the Net Financial Debt/EBITDA ratio of Aena S.M.E., S.A. has been 8.1x, which is in breach of the maximum ratio of 7.0x allowed in some financing agreements.

Given the possibility of this breach, on 1 December 2020 Aena S.M.E., S.A. obtained exemptions from compliance with the financial ratios from all the affected Financial Entities. These exemptions are valid until, at least, 30 June 2022. In accordance with the established terms, the entities waive the right to exercise their right to declare early maturity in the event of the possible breach of the aforementioned ratio.

(Amounts in thousands of euros unless otherwise stated)

The repayment schedule for the principal of the short and long-term debt with ENAIRE for financing airports (Note 10) at the end of the 2020 fiscal year is as follows:

Maturity of Quotas	Thousands of euros 2020
2021	546,349
2022	535,836
2023	514,364
2024	512,641
2025	649,777
Thereafter	1,949,893
Total	**4,708,860**

The breakdown of the "Long-term debts with group and associated companies" and "Short-term debts with group and associated companies" sections of the balance sheet liabilities as of 31 December 2020 and 2019 is shown below:

	Thousands of euros					
	2020			2019		
Debts with group and associated companies (Note 12)	**Long-term**	**Short-term**	**Total**	**Long-term**	**Short-term**	**Total**
Debts with ENAIRE	4,162,511	546,349	4,708,860	4,708,860	633,619	5,342,479
Debt from commissions	(2,629)	(316)	(2,945)	(3,257)	(358)	(3,615)
Interest accrued	-	11,656	11,656	-	13,162	13,162
Debts due to the tax effect	-	4,109	4,109	-	2,475	2,677
Total	**4,159,882**	**561,798**	**4,721,680**	**4,705,603**	**648,898**	**5,354,703**

As of 31 December 2020 and 2019, long and short-term debts are denominated in euros.

The variations in the balance of the loan from ENAIRE, which took place during the 2020 fiscal year, primarily correspond to the repayment of the principal for the amount of €633,619,000 . The reconciliation between the opening and closing balances of the Financial debt with the parent company component of the balance sheet is as follows:

		Cash flow					
	31 December 2019	**Financing activities Collections**	**Financing activities Payments**	**Operating activities Interest payments**	**Transfers from short to long term**	**Accrued interest**	**31 December 2020**
Non-current							
Loan to AENA S.M.E., S.A. from ENAIRE	4,708,860	-	-	-	(546,349)	-	4,162,511
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(3,257)	-	-	-	42	586	(2,629)
Subtotal of Aena S.M.E., S.A. long-term debt with ENAIRE	**4,705,603**	**-**	**-**	**-**	**(546,307)**	**586**	**4,159,882**
Current							
Loan from ENAIRE	633,619	-	(633,619)	-	546,349	-	546,349
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(358)	-	-	-	(42)	84	(316)
Interest accrued on loans from ENAIRE	13,162	-	-	(38,525)	-	37,019	11,656
Subtotal of Aena S.M.E., S.A. short-term debt with ENAIRE	**646,423**	**-**	**(633,619)**	**(38,525)**	**546,307**	**37,103**	**557,689**
Total	**5,352,026**	**-**	**(633,619)**	**(38,525)**	**-**	**37,689**	**4,717,571**

(Amounts in thousands of euros unless otherwise stated)

The variations in the balance of the loan from ENAIRE, which took place during the 2019 fiscal year, primarily correspond to the repayment of the principal for the amount of €633,744,000. The reconciliation between the opening and closing balances of the Financial debt with the parent company component of the balance sheet is as follows:

		Cash flow					
	31 December 2018	Financing activities Collections	Financing activities Payments	Operating activities Interest payments	Transfers from short to long term	Accrued interest	31 December 2019
Non-current							
Loan to AENA S.M.E., S.A. from ENAIRE	5,342,479	-	-	-	(633,619)	-	4,708,860
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(3,965)	-	-	-	45	663	(3,257)
Subtotal of Aena S.M.E., S.A. long-term debt with ENAIRE	**5,338,514**	**-**	**-**	**-**	**(633,574)**	**663**	**4,705,603**
Current							
Loan from ENAIRE	633,744	-	(633,744)	-	633,619	-	633,619
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(401)	-	-	-	(45)	88	(358)
Interest accrued on loans from ENAIRE	14,895	-	-	(43,851)	-	42,118	13,162
Subtotal of Aena S.M.E., S.A. short-term debt with ENAIRE	**648,238**	**-**	**(633,744)**	**(43,851)**	**633,574**	**42,206**	**646,423**
Total	**5,986,752**	**-**	**(633,744)**	**(43,851)**	**-**	**42,869**	**5,352,026**

The book values and fair values of non-current debts with ENAIRE are as follows:

	Book value		Fair value	
	31 December		31 December	
	2020	2019	2020	2019
Debt with ENAIRE	4,159,882	4,705,603	4,125,923	4,882,783
Total (Note 12)	**4,159,882**	**4,705,603**	**4,125,923**	**4,882,783**

The fair value of current external resources does not differ significantly from their book value, as the impact of applying the discount is not significant. Fair values for debt with a term greater than one year are based on cash flows discounted at risk-free rates (OIS curve) plus a *spread* equal to the modelised five-year AENA CDS (146 bps) as per Bloomberg (2019: at risk-free rates [OIS curve] plus a *spread* equal to the modelised five-year AENA CDS [46 bps]).

(Amounts in thousands of euros unless otherwise stated)

b) Debts with credit institutions

The balance of long-term debts with credit institutions amounts to €2,673,731,000 as of 31 December 2020 (31 December 2019: €250,000,000), detailed as follows:

- The breakdown of outstanding amounts of long-term loans as of 31 December 2020 is as follows:

Financial institution	2020	2019
EIB	475,630	-
CAIXABANK	400,000	-
UNICAJA	350,000	150,000
ICO	300,000	-
BANKIA	250,000	-
CAJAMAR	250,000	-
CREDIT AGRICOLE-CIB	200,000	-
KUTXABANK	200,000	100,000
ABANCA	100,000	-
BANKINTER	75,000	-
SABADELL	75,000	-
TOTAL	**2,675,630**	**250,000**

- As of 31 December 2020, the amount of commissions associated with these loans registered in accounting as the lower value thereof and pending allocation to results amounts to €1,899,000 (2019: €0).

The balance of short-term debts of AENA S.M.E., S.A. with Credit Institutions as of 31 December 2020 amounts to €53,370,000 (31 December 2019: €391,000,000), €3,370,000 of which correspond to outstanding accrued interest (31 December 2019: €40,000 from outstanding accrued interest).

c) Credit facilities

The Sustainable Syndicated Credit Line (ESG-linked RCF) for the amount of €800 million has the following breakdown by entities:

BANKING ENTITY	AMOUNT (thousands of euros)
BBVA	190,000
SANTANDER	160,000
BANKINTER	100,000
SABADELL	100,000
UNICAJA	100,000
KUTXA	100,000
IBERCAJA	50,000
TOTAL	**800,000**

This line matures in December 2025. There is no drawn down balance as of 31 December 2020 (€391,000 as of 31 December 2019). The interest rate is variable, with an initial spread (0.275% per annum) over the Euribor at 1/3/6 months.

The initial *spread* is reviewed annually based on the following two variables:

a) Moody's and/or Fitch's credit evolution of AENA according to the following table:

(Amounts in thousands of euros unless otherwise stated)

CREDIT RATING	Applicable margin
A+/A1 or above	0.225%
A/A2	0.250%
A-/A3	0.300%
BBB+/Baa1	0.350%
BBB/Baa2	0.400%
BBB-/Baa3 or lower	0.550%

b) The evolution of Aena's sustainability parameters in environmental, social and good governance issues (ESG "Environmental, Social and Governance" rating) evaluated by the ESG rating provider selected by AENA (Sustainalytics), so if the score increases or diminishes by five or more points with respect to the initial one, the resulting applicable margin will be reduced by 0.025% in the first case and will increase in the second.

2. As referred to in Note 5, the Company also has €124,370,000 of financing available (not drawn down) corresponding to EIB loans. The availability period is 24 months from the date of the signing of the agreements. Specifically, the final date of availability for both loans is 30 November 2022.

d) Marketable securities

On 30 October 2019, AENA S.M.E, S.A. registered a Promissory Note Programme (Euro Commercial Paper) with the CNMV, with a maximum balance of €900,000,000 in the BME (Bolsas y Mercados Españoles) Fixed Income Market. With this new instrument, Aena can flexibly place promissory notes throughout the year with minimum unit nominals of €500,000 and maturities of between 3 and 364 days. The aforementioned programme expired on 30 October 2020.

On 24 November 2020, the Company registered a new Promissory Note Programme (Euro Commercial Paper) with the CNMV, with the same maximum balance (€900,000,000) in the BME Fixed Income Market and under the same conditions as the previous one.

At 31 December 2020, the paper issued under this programme amounts to €55,000,000 (2019: €159,000,000).

e) Cash flow hedges

- Aena S.M.E., S.A. derivatives

As explained in Note 5, on 10 June 2015, Aena signed a hedging transaction from variable interest rate to fixed with lending entities with a credit rating equal to or better than BBB (Standard & Poor's), in order to avoid the risk of fluctuation in interest rates on various credits, for an amount of €4,196 million.

Their main characteristics are as follows:

	Classification	Type	Contracted amount (thousands of euros)	Pending capital 31/12/2020	Date of agreement	Start date for the derivative	Quotas	Designation date of the hedge
Interest rate *swaps*	Cash flow hedge	Fixed interest rate swap at 0.144% against variable interest rate (Eur6M)	290,000	0	27-06-2015	29-06-2015	15-12-2020	27-06-2015
Interest rate *swaps*	Cash flow hedge	Fixed interest rate swap at 1.1735% against variable interest rate (Eur6M)	854,100	569,400	15-06-2015	15-06-2015	15-12-2026	15-06-2015
Interest rate *swaps*	Cash flow hedge	Fixed interest rate swap at 0.9384% against variable interest rate (Eur3M)	3,041,833	1,553,333	15-06-2015	15-06-2015	15-12-2026	15-06-2015
		TOTAL	**4,185,933**	**2,122,733**				

(*) Initially contracted for a notional amount of €300,000,000.

The sums of notional principal in those interest rate swap contracts outstanding at 31 December 2020 amounted to €2,122,733,000 (31 December 2019: €2,436,726,000).

The balance recognised in the reserve for equity cover in interest rate swap agreements at 31 December 2020 will be continuously transferred to the income statement until the bank loans are repaid. During the 2020 fiscal year, €31,859,000 were allocated to the profit and loss account as finance expenses for the settlement of hedging instruments (in 2019: €33,699,000).

The fair value of these derivatives amounts to €128,479,000 as of 31 December 2020 (31 December 2019: €125,777,000), and its breakdown between the current and non-current part is as follows:

Fair value recorded in "Non-current liabilities" as of 31 December 2020 (in thousands of euros)	Fair value recorded in "Current liabilities" as of 31 December 2020 (in thousands of euros)
96,834	31,645

Fair value recorded in "Non-current liabilities" as of 31 December 2019 (in thousands of euros)	Fair value recorded in "Current liabilities" as of 31 December 2019 (in thousands of euros)
94,115	31,662

As of 31 December 2020 and 2019, the Company's hedge derivatives are effective and meet the requirements necessary to apply hedge accounting, in such a way that there is no ineffectiveness recorded in the profit and loss account.

16. Trade and other payables

The breakdown of credit balances for commercial operations is as follows:

	Thousands of euros	
Trade and other payables	**2020**	**2019**
Suppliers, group and associated companies (Note 12)	19,841	24,141
Sundry creditors	116,627	164,933
Staff	37,220	30,373
Other debts with Public Administrations (Note 22.1)	22,496	32,010
Advances to customers	50,373	56,701
Total	**246,557**	**308,158**

Information on the average payment period to suppliers is as follows:

	Days	
	2020	**2019**
Average payment period to suppliers	42	46
Ratio of transactions paid	46	50
Ratio of transactions pending payment	23	15

These parameters were calculated in accordance with Art. 5 of the Resolution *dated 29 January 2016, published by the Accounting and Auditing Institute, on the information to be included in the annual accounts report in relation to the average payment period to suppliers in commercial transactions,* as follows:

1. Average payment period to suppliers = (Ratio of paid operations x total value of payments made + Ratio of outstanding payment operations x total amount outstanding payments)/(total amount of payments made + total amount of outstanding payments).

2. Ratio of transactions paid = Σ (days payment outstanding x amount of the transaction paid)/total amount of payments made.

   "Days payment outstanding" is understood to mean the calendar days that have elapsed since the date the calculation begins until the actual payment of the transaction.

3. Ratio of outstanding payments = Σ (days payment outstanding x amount of operations pending payment)/Total amount of outstanding payments.

(Amounts in thousands of euros unless otherwise stated)

"Days payment outstanding" is understood to mean the calendar days that have elapsed since the date the calculation begins until the last day referred to in the annual accounts.

4. For the calculation of both the number of days of payment as well as the days' payment outstanding, the company calculates the term as of the date of provision of the services. However, given the lack of reliable information on the time that this has taken place, the date of receipt of the invoice is used.

	Thousands of euros	
	Amount 2020	**Amount 2019**
Total payments made	1,272,150	976,392
Total payments outstanding	257,456	126,522

The average payment period is calculated over the invoices received and formed outstanding payment corresponding to the suppliers who, due to their nature, are suppliers of goods and services, in such a way that only the data relating to the "Sundry creditors" item of the "Trade and other payables" section are considered. The accounting balance of "Sundry creditors" is greater than that of "outstanding payments", because it includes the balances from invoices pending receipt and/or formation.

In the 2020 fiscal year, the average payment period has complied with the deadlines set out by Act 15/2010. In those cases where a payment has been made outside of the legally binding period, this is due, mainly, to reasons not attributable to the Company: invoices not received on time, expired AEAT certificates, lack of certificates of proof of supplier bank accounts, among others.

17. Inventories

The balance of the "Inventories" section at the end of the 2020 and 2019 fiscal years is broken down into the following items:

	Thousands of euros	
	2020	**2019**
Spare parts	5,598	6,282
Greenhouse effect emission allowances (Note 27)	301	-
Provision for impairment of inventories	-	(134)
	5,899	**6,148**

The inventories balance mainly includes materials and spare parts used by the Company in airport operations.

18. Cash and cash equivalents

The breakdown of the "Cash and cash equivalents" section is as follows:

	Thousands of euros	
	2020	**2019**
Cash and bank deposits	386,265	149,375
Other cash equivalents	755,000	-
	1,141,265	**149,375**

At 31 December 2020 and 2019, there are no cash and cash equivalents balances that are unavailable for use.

19. Equity

a) Share capital

The Company was created on 31 May 2011 with an initial capital of €61,000 (€1,000 per 61 shares) provided in full by the public business entity ENAIRE. On 6 June 2011, the ENAIRE Shareholders' Meeting approved a capital increase with the non-monetary contribution of the branch of airport activity, where the following was agreed:

(Amounts in thousands of euros unless otherwise stated)

- To reduce the nominal value per share by splitting the 61 shares, at €10 per share, in such a way that there would be a total of 6,100 shares.

- To increase the share capital to €1,500,000,000, through the contribution of €1,499,939,000 (149,993,900 shares issued at €10 each). These shares are issued with a premium of €1,100,868,000. Therefore, the capital and the share premium would amount to €2,600,807,000.

On 23 January 2015, the Council of Ministers approved the sale of 49% of Aena via an Initial Public Offer, registering the IPO prospectus with the CNMV on 23 January 2015. Trading in AENA S.M.E., S.A. shares opened on the Continuous Market, in the four Spanish stock markets, on 11 February 2015.

The listing of the Company on the stock exchange, as explained above, via the IPO of 49% of AENA S.M.E., S.A.'s capital, meant that ENAIRE's holding in AENA S.M.E., S.A. fell to 51%, compared to its previous 100%.

On 31 December 2020 and 2019, the share capital of AENA S.M.E., S.A. was represented by 150,000,000 ordinary shares worth €10 in nominal value each, which have been fully paid. These shares have equal voting and economic rights. Its listed value on the Stock Exchange amounted to €142.2 as of 31 December 2020.

As of 31 December 2020 and 2019, there are also no capital increases in progress or authorisations to operate in own shares.

According to the information available at 31 December 2020 and 2019, the stakes exceeding 10% are as follows:

ENAIRE	51.00 %

b) Reserves

Share premium

The consolidated text of the Corporate Enterprises Act expressly allows the use of the share premium balance to expand the share capital and does not establish any specific restriction regarding the drawing down of this balance.

This reserve is freely available provided that, as a result of its distribution, the Company's equity value is not less than the share capital figure.

As of 31 December 2020 and 2019, the Company's Share Premium amounts to €1,100,868,000.

Capitalisation reserve

The Capitalisation Reserve amounting to €159,877,000 (2019: €133,714,000) comes from the approval of the Company's distribution of profits for the fiscal years ended 31 December 2015. This capitalisation reserve has been endowed in accordance with articles 25 and 62 of the Corporate Tax Act, which establishes that the reserve must be endowed with the amount stipulated in order to benefit from the reduction in the tax base of the tax group for the fiscal year. As defined in said article, the right to a reduction in the tax base of the tax group is set at 10% of the tax group's increase in equity. This sum may never exceed 10% of the positive tax base of the tax group corresponding to the tax year prior to the reduction and integration referred to in section 12 of article 11 of the Act and the compensation of negative tax bases. However, in the event of insufficient tax base of the tax group to apply the reduction, the pending amounts may be applied in the tax periods ending in the two years immediately following the closing of the tax period in which the right to the reduction was generated, together with the reduction that may correspond in that year and with the indicated limit. The reserve is unavailable and is conditioned on maintaining the increase in equity of the tax group for a period of five years from the close of the tax period to which the reduction corresponds, except if losses are incurred.

Legal reserve

The legal reserve must be allocated in accordance with article 274 of the Corporate Enterprises Act. This article requires that, in any event, a figure equal to 10% of the profits for the year is earmarked for the legal reserve, until its amount attains at least 20% of the share capital.

The legal reserve, as long as it does not exceed the amount indicated above, may only be used to offset losses if no other reserves are available for this purpose.

(Amounts in thousands of euros unless otherwise stated)

At the end of the 2020 fiscal year, the legal reserve amounted to €300,000,000 (31 December 2019: €300,000,000), equalling the minimum legal limit established in accordance with article 274 of the Corporate Enterprises Act.

Other reserves

As of the end of the 2020 and 2019 fiscal year, fully available voluntary reserves are included in this heading provided that, as a result of their distribution, the value of the Company's equity is not lower than the share capital.

c) Adjustments due to changes in value

The movement produced in the 2020 and 2019 fiscal years in this reserve as a result of the valuation adjustments of the derivatives designated as cash flow hedges (see Note 15) is as follows:

	2020			
	Opening balance	Variations Fair value	Postings to results	Balance 31/12/2020
Cash flow hedges				
Aena interest rate swaps	125,777	34,561	(31,859)	128,479
Tax effect	(31,443)	(8,641)	7,964	(32,120)
Total	**94,334**	**25,920**	**(23,895)**	**96,359**

	2019			
	Opening balance	Variations Fair value	Postings to results	Balance 31/12/2019
Cash flow hedges				
Aena interest rate swaps	89,283	70,193	(33,699)	125,777
Tax effect	(22,320)	(17,548)	8,425	(31,443)
Total	**66,963**	**52,645**	**(25,274)**	**94,334**

The breakdown of the fiscal years in which this reserve is expected to affect the profit and loss account is included in Note 10, under the "Derivatives" section of the Analysis by maturity.

d) Grants, donations and legacies received

The breakdown and movement of this section as of 31 December 2020 and 2019 is as follows:

	2020			
	Opening balance	Additions	Postings to results	Balance 31/12/2020
Capital grants from official European bodies				
Amount	497,337	31	(36,746)	460,622
Tax effect	(124,335)	(8)	9,187	(115,156)
Net	**373,002**	**23**	**(27,559)**	**345,466**

	2019			
	Opening balance	Additions	Postings to results	Balance 31/12/2019
Capital grants from official European bodies				
Amount	530,812	6,180	(39,655)	497,337
Tax effect	(132,703)	(1,545)	9,913	(124,335)
Net	**398,109**	**4,635**	**(29,742)**	**373,002**

Proceeds from grants

The breakdown of the gross grants by operative programmes earned in the 2020 and 2019 fiscal years is as follows in thousands of euros:

	Thousands of euros	
	2020	**2019**
Valencian Operative Programme	-	529
Region of Murcia Operative Programme	-	1,051
Canary Islands Operative Programme	-	4,687
Knowledge Economy Operative Programme	-	(7)
Menorca Airport wastewater treatment plant grant	192	193
Total ERDF Funds Received	**192**	**6,453**

At the close of the 2020 fiscal year, the Company believes that all the conditions needed to receive and enjoy the grants listed above have been met.

20. Accruals

Liability accruals

On 14 February 2013, AENA S.M.E., S.A. signed three contracts with World Duty Free Group España, S.A. (DUFRY) for the leasing of the commercial premises of duty free and duty paid shops in the entire Spanish airport network. These contracts were in force until 31 October 2020 and included an advance payment of €332,442,000, which is regularly offset with turnover during this validity period. In this regard, as of 31 December 2020, all advance payments have been recorded in the short-term, amounting to €19,373,000 (2019: €38,251,000 in the short-term and €38,296,000 in the long-term).

	Long-term liabilities		Short-term liabilities	
	2020	**2019**	**2020**	**2019**
Bonds	3,521	3,634	-	-
Accruals	5,322	5,744	19,373	38,251
Total	**8,843**	**9,378**	**19,373**	**38,251**

The long-term accrual account, initially recorded by the amount received (€278,933,000) is subject to annual updates against finance expenses. These finance expenses amounted to €12,442,000 in 2020 (2019: €12,133,000) (Note 23.f).

Asset accruals

	Long-term assets		Short-term assets	
	2020	**2019**	**2020**	**2019**
Accruals	18,720	-	28,803	5,509
Total	**18,720**	**-**	**28,803**	**5,509**

At 31 December 2020, the balance for asset accruals amounted to €47,522,000. This mainly corresponds to reductions to lease payments for commercial premises negotiated with the lessees as a result of COVID-19, which, as indicated in note 5.a-i, have been considered as an incentive to be distributed on a straight-line basis over the estimated term of the lease agreement, and recorded as a reduction of net rental income for the corresponding period. Consequently, at the end of the 2020 fiscal year, the amount of incentives pending allocation to results amounted to €41,722,000, of which €23,002,000 are short-term and €18,720,000 are long-term.

This heading also shows anticipated expenses for insurance premiums in the amount of €5,252,000 (2019: €4,882,000); commissions for the opening of lines of credit in the amount of €488,000 (2019: €557,000 euros) (see Note 15); and €59,000 for prepaid card expenses (2019: €71,000).

21. Provisions

The movement in the 2020 and 2019 fiscal years in the accounts included under this section has been as follows:

2020

	Provision for Work Commitments	Expropriations and interest on late payment	Responsibilities	Taxes	Environmental actions	Other operating provisions	Total
Opening balance	**9,541**	**8,012**	**37,119**	**8,527**	**71,100**	**34,197**	**168,496**
Allocations	747	75	6,939	2,494	2,766	21,686	34,707
Discount additions	50	-	-	-	-	-	50
Reversals/Excesses	-	(314)	(10,176)	(1,089)	(294)	(9,777)	(21,650)
Applications	(667)	(115)	(16,078)	(1,779)	(2,332)	(39,177)	(60,148)
Closing balance	**9,671**	**7,658**	**17,804**	**8,153**	**71,240**	**6,929**	**121,455**
Short-term portion	-	4,648	15,811	5,191	13,406	6,929	**45,985**
Long-term portion	9,671	3,010	1,993	2,962	57,834	-	**75,470**

2019

	Provision for Work Commitments	Expropriations and interest on late payment	Responsibilities	Taxes	Environmental actions	Other operating provisions	Total
Opening balance	**9,313**	**13,251**	**21,573**	**10,576**	**70,722**	**27,235**	**152,670**
Allocations	652	3,104	18,719	952	16,148	35,115	74,690
Discount additions	137	-	-	-	-	-	137
Reversals/Excesses	-	(7,251)	(2,208)	(2,877)	(8,372)	(2,720)	(23,428)
Applications	(561)	(1,092)	(965)	(124)	(7,398)	(25,433)	(35,573)
Closing balance	**9,541**	**8,012**	**37,119**	**8,527**	**71,100**	**34,197**	**168,496**
Short-term portion	-	4,999	35,114	5,961	9,463	28,766	**84,303**
Long-term portion	9,541	3,013	2,005	2,566	61,637	5,431	**84,193**

a) Provision for work commitments

The movement of the Provision for work commitments accounts during the 2020 and 2019 fiscal years, in thousands of euros, has been as follows:

2020

	Provision for length of service awards	Provision for early retirement awards	Total provision for work commitments
Opening balance on 1 January 2020	**8,833**	**708**	**9,541**
Allocations	630	37	667
Actuarial gains and losses	40	40	80
Discount increase	46	4	50
(Applications)/Rebates	(667)	-	(667)
Closing balance on 31 December 2020	**8,882**	**789**	**9,671**

(Amounts in thousands of euros unless otherwise stated)

	2019		
	Provision for length of service awards	**Provision for early retirement awards**	**Total provision for work commitments**
Opening balance on 1 January 2019	**8,649**	**664**	**9,313**
Allocations	639	30	669
Actuarial gains and losses	(21)	4	(17)
Discount increase	127	10	137
(Applications)/Rebates	(561)	-	(561)
Closing balance on 31 December 2019	**8,833**	**708**	**9,541**

Provision for length of service awards

At 31 December 2020, the balance of the liability recognised in the balance sheet for this provision is €8,882,000 (2019: €8,833,000). The endowment for the 2020 fiscal year amounted to €716,000 (2019: €766,000), €46,000 of which correspond to the financial cost (2019: €127,000), having obtained actuarial losses of €40,000 (2019: actuarial gains of €21,000).

Provision for early retirement awards

At 31 December 2020, the balance of the liability recognised in the balance sheet is €789,000 (2019: €708,000), which corresponds to the difference between the present value of the obligation accrued as of 31 December 2020 of €789,000 (2019: €708,000) and the fair value of the plan assets of €0 (2019: €0). The net additions for the fiscal year have corresponded to the normal cost of services for the fiscal year: €37,000 (2019: €30,000), financial cost: €4,000 (2019: €10,000), rebates: €0 (2019: €0), actuarial losses of €40,000 (2019: actuarial losses of €4,000), and returns on plan assets of €0 (2019: €0).

Other work commitments

The agreement stipulates a pension plan as post-employment compensation for workers. For this benefit, the Company has made defined contributions to the fund during the fiscal years prior to 2013. However, for the 2017, 2016, 2015, 2014 and 2013 fiscal years, the Company has not made these contributions due to the suppression established in Act 3/2017, of 27 June, Act 48/2015, of 29 October, Act 36/2014, of 26 December, Act 22/2013, of 23 December, and RDL17/2012, of 27 December, respectively. These acts establish that public companies cannot make contributions to employee pension plans or collective insurance contracts that include retirement contingency coverage.

For the 2018, 2019 and 2020 fiscal years, extraordinary contributions were made to the Pension Plan based on the application of the last paragraph of art. 18.2 of the 2019 State General Budget Act (LPGE [Ley de Presupuestos Generales del Estado]), art. 3.2 of RD-Law 24/2019, and the final paragraph of article 3 Two of Royal Decree-Law 2/2020, for the amounts of €498,000, €650,000 and €2,444,000, respectively.

b) Expropriations and interest on late payment

The provision for expropriations and interest on late payment records the best estimate of the amount relating to the difference between the prices paid for the expropriation of land required for the expansion of airports and the estimates of the prices that the Company would have to pay, considering that it is likely that certain legal claims in progress regarding some of the prices paid will be successful for the claimants. When estimating the amount of the differences affecting these prices, the Company has taken into account late-payment interest using the current legal interest rate in force for each year as a basis of calculation.

At 31 December 2020, there are provisions corresponding mainly to disputes related to expropriations of land at Vigo and Adolfo Suárez Madrid-Barajas airports. This set of procedures has given rise to a provision amounting to €7,658,000 as of 31 December 2020, €6,360,000 of which corresponded to fair value differences, which have had the higher value of land as a balancing entry, and €1,298,000 to late payment interest accrued as of 31 December 2020, which have had expenses for late payment interest for expropriations as a balancing entry. (31 December 2019: €8,012,000, €6,630,000 of which corresponded to fair value differences, which have had the higher value of land as a balancing entry, and €1,382,000 to late payment interest accrued as of 31 December 2019, which have had expenses for late payment interest for expropriations as a balancing entry).
The reversions made during the 2020 fiscal year are mainly a consequence of resolutions favourable to the interests of Aena. The €313,000 reversed were credited to the value of the fixed asset against which they were originally recorded, and

the remaining €1,000 were credited to profit and loss (at the time they were debited to interest expense for expropriation delays).

The reversals indicated in the movement of the provision during the 2019 fiscal year were mainly a consequence of a ruling from the Supreme Court agreeing to the inadmissibility of a cassation appeal filed by the expropriated party. Of the €7,251,000 reversed in 2019, €4,607,000 were credited to the value of the real estate against which they were originally recorded, and the remaining €2,644,000 was credited to results (at the time they were debited to interest expenses for expropriation delays).

The finance expense of interest for expropriations as of 31 December 2020, once the aforementioned reversals were taken into account, has amounted to €30,000 (31 December 2019: revenue of €2,270,000) (see Note 23.f).

c) Provision for responsibilities

This heading mainly records provisions made based on the best estimates available to the Company's management to cover risks relating litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. As of 31 December 2020 and 2019, the balances of the Provision mainly corresponded to unfavourable rulings in claims made by lessees, and to labour and other claims made by contractors and airlines.

During the 2020 fiscal year, the endowments made by the Group, totalling €6,939,000, corresponded mainly to claims made by commercial lessees, amounting to €5,425,000, and labour claims, amounting to €1,340,000.

During the 2020 fiscal year, reversals amounting to €10,176,000 correspond to the resolution in favour of the Company of labour disputes and other risks, which have been credited to the profit and loss account, mainly under the section "Provision surpluses".

During the 2019 fiscal year, the endowments made by the Company, for a total amount of €18,719,000, corresponded mainly to unfavourable rulings in claims by land lessees (€14,436,000) and labour claims (€2,345,000).

During the 2019 fiscal year, the reversals amounting to €2,208,000 mainly concern the resolution in favour of the Company of labour disputes amounting to €1,114,000. Of this total of €2,208,000, €2,098,000 were credited to the profit and loss account under the section "Provision surpluses", or by decreasing staff costs due to the aforementioned favourable labour rulings obtained; and the rest, €110,000, credited to the value of the fixed assets against which the provisions were endowed at the time.

The Company's directors do not consider that, from the set of responsibilities underway, additional liabilities may arise that would significantly affect these annual accounts.

d) Taxes

This section mainly records provisions allocated with respect to appeals filed by the Company due to its disagreement with the proposed settlements received from the Tax Authorities regarding certain local taxes associated with airport assets and for which final decisions have yet to be made, of which the expectation is that an outflow of cash is likely, the definitive amounts and the definitive settlement of which are uncertain on the date that these annual accounts were prepared.

The amount of the reversals, fully credited to the profit and loss account under the "Provision surpluses" section, is mainly related to favourable resolutions in settlements that were in dispute or prescriptions of these tax settlements in favour of the Company.

e) Provisions for environmental actions

Within this section, provisions are recognised for the amount of €69,539,000 (31 December 2019: €69,700,000) related to the obligations planned to carry out the acoustic insulation and soundproofing works of residential areas in order to comply with the current regulations on noise caused by airport infrastructures.

Furthermore, an environmental provision of €1,400,000 (2019: €1,400,000) is recognised relating to the additional measures foreseen in the Resolution dated 9 April 2015, of the Secretary of State for the Environment, which modifies condition nine of the Environmental Impact Declaration of the Adolfo Suárez Madrid-Barajas Airport dated 30 November 2001, and which anticipates actions to the Arganda Gravel Bed, biological corridors and river Jarama. The 2020 provision also includes the greenhouse gas emission allowances acquired by Aena for consumption, amounting to €301,000, which correspond to the best estimate of the allowances consumed during 2020, based on the emissions actually produced during 2020 (see Note 27).

In the fiscal year ended 31 December 2020, €2,279,000 have been allocated to the updating of acoustic footprints of some Insulation Plans, which has resulted in an increase in properties that could require acoustic insulation. In calculating the provision, the estimate of unit prices used for 2019 has been maintained. The balancing entry for these provisions is included under "Property, plant and equipment".

The allocation of €16,148,000 for the environmental actions provision during the 2019 fiscal year was also mainly due to the updating of the acoustic footprints of certain Insulation Plans. In the annual accounts for the 2019 fiscal year, an average unit cost of €8,943 per property was used (except for the Adolfo Suárez Madrid-Barajas Airport, for which a cost of €15,311 was estimated due to the types of properties and buildings awaiting insulation at this airport, and for another four airports, whose estimated average amount was €4,880 per property). This reversal was made against the value of the real estate against which the provision was originally made.

The reversal made during the 2019 fiscal year for the amount of €8,372,000 was fundamentally related to a decrease in the average amount of the estimated insulation cost per property. In the annual accounts for the 2018 fiscal year, an average unit cost of €8,956 per property was used (except for the Adolfo Suárez Madrid-Barajas Airport, for which a cost of €16,743 was estimated due to the types of properties and buildings awaiting insulation at this airport, and for another three airports, whose estimated average amount was €5,567 per property).

Environmental evaluation legislation (currently Act 21/2013), requires that certain AENA S.M.E., S.A. projects be submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 metres) and be finalised by the issuing of the corresponding environmental impact statements (EIS) by the Ministry for Environmental Transition, which contain the obligation to develop and execute Sound Insulation Plans (SIP).

In terms of noise, Act 5/2010, of 17 March, amending Act 48/1960, of 21 July, on Air Navigation, stipulates the adoption of action plans, including any corrective measures, when acoustic easements are established to achieve acoustic quality objectives in relation to building exteriors, flight paths, number of flights and associated environmental impacts at airports with more than 50,000 flights/year.

The Company will post the corresponding provisions at the time when the obligation arises to insulate homes, that is, either when a new acoustic footprint is approved that centres on acoustic insulation issues, an easement and its action plan taking effect (via Royal Decree), or through the approval of a new Environmental Impact Statement as a result of the environmental evaluation of projects that require it. These published standards are the ones that must be considered when making provisions, regardless of if the insulating actions on affected buildings take place after they are made, which leads to a time difference between the provision and the execution of the works. The Company's administrators do not expect there to be any significant liabilities or additional contingencies for this reason.

(Amounts in thousands of euros unless otherwise stated)

f) Other provisions

This section records the provision for discounts applicable to landing and passenger-departure airport charges, accrued by airlines operating during certain days of the week at airports located in the Canary Islands. Also, the General State Budgets Act for the year 2016 established incentives in passenger-departure airport charges due to growth in passenger numbers on the routes operated in the Aena network.

Furthermore, in accordance with section 3.9.2 of the Airport Regulation Document (DORA) 2017-21, which states that Aena may establish a scheme of incentives, which, being compatible with Act 18/2014, has a positive effect on demand and promotes, among other things, the establishment of new routes or strengthens existing ones; on 22 February 2017, Aena approved a new commercial incentive scheme for the DORA period, in order to continue promoting the opening of new routes, increasing long-haul passenger traffic, encouraging traffic at airports with lower traffic volumes and reducing the seasonality of airports with a strong seasonal component.

The impact of COVID-19 on airport activity resulted in these incentives being rendered ineffective, so, in order to contribute to the reactivation of air traffic in Spain, Aena offered a commercial incentive that promoted the scheduling of operations by airlines, regardless of the number of passengers. As of 1 July 2020, the incentive was applied to the percentage of recovery of operations in comparison with the same month of 2019, providing certain thresholds are met. Each airline could obtain a discount of 75% or 100% on the average monthly landing charge, for all those monthly operations carried out at network airports that exceed the recovery levels set.

Subsequently, and for the winter season, the Board of Directors approved a new incentive. This measure, applicable between November 2020 and March 2021, provides incentives for all movements operated and not only those above a certain threshold, provided the airline achieves at least a 20% recovery compared to the same month of the previous winter season. At the same time, this measure also cancels the incentive for opening routes to new destinations and the growth incentive, which will cease to be in effect as of the beginning of the 2020 winter season (25 October 2020).

The effect of traffic incentives amounted to a charge of €11,909,000 during the 2020 fiscal year (a net amount originating from the reversal of €9,777,000 of provisions from previous years) compared with €32,395,000 corresponding to the same period in 2019 (a net amount originating from the reversal of €2,720,000 of provisions from previous years). The above figures reflect the adjustment made in 2020 of the provision for growth incentives because, as a result of the drastic decrease in passenger traffic, many airlines have stopped meeting the necessary requirements to accrue them.

The applications received amount to €39,177,000 against this provision during the period (2019: €25,433,000).

At 31 December 2020, the sum of the amount provisioned for all these items amounted to a balance of €6,929,000 (31 December 2019: €34,197,000).

22. Public Administrations and fiscal situation

22.1 Balances with Public Administrations

The composition of the debit and credit balances with Public Administrations is as follows:

Income tax receivable	**Thousands of euros**			
	2020		**2019**	
	Current	**Non-current**	**Current**	**Non-current**
Deferred tax assets (Note 22.3)	-	116,091	-	103,975
Current tax assets (Note 22.2)	8,931	-		
VAT receivable	69,197	-	6,258	-
Canary Islands General Indirect Tax (IGIC [Impuesto General Indirecto Canario]) receivable	1,589	-	23	-
Income tax receivable for grants awarded (Note 7f)	1,153	-	1,345	-
	80,870	**116,091**	**7,626**	**103,975**

The section “Income tax receivable for grants awarded” contained, as of 31 December 2020, an amount of €1,153,000 related to a grant for the construction of a wastewater treatment plant at a network airport. At the end of the 2019 fiscal year, there was a debit balance of €1,345,000 related to this grant. During the 2020 fiscal year, the Company collected €192,000 from this grant (see Note 19d). During the 2019 fiscal year, the Company collected €6,453,000 from grants.

(Amounts in thousands of euros unless otherwise stated)

Income tax payable	Thousands of euros			
	2020		2019	
	Current	Non-current	Current	Non-current
Deferred tax liabilities (Note 22.3)	-	120,532	-	129,710
Corporate tax payable (Note 22.2)	-	-	7,870	-
Personal income tax (IRPF [Impuesto sobre la renta de las personas físicas]) payable	6,934	-	7,245	-
Social Security payable	15,556	-	13,366	-
Other taxes payable	6	-	698	-
VAT payable	-	-	2,831	-
	22,496	**120,532**	**32,010**	**129,710**

22.2 Reconciliation of the profit/(loss) and tax base

The reconciliation between profit/(loss) and the taxable Corporate Tax base in the 2020 fiscal year is as follows:

	Thousands of euros					
	2020					
	Profit and loss account			Revenue and expenses allocated directly to equity		
Balance of revenue and expenses for the fiscal year			(5,290)			
	Increases	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**
Corporate Tax	-	(6,718)	(6,718)			
Profit/(loss) before tax	-	-	(12,008)			
Permanent differences	19,251	-	19,251			
Temporary differences:						
- Amortisation	42,950	(68,680)	(25,730)	-	-	-
- Impairment losses	11,692	(8,384)	3,308	-	-	-
- Pension plans	4,362	(3,455)	907	-	-	-
- Provisions	336	(127)	209	-	-	-
- Provision for impairment of fixed assets	735	-	735	-	-	-
- Hedging derivatives	-	-	-	31,859	(34,560)	(2,701)
- Grants, donations and legacies received	-	-	-	31	(36,746)	(36,715)
- Others	-	-	-	-	(50)	(50)
	60,075	(80,646)	(20,571)			
Offsetting of negative tax bases			-			
Tax base (taxable income)			(13,328)			(39,466)
Total tax liability			-			(9,867)
Deductions			-			
Tax liability			-			
Withholdings and payments on account			(8,931)			
Tax liability receivable			(8,931)			

(Amounts in thousands of euros unless otherwise stated)

	Thousands of euros					
	2019					
	Profit and loss account			Revenue and expenses allocated directly to equity		
Balance of revenue and expenses for the fiscal year			1,421,326			
	Increases	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**
Corporate Tax	439,352	-	439,352			
Profit/(loss) before tax	-	-	1,860,678			
Permanent differences	1,325	(26,163)	(24,838)			
Temporary differences:						
- Amortisation	42,765	(68,390)	(25,625)	-	-	-
- Impairment losses	6,719	(931)	5,788	-	-	-
- Pension plans	1,434	(562)	872	-	-	-
- Provisions	220	(6,260)	(6,040)	-	-	-
- Provision for impairment of fixed assets	-	(46,202)	(46,202)	-	-	-
- Hedging derivatives	-	-	-	33,699	(70,192)	(36,493)
- Grants, donations and legacies received	-	-	-	6,179	(39,655)	(33,476)
- Others	-	-	-	-	(5)	(5)
	51,138	(122,345)	(71,207)			
Offsetting of negative tax bases			-			
Tax base (taxable income)			1,764,633			(69,974)
Total tax liability			441,158			(17,493)
Deductions (Note 22.3)			(20,909)			
Tax liability			420,249			
Withholdings and payments on account			(409,906)			
Tax liability payable			10,343			

Under the consolidated Corporate Tax return system, there is a tax liability receivable of €8,931,000 in 2020, as a consequence of the partial payments made in April for this amount.

Under the consolidated Corporate Tax return system, the tax liability payable in 2019 amounted to €7,668,000 (Note 22.1), €10,343,000 of which corresponded to the tax liability of Aena S.M.E., S.A, (€1,160,000) corresponded to a negative tax liability (to be returned) to Aena Desarrollo Internacional S.M.E., S.A., and (€1,513,000) corresponded to the negative tax liability (to be returned) of Aena Sociedad Concesionaria del AIRM S.M.E., S.A.

The main permanent differences for the 2020 fiscal year correspond to endowments for impairment of financial investment in its subsidiary SCAIRM and for non-deductible expenses. In terms of the main temporary differences for the fiscal year, these correspond to the impairment of the fixed assets of said Company SCAIRM, the difference between the fiscal and accounting amortisation, the endowment to the provision of insolvencies, and provisions of risks and staff costs.

The general Corporate Tax rate for the 2020 fiscal year is 25%, the same as in 2019.

The Income tax heading of the attached profit and loss account consists of:

	Thousands of euros	
	2020	**2019**
Current tax	-	441,158
Deferred tax	5,142	17,802
Credits to offset losses during the fiscal year	(3,332)	-
Tax deductions recorded (Note 22.3)	(7,329)	(18,577)
Others	(1,199)	(1,031)
	(6,718)	**439,352**

The “Others” item corresponds mainly to the regularisation between the estimate made at the close of the fiscal year and the presentation of corporate tax in the following year. In 2019, this was mainly due to the new criteria of the State Tax Administration Agency (AEAT) regarding how to calculate the increase of equity in order to apply the capitalisation reserve reduction to the Corporate Tax for the 2018 fiscal year. Once this possibility was consulted with the AEAT within the framework of the Code of Good Tax Practices, the amount quantified in the final calculation of the 2018 fiscal year amounted to €27,896,000, compared to the proposed distribution of initial results that amounted to €23,472,000.

(Amounts in thousands of euros unless otherwise stated)

The breakdown by company of the credits and debits between group companies as a result of the tax effect generated by the consolidated taxation regime is as follows:

	Thousands of euros			
	2020		2019	
	Current	Non-current	Current	Non-current
Aena Desarrollo Internacional S.M.E., S.A.	-	1,595	212	1,159
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E.	-	1,866	-	1,316
	-	**3,461**	**212**	**2,475**

22.3 Deferred taxes

The breakdown of deferred taxes as of 31 December 2020 and 2019 is as follows:

	Thousands of euros	
	2020	2019
Deferred tax assets:		
- Temporary differences (Note 22.1)	116,091	103,975
	116,091	103,975
Deferred tax liabilities:		
- Temporary differences (Note 22.1)	(120,532)	(129,710)
	(120,532)	(129,710)
Deferred taxes	**(4,441)**	**(25,735)**

The breakdown of deferred tax assets and liabilities whose term of realisation or reversal is greater than 12 months is as follows:

	Thousands of euros	
	2020	2019
Deferred tax assets:		
- Temporary differences	77,024	74,422
	77,024	**74,422**
Deferred tax liabilities:		
- Temporary differences	(111,854)	(120,798)
	(111,854)	**(120,798)**
	(34,830)	**(46,376)**

The movement in deferred tax assets and liabilities during the 2020 and 2019 fiscal years has been as follows:

	Deferred tax assets										
	Amortisation (*)	Impairment losses	Pension plans	Impairment of fixed assets	Responsibility provisions	Hedging derivatives	Increased value of stakes	Credits due to Negative Taxable Base	Deductions pending application	Others	Total
Opening balance	**59,634**	**6,634**	**2,103**	**11**	**4,999**	**31,445**	**(920)**	**-**	**-**	**69**	**103,975**
Charge (credit) to profit and loss account	(6,433)	827	227	184	53	-	-	3,332	7,329		**5,519**
Charge (credit) to equity	-	-	13	-	-	675	-	-	-		**688**
Tax consolidated group companies	-	-	-	-	-	-	-	3,131	689		**3,820**
Use of credits in fiscal years	-	-	-	-	-	-	-	-	-		
Others (**)	407	1,700	-	-	(7)	-	**-**	-	-	(11)	**2,089**
Balance at 31 December 2020	**53,608**	**9,161**	**2,343**	**195**	**5,045**	**32,120**	**(920)**	**6,463**	**8,018**	**58**	**116,091**

(Amounts in thousands of euros unless otherwise stated)

	Deferred tax assets								
	Amortisation(*)	Impairment losses	Pension plans	Impairment of fixed assets	Responsibility provisions	Hedging derivatives	Increased value of stakes	Others	Total
Opening balance	**68,570**	**5,309**	**1,761**	**11,562**	**6,927**	**22,321**	**(920)**	**75**	**115,605**
Charge (credit) to profit and loss account	(6,406)	1,447	218	(11,551)	(1,510)	-	-	-	**(17,802)**
Charge (credit) to equity	-	-	-	-	-	9,124	-	-	**9,124**
Additions due to rupture of tax group	-	-	-	-	-	-	-	-	**-**
Use of credits in fiscal years	(2,335)	-	-	-	-	-	-	-	**(2,335)**
Others (**)	(195)	(122)	124	-	(418)	-	**-**	(6)	**(617)**
Balance at 31 December 2019	**59,634**	**6,634**	**2,103**	**11**	**4,999**	**31,445**	**(920)**	**69**	**103,975**

(*) The section "Amortisation" includes €11,671,000 (2019: €11,671,000) of the outstanding balance of the credit initially recognised for the amount of €21,944,000, once the €0 used during 2020 (2019: €2,335,000) had been considered (see deductions table).

(**) The section "Others" mainly includes the effects of differences in the corporate tax expense accounted for at the close of each fiscal year, and the expense recorded with the definitive tax return to the AEAT.

	Thousands of euros		
	Grants	Increased value of stakes	Total
Deferred tax liabilities			
Opening balance	**(124,333)**	**(5,377)**	**(129,710)**
Charge (credit) to equity	9,178	-	**9,178**
Balance at 31 December 2020	**(115,155)**	**(5,377)**	**(120,532)**
Deferred tax liabilities			
Opening balance	**(132,703)**	**(5,377)**	**(138,080)**
Charge (credit) to equity	8,370	-	**8,370**
Balance at 31 December 2019	**(124,333)**	**(5,377)**	**(129,710)**

Fiscal years pending verification and inspection actions

As established by current legislation, taxes cannot be considered to be definitive until the relevant returns have been inspected by the tax authorities or until four years have elapsed since filing. In this regard, the companies comprising the AENA Tax Group have the fiscal year 2016 and subsequent years open for the tax inspection; in the case of Sociedad Concesionaria del Aeropuerto Internacional de Murcia SME., S.A., the first fiscal year open for tax inspection is 2018, the year of its incorporation into the group. However, at the end of the fiscal year 2020, no Group company has any tax inspection procedure open.

The directors of Aena consider that the tax settlements have been properly carried out and, therefore, even if discrepancies were to arise in the interpretation of current legislation as a result of the tax treatment given to the transactions, any resulting liabilities, if any, would not have a material effect on the accompanying consolidated annual accounts.

(Amounts in thousands of euros unless otherwise stated)

Tax deductions

In the 2020 and 2019 fiscal years, the following deductions have been applied in the Corporate Tax settlement:

Tax deductions for the 2020 fiscal year

	Year generated (1)	Amount pending at 31/12/2019	Amount Recognised in 2020	Amount applied	Amount pending at 31/12/2020	Year matured (2)
Deductions in the Canary Islands for investments in fixed assets (2)	2020	-	7,191	-	7,191	2035
Deduction for investments in R&D&I (2)	2020	-	135	-	135	2038
Deduction for donations (2)	2020	-	3	-	3	2030
Subtotal		-	**7,329**	**-**	**7,329**	
30% deduction in amortisation (3)	2020	-	2,335	-	2,335	
	Total	**-**	**9,664**	**-**	**9,664**	

Tax deductions for the 2019 fiscal year

	Year generated (1)	Amount pending at 31/12/2018	Amount Recognised in 2019	Amount applied	Amount pending at 31/12/2019	Year matured (2)
Deductions in the Canary Islands for investments in fixed assets (2)	2019	-	18,499	(18,499)	-	2,034
Deduction for investments in R&D&I	2019	-	78	(78)	-	2037
Subtotal		-	**18,577**	**(18,577)**	-	
30% deduction in amortisation (3)	2019	-	2,335	(2,335)	-	
	Total	**-**	**20,912**	**(20,912)**	**-**	

(1) *The year of generation responds to the period in which the assets or personnel who qualified for the generation thereof were associated with the branch of airport activity.*

(2) *Deduction in the Canary Islands for investments in fixed assets: RD Law 15/2014, Fourth Transitional Provision, establishes a period of use of 15 years; Deduction for R&D&I in art. 39 of Act 27/2014, on Corporate Tax, establishes a period of use of 18 years. Deduction for donations: Act 49/2002, on the tax system of non-profit entities and tax incentives for sponsorship, establishes in its article 20 that the amounts corresponding to the non-deducted tax period may be applied in the settlements of tax periods ending in the immediate and successive 10 years.*

(3) *Deduction with recoverability of 30% in amortisation adjustment: Corporate Tax Act: Transitional Provision Thirty-Seven does not establish a limit on its use. The €2,335,000 of this deduction, recognised and applied to taxation in 2019, does not reduce the expense for tax in that period given that it was recognised in 2015. They include €2,000 corresponding to ADI, as AENA S.M.E., S.A. is the head of the tax group.*

23. Revenue and expenses

a) Subcontracted work and other supplies

The breakdown of the section “Subcontracted work and other supplies” for the 2020 and 2019 fiscal years is as follows:

	Thousands of euros	
	2020	**2019**
Purchases of other supplies	(930)	(1,220)
Works performed by other companies	(152,900)	(168,985)
Total	**(153,830)**	**(170,205)**

The works performed by other companies corresponds mainly to communications, navigation and surveillance (CNS), air traffic management (ATM) and aeronautical information services (AIS) provided by ENAIRE under the agreements signed with this entity (Note 12), which amount to €113,075,000 (2019: €130,923,000). This heading also includes the expenses derived from the agreement signed with the Spanish Meteorological Agency (AEMET) for the provision of meteorological services to the airport network managed by Aena (Note 12) for the amount of €10,846,000 (2019: €10,000,000), the services provided by the Ministry of Defence derived from the agreement signed with it (Note 4.u), amounting to €6,241,000 (2019: €5,064,000), as well as €0 for services provided by INECO (2019: €284,000) (Note 12).

(Amounts in thousands of euros unless otherwise stated)

b) Distribution of the net turnover

The Company's activity is carried out geographically within Spain, having obtained the following revenue in the 2020 and 2019 fiscal years:

	Thousands of euros	
	2020	**2019**
Airport services	**935,760**	**2,843,948**
Aeronautics - Airport Charges	**899,269**	**2,768,380**
Landing/Air Transit Service/Meteorological Service	263,139	743,409
Parking facilities	70,504	44,696
Passengers	349,985	1,284,742
Boarding airbridges	45,199	101,183
Security	115,030	440,930
Handling charges	40,555	108,591
Fuel	11,360	32,980
Catering	3,497	11,849
Other airport services (1)	***36,491***	***75,568***
Commercial services	**1,030,180**	**1,236,939**
Leases	33,699	34,452
Shops	104,340	114,805
Duty-Free Shops	382,888	343,755
Food and beverages	224,894	224,345
Car rental	100,493	154,362
Car parks	50,684	158,489
Advertising	20,975	26,043
VIP services (2)	20,570	78,833
Other commercial revenue (3)	91,637	101,855
Real estate services	**76,243**	**78,659**
Leases	15,122	14,672
Land	24,882	29,908
Warehouses and hangars	8,742	8,092
Cargo logistics centres	19,912	17,412
Real Estate Operations	7,585	8,575
Total Net Turnover	**2,042,183**	**4,159,546**

(1) Includes Counters, 400 Hz usage, Fire Service, Left Luggage and Other Revenue.
(2) Includes VIP lounge rental, VIP packages, other lounges, fast-track and fast-lane.
(3) Includes commercial operations (banking services, vending machines, telecommunications, baggage laminating machines, etc), commercial supplies, use of lounges, and filming and recordings.

As a result of the pandemic, during 2020 there has been a drastic reduction in air traffic and practically a total stoppage of the commercial business in the airport network, which has resulted in an unprecedented fall in the Company's turnover (note 5.a).

c) Staff costs

The staff costs in the 2020 and 2019 fiscal years are broken down as follows:

	Thousands of euros	
	2020	**2019**
Wages, and salaries and compensation	295,454	290,749
Social Security paid by the company and other social expenses	117,340	114,769
Contributions to work commitments	2,444	650
Provision surplus for compensation and other benefits	(3,146)	(3,935)
Others	707	648
Total	**412,799**	**402,881**

(Amounts in thousands of euros unless otherwise stated)

The increase in staff costs is mainly the result of the provision for the salary review for 2020 set forth in Royal Decree-Law 2/2020, of 21 January 2020, which establishes a 2% increase, and 0.3% of additional funds that will be allocated to the pension plan, and its impact on social security. (2019: 2.5% increase for the first half of 2019, effective from 1 January 2019 to 30 June 2019; and an additional increase of 0.25% for the second half of 2019 [2.5% + 0.25%], effective from 1 July 2019 to 31 December 2019, together with the incorporation into the company of a new workforce and the increase in variable remuneration).

Contributions are also made to the Pension Plan, as set forth in article 18. Two and Three of the General State Budgets Act for the amount of €2,444,000 euros for 2020 and €650,000 for 2019 (see Note 21).

d) External services

The breakdown of this heading in the 2020 and 2019 fiscal years is as follows:

	Thousands of euros	
	2020	**2019**
Leases and royalties	4,846	4,779
Repairs and maintenance	189,763	269,572
Independent professional services	37,615	52,455
Insurance premiums	12,111	11,610
Bank services	1,744	730
Advertising and public relations	1,622	4,888
Utilities	59,356	100,013
Security and surveillance services	106,280	183,577
Other services	81,814	166,666
Total	**495,151**	**794,290**

The “Repairs and maintenance” section mainly includes repairs of airport infrastructures, maintenance of the SATE system (automatic baggage handling system) and cleaning of the buildings and passenger terminals. Utilities relate mainly to lighting, water and telephone costs. “Other services” relate mainly to car park management services, the cost of services to assist passengers with reduced mobility and public information services.

The decrease in spending is in line with the exceptional situation that occurred in 2020 as a result of the pandemic, which is discussed in greater detail in Note 5, and which has caused an extraordinary reduction in airport activity along with the implementation of a cost savings plan in order to protect the Company’s financial situation.

e) Taxes

The balance in Taxes primarily corresponds to the amounts paid in local taxes, mainly property tax (IBI [Impuesto sobre Bienes Inmuebles]) and Economic Activities Tax (IAE [Impuesto sobre Actividades Económicas).

(Amounts in thousands of euros unless otherwise stated)

f) Financial results

The financial results obtained in the 2020 and 2019 fiscal years have been the following:

	Thousands of euros	
	2020	**2019**
Finance income	**5,335**	**4,808**
From marketable securities and other financial instruments		
- From group and associated companies (Note 12)	3,762	1,472
- From interest on expropriations (Note 21)	-	2,270
- From third parties	947	580
Activation of finance expenses (Notes 6 and 7)	626	486
Finance expenses	**(94,903)**	**(96,265)**
- For debts with group and associated companies (Note 12)	(37,976)	(42,922)
- For debts with third parties	(24,989)	(19,506)
- Derivatives (Notes 15 and 19 c)	(31,859)	(33,699)
- From interest on expropriations (Note 21)	(30)	-
- For the updating of provisions	(49)	(138)
Exchange differences	**(1)**	**(41)**
Impairment and net gain or loss on disposals of financial instruments	**(16,150)**	**-**
Impairment of stakes in Group companies (Note 11)	(16,192)	-
Gains or losses on disposals and others (Note 11)	42	-
FINANCIAL RESULTS	**(105,719)**	**(91,498)**

In this chapter, the main variations in 2020 fiscal year compared to 2019 are the following:

- With regard to finance income, there has been an increase of €2.3 million in finance income derived from the financing granted to group companies given that the line of credit granted to the subsidiary Aena Desarrollo Internacional, S.A. was drawn up on 20 June 2019 and effective from that day, having been operational throughout the 2020 fiscal year (Note 12).
- In the 2019 fiscal year, revenue was recorded from interest on expropriations for the amount of €2,270,000, whereas this fiscal year has resulted in a negative impact for the amount of €30,000.
- The decrease of €4.9 million under the section "Finance expenses for debt with group companies" occurs as a result of a decrease in the average debt and interest rates.
- The increase of €5.5 million in the "Finance expenses for debt with third parties" section is mainly due to the strengthening plan deployed by the Company in order to ensure the availability of liquidity, given the seriousness and uncertainty of the evolution of the pandemic, making use of available credit lines and signing new financing operations (Notes 5a and 15b).
- In the 2020 fiscal year, the impairment of the stake in group company Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.A. has been recorded for the amount of €16.1 million (Note 11).

g) Provision surpluses

Of the total amount of €10,465,000 included in the "Provision surpluses" section of the 2020 profit and loss account, €1,093,000 correspond to favourable resolutions in settlements of local taxes that were in dispute (2019: €2,908,000), €9,372,000 corresponds to provision surpluses for liabilities of different natures (Commercial contracts, court rulings that modify the amount of the dispute, etc) (2019: €1,793,000), and the rest, €50,000, to provision surpluses of environmental actions (2019: €0).

24. Other information

a) Employee information

The number of AENA S.M.E., S.A. employees, at the end of the 2020 and 2019 fiscal years, by category and gender, was as follows:

	31 December 2020			31 December 2019		
Job category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Senior Management	6	5	11	7	4	11
Executives and Graduates	1,016	833	1,849	993	799	1,792
Coordinators	840	326	1,166	791	322	1,113
Technicians	2,846	1,395	4,241	2,983	1,495	4,478
Support personnel	201	222	423	221	252	473
Total	**4,909**	**2,781**	**7,690**	**4,995**	**2,872**	**7,867**

The above figures include temporary employees who, at the end of the 2020 fiscal year, amounted to 494 employees (2019: 799).

The average number of AENA S.M.E., S.A. employees, during the 2020 and 2019 fiscal years, by category and gender, was as follows:

	Year 2020			Year 2019		
Job category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Senior Management	6	5	11	7	3	**10**
Executives and Graduates	1,014	831	1,845	938	753	**1,691**
Coordinators	838	326	1,164	795	322	**1,117**
Technicians	2,880	1,433	4,313	2,978	1,460	**4,438**
Support personnel	210	236	446	223	253	**476**
Total	**4,948**	**2,831**	**7,779**	**4,941**	**2,791**	**7,732**

The above figures include temporary employees, whose average number in the 2019 fiscal year was 577 employees (2019: 822).

As of 31 December 2020, AENA S.M.E., S.A. had 108 employees with disabilities (2019: 111).

b) Remuneration of directors and Senior Management

Remuneration received during the 2020 and 2019 fiscal years by Directors and Senior Management of the Company, classified by type, was as follows (in thousands of euros):

	Year 2020			Year 2019		
Type	**Senior Management**	**Board of Directors**	**Total**	**Senior Management**	**Board of Directors**	**Total**
Salaries	1,412	-	**1,412**	1,328	-	**1,328**
Allowances	8	119	**127**	37	115	**152**
Pension plans	7	-	**7**	-	-	**-**
Insurance premiums	7	-	**7**	7	-	**7**
Total	**1,434**	**119**	**1,553**	**1,372**	**115**	**1,487**

The Board of Directors of AENA S.M.E., S.A. was made up of 15 members (10 men and 5 women) at 31 December 2020 (2019: 11 men and 4 women).

The compensation received during 2020 fiscal year corresponds to the compensation received by Aena S.M.E., S.A. for 10 senior management positions and by the Chairman-CEO. In addition, the Directors and Senior Management have not been granted advances or credits, nor have obligations been assumed on their behalf as collateral, nor have civil liability insurance premiums been paid for damages caused by acts or omissions in exercising the position. Likewise, the Company has no obligations concerning pensions and life insurance with respect to former or current Directors or Senior Management.

(Amounts in thousands of euros unless otherwise stated)

c) Transactions unrelated to ordinary traffic or in non-market conditions carried out by the Company's Directors

During 2020 and 2019 fiscal years, the Directors did not carry out transactions with the Group or with Group companies outside of ordinary traffic or under conditions other than market conditions.

d) Stakes and positions held, and activities carried out, by members of the Board of Directors in other similar companies.

During the 2020 and 2019 fiscal years, the members of the Board of Directors had not held any ownership interests in the share capital of Companies that directly engage in activities that are identical, similar or complementary in nature to the corporate purpose of the Company. In addition, no activities that are the same, similar or complementary to the Company's corporate purpose have been carried out or are currently being carried out by Members on their own behalf or on behalf of third parties.

As of 31 December 2020 and 2019, there are no members of the Board of Directors that hold directorship or executive positions at other Group companies.

None of the persons associated with the members of the Board of Directors hold any stake whatsoever in the share capital of Companies, and hold no position and fulfil no duties within any Company with the same, similar or supplementary corporate purpose as the Company.

In order to avoid situations of conflict with the interests of the Company, during the fiscal year, directors who have held positions on the Board of Directors have complied with the obligations set out in article 228 of the Consolidated Text of the Corporate Enterprises Act. Similarly, they and those related to them, have refrained from engaging in any conflict of interest situations mentioned in article 229 of that Act, except where the relevant authorisation has been granted.

25. Audit fees

The company that audits the annual accounts, KPMG Auditores, S.L., has charged professional fees and expenses during the fiscal years ended on 31 December 2020 and 31 December 2019, according to the following details:

	Thousands of euros	
	2020	**2019**
Audit services	211	167
Other verification services	66	18
Other services	35	90
Total	**312**	**275**

Other verification services and other services correspond to assurance services on regulatory compliance, and services of procedures agreed on financial information provided by KPMG Auditores, S.L. to Aena during the fiscal years ended 31 December 2020 and 31 December 2019.

The amounts included in the above table include all the fees for services rendered during the fiscal years 2020 and 2019, regardless of when they were invoiced.

26. Guarantees, commitments and other sureties

The bank guarantees provided to various Institutions as of 31 December 2020 amounted to €19,928,000 (31 December 2019: €299,000).

The reason for the increase in the 2020 amount compared to the previous year is the installation of Photovoltaic Solar Plants in several of the network's airports. The guarantees are presented as a requirement of public state authorities or Autonomous Communities at the time of the administrative request. The sureties guarantee Aena's obligations for access to the electrical power grid.

The Company's directors do not expect them to generate significant liabilities.

(Amounts in thousands of euros unless otherwise stated)

27. Environmental commitments

The Company's management, faithful to its commitment to preserve the environment and to the quality of life around it, has been making investments in this area, which allow it to minimise the environmental impact of its actions, and protect and improve the environment.

On 31 December 2020, property, plant and equipment included environmental investments totalling €553.6 million, whose accumulated depreciation totals €275.9 million (2019: investments of €545.4 million and depreciation of €259.1 million).

Investments of an environmental nature made during the 2020 fiscal year, which include the items incorporated into the company's equity in order to be used for the duration of their activity, whose main purpose is to minimise the environmental impact, and protect and improve the environment, including control, prevention, reduction or elimination of future pollution from the entity's operations, have risen to €10,977,000 (2019: €37,235,000), according to the following breakdown:

	Thousands of euros	
	2020	**2019**
Adolfo Suárez Madrid-Barajas	3,732	4,161
Alicante-Elche	1,671	5,398
Palma de Mallorca	981	3,967
César Manrique-Lanzarote	879	3,048
Málaga-Costa del Sol	692	2,364
Barcelona-El Prat Josep Tarradellas	557	159
Tenerife Norte-Ciudad de La Laguna	451	1,539
Ibiza	403	444
Bilbao	311	5,768
Tenerife Sur	193	1,287
Fuerteventura	135	1,022
Sevilla	118	1,820
Valencia	103	1,605
A Coruña	80	1,668
Gran Canaria	68	1,093
Other airports	603	1,892
Total	**10,977**	**37,235**

The profit and loss account for the 2020 and 2019 fiscal years include the following environmental expenses, broken down by category:

	Thousands of euros	
	2020	**2019**
Repairs and maintenance	6,177	8,488
Independent professional services	2,170	2,775
Other environmental services	1,494	2,346
Total	**9,841**	**13,609**

The environmental provisions and contingencies are outlined in Note 21. Environmental evaluation legislation (currently Act 21/2013), requires that certain AENA S.M.E., S.A. projects be submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 metres) and be finalised by the issuing of the corresponding environmental impact statements (EIS) by the Ministry for Environmental Transition, which contain the obligation to develop and execute Sound Insulation Plans (SIP).

As of 31 December 2020, in application of the Sound Insulation Plans, a total of 24,526 properties and buildings for sensitive uses have been soundproofed (2019: 24,395 properties), highlighting the 12,917 properties in the surroundings of the Adolfo Suárez Madrid-Barajas airport (2019: 12,909 properties), 2,993 in Alicante-Elche (2019: 2,992 properties), 1,967 properties in Valencia (2019: 1,963 properties), 1,572 in Bilbao (2019: 1,562), 925 in Palma de Mallorca (2019: 925), 977 in Tenerife Norte-Ciudad de La Laguna (2019: 890 properties) and 811 in Málaga-Costa del Sol (2019: 811 properties).
Likewise, in accordance with the resolutions of the Ministry for Environmental Transition for which environmental impact statements are formulated for the Company's airports, the preventative, corrective and compensatory measures cited in the preventative environmental impact studies and in the aforementioned Environmental Impact Statements are being carried out, thus fulfilling a series of conditions primarily with the protection of the hydrological and hydrogeological system; soil protection and conservation; air quality protection; acoustic protection; protection of the flora, fauna and natural habitats; protection of the cultural heritage, service restoration and livestock trails, location of cliffs, loan zones, landfills and auxiliary facilities.

Information on greenhouse gas emission allowances

At the end of the 2020 fiscal year, inventories (note 17) are recorded for the amount of €301,000 corresponding to greenhouse gas emission allowances acquired by Aena for consumption, for said amount of €301,000, which correspond to the best estimate of the allowances consumed during 2020, made based on the emissions actually produced during 2020.

28. Contingencies

Contingent liabilities

At the end of the 2020 and 2019 fiscal years, the Company maintains claims and legal disputes against it, as a natural consequence of the normal course of its business, which the Management considers possible obligations and, therefore, considers with the support of its lawyers that an outflow of resources is not likely to occur.

Commercial activities

As of 31 December 2020, the claim filed by CEMUSA, Corporación Europea de Mobiliario Urbano, S.A. (fully owned by JCDECAUX EUROPE HOLDING) is worth noting. This claim amounts to a total of €55,215,000 based on the "rebus sic stantibus" clause, and is not related to COVID-19. This clause is invoked to support the claim of annulment of the contract, alleging that due to the 2008 crisis there was a fundamental change in the circumstances that motivated the contract and that it therefore prevents its compliance. Once the reply to the claim has been submitted, the previous hearing is pending without having been indicated so far. The General Secretariat considers that the risk is remote.

In addition, as of 31 December 2020, legal proceedings are underway with different lessees of the Aena network. At 2020 year-end, some of these proceedings were initiated by the lessees, requesting, in short, that AENA put a stop to the invoicing of the annual guaranteed minimum rent, as well as the suspension of the enforcement of the guarantees. All of this was due to the health crisis caused by COVID-19. As of the previous date, Aena has been summoned before the Courts due to the filing of seven lawsuits filed by three lessees, these being: ZEA RETAIL, S.L., AIRFOODS RESTAURACION Y CATERING, S.L. and BENICOCHES, S.L. The aggregate set of these contingencies amounts to €3,069,044.75.

Construction company claims

In addition to the above, as of 31 December 2020 and 31 December 2019, there are claims that have been filed against the parent Company by several construction companies deriving from the execution of various construction contracts relating to the airport network. The Company's Management does not anticipate that such claims will give rise to significant financial penalties against it.

Contingent assets

a) *Contentious administrative appeals by Aena against the CNMC Agreement dated 10 December 2018.*

1. *(PO 215/2019)* The purpose of this contentious-administrative appeal is the Decision of the Regulatory Oversight Chamber of the National Securities Market and Competitiveness Commission, of 10 December 2018, on the airport charges applicable by Aena, S.M.E., S.A. (Aena), in the 2019 fiscal year.

   The Contested Decision is part of the Agreement of Aena's Board of Directors, dated 24 July 2018. Through the aforementioned Agreement, Aena approved the update of airport charges for 2019 in application of the Airport Regulation Document 2017-21 (DORA) and in accordance with the provisions of Act 18/2014, of 15 October, on the approval of urgent measures for growth, competitiveness and efficiency.

   In this Decision, the CNMC corrects Parameters K, B and D determined in the Agreement dated 24 July to set the IMAAJ corresponding to 2019 from the IMAP set forth in the DORA. It aims to impose a series of criteria for the application of the IMAAJ formula (relating to Parameters K, B and D) that are contrary to the criteria established in Act 18/2014, and also corrects and renders inapplicable the instruments for determining variables and remunerative parameters such as the DORA 2017-2021 (with regard to the estimated or anticipated traffic) and in the 2017 Technical Oversight Report of the SPANISH AVIATION SAFETY AND SECURITY AGENCY, with regard to Parameters B and D.

   On 16 May 2019, Aena proceeded to file the claim that has been answered by the State Attorney on 29 July 2019.

   This procedure is currently pending a vote and ruling.

2. *(PO 490/2019)* This Appeal is directed against the Resolution of the Regulatory Supervision Chamber of the CNMC of 10 December 2018 for the accumulated conflicts presented by ALA, IATA and ACETA against the Resolution of the Board of Directors of AENA, S.M.E., S.A., dated 24 July 2018, in which the airport charges for the fiscal year 2020 are set.

   The purpose of the Contested Decision is to resolve the charge disputes presented by certain representative associations of the airlines, ie ALA, IATA and ACETA, which are a result of the Agreement of Aena's Board of Directors dated 24 January 2018.

   In accordance with these criteria, and contravening the legal criteria for determining the charges of Act 18/2014, the Contested Decision corrects Parameters K and B set forth in the Agreement of 24 July to set the IMAAJ corresponding to the 2019 from the IMAP set forth in the DORA; for which reason it must be annulled.

   In this way, it fully accepts the claims of the Associations, as it also did in the Oversight Report, even when they go against the provisions of Act 18/2014; every time that, in order to determine Parameters K and B, the provisions of the DORA and the annual technical oversight report must be taken into account (approved by the SPANISH AVIATION SAFETY AND SECURITY AGENCY). However, as has been observed, the Contested Decision applies a series of criteria to set the IMAAJ that are openly and directly separated from Act 18/2014; which makes its correction necessary, to avoid the incorrect application of the Law and distortions for future fiscal years that could derive from the application of the (arbitrary) CNMC criteria.

   On 4 July 2019, Aena proceeded to file the claim that has been corroborated by the State Legal Service on 17 January 2020.

   This procedure is currently pending a vote and ruling.

b) <u>*Appeals against CNMC Decisions dated 11 December 2019.*</u>

On 7 February 2020, Aena filed two administrative contentious appeals against two CNMC Decisions. Both Decisions are dated 11 December 2019.

3. PO 121/2020: This appeal was filed against the Decision regarding oversight of the applicable airport charges by Aena, S.M.E., S.A. in the 2019 fiscal year. The purpose of this Decision is to oversee the transparency and consultation procedure in relation to the updating of airport charges for 2019. Aena's resources are focused on the calculation of the K parameter of the IMAAJ – and, in particular, the determination of the traffic estimate or Qt– and on the competition that has been impugned by the CNMC to determine a different traffic estimate or forecast, and based on its own sources, which appears in the DORA.

   Aena filed the lawsuit on 10 November 2020, the response to the lawsuit from State Legal Services is still pending.

4. 4PO 19/2020: This appeal was filed against the Decision concerning the accumulated disputes filed by ALA, IATA, ACETA and Norwegian against the Agreement of the Board of Directors of Aena, S.M.E., S.A., dated 30 July 2019, in which the airport charges for the 2019 fiscal year are set. The purpose of the appeal is similar to that arising from the contesting of the Oversight Decision, that is, contesting the scope of the CNMC's jurisdiction. Aena considers that the Commission, on the occasion of this Decision, is crossing the line by applying different traffic estimates, without prejudice to the result being the same: the modification of the charge update established by AENA.

   On 12 January 2021, the State Legal Services filed the reply to the lawsuit, which was notified to the co-defendant on the same date for them to submit a response to the lawsuit within twenty days.

29. Subsequent events

• As a consequence of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, Aena S.M.E, S.A. began negotiations with the commercial activity tenants to agree on changes to the contractual conditions, including the fixed rent and the minimum annual guaranteed rent (MAG, hereinafter).

These negotiations, in which the Company has made different commercial proposals based on the evolution of the activity and always under the legal framework existing at each moment in time, have been affected by the continued deterioration of expectations regarding the recovery of air traffic.

Following the entry into force on 24 December 2020 of Royal Decree-Law 35/2020 on urgent measures to support the tourism, hospitality and commerce sector, and in tax matters, this negotiation process has culminated in the proposal made by the Company on 18 January 2021 to the commercial operators of Duty Free activities, Shops, Food and Beverage establishments, vending machines, financial services and advertising in relation to the MAGs:

- For the period between 1 January 2020 and 14 March 2020 (both inclusive), the rent will be applied in accordance with the provisions of the original agreements, that is, a MAG that will be proportionally spread out over 74 days.

- The MAG will not be applied for the period between 15 March 2020 and 20 June 2020 (both inclusive).

- For the period between 21 June 2020 and 31 December 2020 (both included), a MAG resulting from applying a 50% reduction of the MAG provided for in the agreement, which will be proportionally spread out over the 194 days of the period, will be applied. Except for advertising, where an MAG per passenger will be applied.

- For the period between 1 January 2021 and 8 September 2021 (both inclusive) a percentage of 50% of the prorated MAG will be applied on the days accrued in this period. Except for advertising, where an MAG per passenger will be applied.

- From 9 September 2021 (included) and until the end of the agreement, the conditions provided for in the original wording thereof will resume.

- If the Company, in order to comply with the measures imposed by the health authorities, is forced to close some airport areas, it is willing, if so requested and within the framework of the agreement reached, to reduce up to 100% of the MAG corresponding to the number of days of each annuity during which the area in which the premises are located has not been operational.

The rest of the contractual conditions will remain in force, including the variable income and the obligation to pay the property tax, the expenses for supplies, and other taxes and items that can be passed on.

As communicated in said letter, the commercial proposal that Aena offers is global and indivisible, and requires the formalisation of the appropriate contractual document amending the corresponding agreements. In the same way, each lessee is informed that in the event that they do not agree to the conditions offered or do not respond within the period granted to that effect, Aena will proceed to invoice the MAG for the year 2020 and the other corresponding concepts as of that date in accordance with the contracts in force.

The latest information available indicates that 72 commercial operators have accepted this proposal, which represents 52.9 % of the total affected contracts and 13.22 % of the affected MAG.

- On 12 February 2021, the CNMC issued its Resolution on the supervision of Aena's airport fares in fiscal year 2021. In the aforementioned Resolution, the CNMC declares the rate update approved by Aena applicable, given that the 2021 IMAAJ is €10.27 per passenger, which implies a rate variation of 0%.

- Royal Decree 1/2021, of 12 January, published on 30 January 2021, which modified the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, the General Accounting Plan for Small and Medium-sized Companies approved by Royal Decree 1515/2007, of 16 November; the Standards for the Formulation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, of 17 September; and the Adaptation Rules of the General Accounting Plan for Non-profit Entities approved by Royal Decree 1491/2011, of 24 October.

  The changes to the General Accounting Plan are applicable to fiscal years beginning on or after 1 January 2021 and focus on the criteria for the recognition, valuation and breakdown of income from the delivery of goods and services, financial instruments, hedge accounting, valuation of the stock of raw materials quoted by the intermediaries that market them, and the definition of fair value.

  In this regard, the individual annual accounts for the first fiscal year beginning on or after 1 January 2021 will be presented including comparative information, although there is no obligation to express the information from the previous fiscal year again. Comparative information will only be shown again in the event that all criteria approved by the Royal Decree can be applied without incurring a retrospective bias, without prejudice to the exceptions established in the temporary provisions.

  The application of the rule is, generally, retroactive, although with alternative practical solutions. However, the application of hedge accounting is prospective, the criteria for the classification of financial instruments can be applied prospectively, and the criteria for income from sales and services provided can be applied prospectively to agreements initiated as of 1 January 2021.

  The Company's Administrators are conducting an evaluation of the applicable transition options and the accounting impacts these modifications will entail, although on the date these individual annual accounts were formulated, they still do not have enough information to reach a conclusion regarding the results of this analysis.

- On 19 February 2021, The Accounting and Auditing Institute (ICAC [Instituto de Contabilidad y Auditoría de Cuentas]) has published the accounting treatment that must be used to record the rent reductions agreed in a business premises lease agreement due to the extraordinary measures adopted by the Government to address the effects of the COVID-19 health crisis (see Note 4(e) "Leases").

From the closing date of the fiscal year to the date these annual accounts were formulated, there have been no significant events that may affect these annual accounts other than those discussed throughout them and mentioned above.

MANAGEMENT REPORT

for the year ended 31 December 2020

Aena S.M.E., S.A.

1. Key highlights

The activity of Aena S.M.E., S.A. (hereinafter, “Aena” or the “Company”) and the evolution of its business have been considerably affected by the mobility restrictions in force both in Spain and in the rest of the world since March, as a result of the health crisis caused by the spread of the SARS-CoV-2 virus (hereinafter, COVID-19).

With the declaration of the state of emergency in March, a period of inactivity began that caused an almost total collapse in traffic levels. With the aim of adapting to this sudden decline in activity, Aena adopted a series of operational, economic and financial measures that would allow for a more efficient management of the business, including the following in particular:

- Adjusting the capacity and services to the specific needs of current operations (adaptation of schedules, on-demand operation, temporary closure of spaces and terminals, adaptation of services, etc.). These measures, which can be modified in accordance with the changes in the circumstances surrounding the pandemic and traffic levels, were supplemented by a cost saving plan. The main objective of this plan was to protect cash flow, via the renegotiation of service agreements (safety, cleaning, maintenance, etc), the elimination of expenses and a freeze on new non-essential contracts. The reduction in average monthly cash outflows on operating expenses was estimated at around €43 million. The accumulated savings obtained during the period April–December amounted to €404.7 million. Likewise, the investment programme was also temporarily halted, estimating a monthly reduction in average cash outflows of approximately €52 million. Since June, the 2020 investment plan has been reimplemented and, as a consequence of the temporary suspension, the amount of investment carried out amounted to €435.7 million.

- Regarding financing, with the aim of strengthening the Company’s liquidity, Aena proceeded to sign loans with various financial institutions between April and May, for a combined amount of €2,325.6 million. Thanks to these loans, Aena increased the availability of cash and credit facilities at 31 December 2020 to a total of €2,065 million; while also having the possibility of issuing, through the Euro Commercial Paper (ECP) programme, up to €900 million in debt, of which, at the end of the financial year, €845 million were available.

  On 1 December 2020 the Company obtained waivers until at least June 2022 for the financial ratios established in the current financing agreements with the European Investment Bank (EIB), Instituto de Crédito Oficial (ICO Official Credit Institution), FMS Wertmanagement AöR (FMS) and Unicaja.

  In order to strengthen the Company’s solvency at a time when the future impact of the COVID-19 health crisis on the economy of the markets in which it operates cannot be assessed, the General Shareholders’ Meeting agreed to not pay out the dividend corresponding to the results of the 2019 fiscal year and to add it to reserves.

- The Company is collaborating and cooperating closely with all stakeholders in the air transport value chain (airlines, handling agents, tour operators, and supervisors etc), seeking balanced solutions compatible with the sustainability of the company and its ability to reverse a situation such as the current one. Measures include: implementing an incentive scheme for airline companies to recover traffic, the the extraordinary six-month postponement on collections for customers and lessees, exemption of fixed rents during the period of the state of emergency for car hire and ATM operators, as well as partial exemptions of monthly fixed rent to leases applicable for most contracts signed by airlines, agents and handling companies for offices, warehouses and commercial counters (including the commercial counters of tour operators and carriers).

  As a result of the health crisis caused by COVID-19 and the measures taken by public authorities to deal with it, the activity of all commercial lines has been affected. In these circumstances, Aena has analysed the different alternatives to favour the commercial activity, minimise the impact produced, and maintain relations with commercial operators.

  Aena initiated negotiations with commercial activity lessees in order to agree on modifications to the contractual terms and conditions, including those of fixed rents and the minimum annual guaranteed rent (hereinafter, MAG). These negotiations, in which the Company has made different commercial proposals based on the evolution of the activity and always under the legal framework existing at each moment in time, have been affected by the continued deterioration of expectations regarding the recovery of air traffic.

Following the entry into force on 24 December 2020 of Royal Decree-Law 35/2020 on urgent measures to support the tourism, the hotel industry and commerce sector, and on tax matters, this negotiation process has culminated in the proposal made on 18 January 2021 to commercial operators of duty free, specialty shops, food and beverage establishments, vending machines, financial services and advertising in relation to MAG. The details of this proposal are included in section 12. Events after the reporting period.

However, pending the conclusion of the agreements with those commercial operators affected by the aforementioned proposal and in application of NRV (recording and valuation accounting standard) 8 “Leases and other transactions of a similar nature” of the NPGC (new general accounting plan), as at 31 December 2020, MAG revenue has been recorded, since Aena has a contractual right to receive said revenue. The revenue amounts to €619.0 million and includes MAG, corresponding to the period of the state of emergency, in the amount of €198.6 million. In the event of the contracts undergoing changes in the future as a result of the aforementioned negotiations, their effect will be recorded in accordance with the provisions of these regulations regarding contractual amendments.

In relation to other effects of the COVID-19 pandemic that have been reflected in the Company's financial statements, it should be noted that the extraordinary reduction of activity and revenue has resulted in a strong reduction in operating cash flows. This can be considered an indicator of impairment, in accordance with the provisions of the accounting standards. Consequently, at the end of the fiscal year ended 31 December 2020, Aena has carried out the appropriate impairment tests, not identifying any adjustments that may affect its cash generating units. See Note 7 to the Annual Accounts.

The main valuation assumptions used for the purposes of the impairment tests can be found in the cited Note. Considering that the current changing environment makes it extremely difficult to make estimates, in order to conduct these impairment tests, Aena has taken into account the most pessimistic sensitivity based on the recovery of traffic levels from 2019 to 2027, with a traffic level of -65% for 2021 compared to traffic levels in 2019. Additionally, a more optimistic scenario has been considered, in which traffic recovery to 2019 levels would occur around 2025, and traffic in 2021 would be -50% compared to 2019.

Likewise, the Company has calculated the recoverable amount of its financial shares as explained in Note 11 of the Annual Accounts with the following conclusions:

- An impairment loss amounting to €16.2 million was identified at Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A., as is reflected in the Income Statement. This test includes the effects derived from the economic rebalancing mechanism of Article 34.4 of RDL 8/2020. The possible rebalancing measures of the concession that are currently being negotiated with the awarding Administration for the rebalancing based on Article 282 of the TRLCSP (Texto Refundido de la Ley de Contratos del Sector Público Consolidated Text of the Public Sector Contracts Act) have not been considered.
- No impairment loss has been identified in the investment in Aena Desarrollo Internacional S.M.E., S.A. calculated as of 31 December 2020.

Other key aspects of business trends in the period are:

At the operational level, **Aena passenger traffic** has dropped during the period to 75.8 million passengers, a 72.3% drop compared to 2019 and a cumulative loss of 198.3 million passengers.

The Company’s activity continues to be highly influenced by COVID-19. There are currently no signs of a short-term recovery in traffic. This means that it is not possible to anticipate when the recovery will begin.

Revenue has fallen to €2,105.4 million, recording a year-on-year fall of 50.1% and of €2,115.7 million.

Revenue from aeronautical activity decreased by €1,908.2 million (-67.1%) to €899.3 million, and commercial revenue has fallen by €206.8 million (-16.7% year-on-year) to €1,030.2 million.

With regard to commercial activity, it should be noted that the declaration of the state of emergency in Spain led to the closure of most points of sale from 15 March to 21 June. Activity at airports in the Spanish network has gradually restarted since 21 June and measures have been implemented to meet, at all times, the health objectives set by the health authorities, which allow for the safe transit of passengers through commercial areas.

Commercial revenue includes €619.0 million corresponding to revenue from the MAG of fiscal year 2020, which as indicated above, are the subject of the proposal formulated by Aena to commercial operators (see section 2.3 Commercial activity).

In those activities not subject to MAG, revenue for the 2020 fiscal year reflect the measures taken by Aena in order to collaborate with companies that provide services at airports, customers and lessees, in view of the situation caused by COVID-19.

Operating expenses (supplies, staff costs and other operating expenses) amounted to €1,228.3 million, recording a decrease of €302.5 million (19.8%) compared to the previous year.

As a result of the measures implemented during 2020 relating to the health and operational checks at the airports, the Company incurred in exceptional expenses, both in airport facilities, as well as in personal and health protection, to the reported amount of €52.7 million, recorded in the Income Statement.

The Royal Decree-Law 21/2020, of 9 June, states that Aena will have the right to recover the costs incurred as a consequence of collaborating with the health authorities, and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic, as explained in section 3.1 Aeronautical activity.

Profit before tax reflects a loss of €12.0 million compared to a profit of €1,860.7 million in 2019.

This result is affected by the impact of the impairment to the stake in AIRM, indicated above, in the amount of €16.2 million. Likewise, this includes €619.0 million of revenue corresponding to the MAG of fiscal year 2020, which are the subject of the proposal formulated by Aena to commercial operators.

The **result for the period** closed at a loss of €5.3 million, compared to the net profit of €1,421.3 million recorded in 2019.

As for the **operating cash flow**, this fell to €164.2 million, a year-on-year fall of €1,885.9 million (92.0%).

Regarding the Company's **financial position** as at 31 December 2020, the ratio of net financial debt (calculated as current plus non-current financial debt less cash and cash equivalents) to EBITDA increased to 8.1x (2.3x as at 31 December 2019).

As of 31 December, Aena has signed loans with the EIB, ICO, Unicaja and FMS, for an outstanding amount totalling €5,800 million. These loans include the obligation to meet the following ratios:

- Net Financial Debt / EBITDA must be less than or equal to 7.0x
- EBITDA/Finance Expenses must be higher than or equal to 3.0x.

These financial ratios are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months, and the net financial debt at the end of the period.

As a result of the exceptional situation caused by COVID-19 and its impact on EBITDA, as of 31 December 2020, the maximum ratio of 7.0x Net Financial Debt/EBITDA has been exceeded.

Anticipating this breach, Aena obtained on 1 December 2020 waivers for the financial ratios from all the affected financial entities. These dispensations have a term of, until at least, 30 June 2022. In accordance with the established terms, the entities waive the right to exercise their right to declare early maturity in the event of the possible breach of the aforementioned ratio.

Fitch and Moody's rating agencies have confirmed the Company's credit rating as follows:

- Fitch, "A" rating with a stable outlook and the "F1" short-term rating on 3 April. The long-term outlook was revised on 28 August from stable to negative, reflecting the risks surrounding the uncertainty in the recovery of traffic.
- On 24 June, Moody's confirmed the Long-Term Issuer Default Rating "A3" and the outlook, revised on 31 March, from stable to negative, reflecting the risks surrounding the uncertainty of the recovery of traffic.

In relation to the **investment** programme, the amount paid during the period amounted to €489.8 million (€490.4 million in 2019).

The effects derived from the spread of COVID-19 have also been reflected in Aena's **share price**. During the period, the share price has fluctuated between a minimum of €91.90 and a maximum of €174.50, ending the period at €142.20. This represents a fall in share price of 16.6%, in line with the trend seen on the IBEX35, which, during the same period, registered a loss of 15.5%.

In relation to the **Airport Regulation Document (DORA) for the 2017-21 period**, on 1 March 2020, the 2020 applicable airport charges entered into force, based on the reduction of the adjusted annual maximum revenue per passenger (IMAAJ) for 2020 by 1.44% (€10.27 per passenger) compared with the IMAAJ for 2019 (€10.42 per passenger).

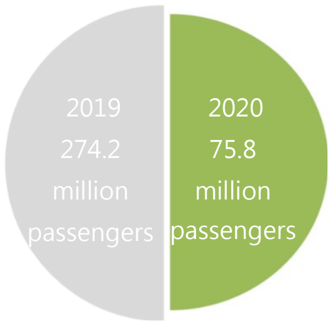
On 22 December 2020, the Board of Directors of Aena approved the charges corresponding to 2021, which will enter into force on 1 March 2021. The corresponding charges were based on freezing the 2021 IMAAJ relative to the IMAAJ for 2020, which was established at €10.27 per passenger. This act was reported to the National Commission of Markets and Competition (CNMC), user associations and the General Directorate of Civil Aviation on 30 December 2020.

On 12 February 2021, the CNMC issued its Resolution on the supervision of Aena's airport charges for 2021. In the aforementioned Resolution, it declares the rate update approved by Aena applicable, given that the 2021 IMAAJ is €10.27 per passenger, which implies a rate variation of 0%.

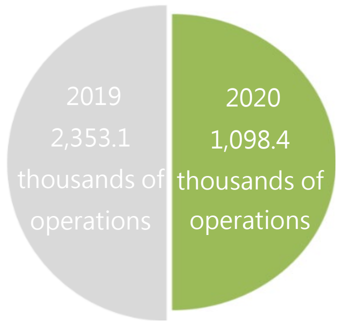
In relation to the DORA preparation process for the second regulatory period (2022-2026), the process of consultations with the airline companies is being developed, which will end with a deadline of 15 March 2021, in which Aena will send its final proposal. Act 18/2014 establishes that the deadline for final approval by the Council of Ministers is 30 September 2021.

2. Activity figures

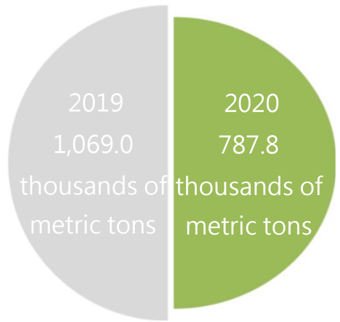
2.1. Aena airport network traffic in Spain



-72.3%
Passengers 2020



-53.3%
Aircraft 2020



-26.3%
Goods 2020

Passenger traffic at Aena network airports recorded a year-on-year drop of 72.3% in 2020, which is a loss of 198.3 million passengers.

The decrease in traffic became even more apparent in March due to the spread of COVID-19 and restrictions on mobility, both in Spain and in the rest of the world. The negative trend continued in the following months.

Aena focused their airport efforts on the operation of essential flights to guarantee the arrival of medical supplies and goods for the general population, while also helping in the repatriation efforts of Spaniards abroad and the departure of non-resident foreigners back to their countries of origin.

Unrestricted mobility within Spain was re-established on 21 June after the end of the state of emergency decreed by the Spanish Government on 14 March. Travel restrictions with Schengen area countries and EU member States were lifted on 30 June and, from 2 July, Spain (and EU Member States) began to gradually reopen their borders, both to non-EU foreign nationals and to European Union citizens themselves.

The worsening of the epidemiological situation and the reappearance of outbreaks during the summer months led governments of different European countries to tighten mobility restrictions, and to adopt increasingly stricter measures from August. In the third quarter of 2020, summer traffic levels did not meet what would have been the reasonable expectation.

The number of reported cases of COVID-19 has continued to increase in the final months of the year, and the restrictions established for national and international mobility have become stricter. In these circumstances, the traffic in the fourth quarter has continued to be impacted.

There are currently no signs of a short-term recovery in traffic. This means that it is not possible to anticipate when the recovery will begin.

2.2. Analysis of air traffic by airports and airlines

The evolution of traffic in 2020 classified by airport and airport groups is detailed below.

Their geographic distribution is also shown, where it should be noted that domestic traffic (-60.5%) has performed better than international traffic (-77.9%).

DISTRIBUTION OF TRAFFIC BY GEOGRAPHICAL AREA

	PASSENGERS (MILLIONS) 2020	VARIATION YoY %	TOTAL SHARE
EUROPE [1]	36.4	-77.8%	48.0%
SPAIN	33.9	-60.5%	44.7%
LATIN AMERICA	2.4	-71.8%	3.1%
NORTH AMERICA [2]	1.1	-83.7%	1.5%
AFRICA	1.1	-72.6%	1.4%
MIDDLE EAST	0.8	-79.1%	1.0%
ASIA PACIFIC	0.2	-84.3%	0.3%
TOTAL	**75.8**	**-72.3%**	**100.0%**

(1) Excluding Spain.

(2) North America includes: United States, Canada and Mexico.

ANALYSIS OF AIR TRAFFIC BY AIRPORTS AND AIRPORT GROUPS

	PASSENGERS			AIRCRAFT			AIRLINES		
	MILLIONS	VARIATION [1] YoY %	SHARE OF TOTAL	THOUSANDS	VARIATION [1] YoY %	SHARE OF TOTAL	METRIC TONS	VARIATION [1] YoY %	SHARE OF TOTAL
ADOLFO SUÁREZ MADRID-BARAJAS AIRPORT	17.1	-72.3%	22.6%	165.7	-61.1%	15.1%	401,133	-28.4%	50.9%
BARCELONA-EL PRAT JOSEP TARRADELLAS AIRPORT	12.7	-75.8%	16.8%	122.6	-64.4%	11.2%	114,263	-35.4%	14.5%
PALMA DE MALLORCA AIRPORT	6.1	-79.4%	8.1%	76.9	-64.6%	7.0%	6,733	-25.4%	0.9%
TOTAL CANARY ISLANDS GROUP	17.0	-62.3%	22.4%	218.0	-46.9%	19.8%	25,638	-31.1%	3.3%
TOTAL GROUP I	18.8	-73.4%	24.7%	244.6	-56.7%	22.3%	28,747	-18.5%	3.6%
TOTAL GROUP II	3.5	-72.3%	4.7%	109.7	-40.1%	10.0%	146,962	-21.2%	18.7%
TOTAL GROUP III	0.6	-63.2%	0.8%	160.9	-21.9%	14.6%	64,372	-0.5%	8.2%
TOTAL	**75.8**	**-72.3%**	**100.0%**	**1,098.4**	**-53.3%**	**100.0%**	**787,848**	**-26.3%**	**100.0%**

(1) Variation percentages calculated in passengers, aircraft and kg.

Traffic data pending final results, not subject to significant changes.

Since the end of August, international traffic has affected by the worsening of the epidemiological situation, which has led the governments of different European countries to adopt more severe mobility restrictions. These restrictions include placing Spain on a no travel recommendation list and requiring quarantines for passengers coming from Spain.

The effects of this are reflected in the traffic data by countries shown below:

AIR TRAFFIC DISTRIBUTION BY COUNTRY

	PASSENGERS (MILLIONS)		**YEAR-ON-YEAR VARIATION**		**TOTAL SHARE**	
	2020	2019	%	PASSENGERS	2020	2019
SPAIN	33.9	85.9	-60.5%	-52.0	44.7%	31.3%
UNITED KINGDOM	8.1	44.0	-81.6%	-35.9	10.7%	16.1%
GERMANY	6.6	29.1	-77.2%	-22.5	8.7%	10.6%
FRANCE	3.8	14.0	-72.7%	-10.2	5.1%	5.1%
ITALY	3.4	16.3	-79.2%	-12.9	4.5%	5.9%
THE NETHERLANDS	2.4	8.8	-72.3%	-6.4	3.2%	3.2%
BELGIUM	1.8	6.2	-71.2%	-4.4	2.4%	2.3%
SWITZERLAND	1.5	6.4	-76.8%	-4.9	2.0%	2.3%
PORTUGAL	1.4	5.7	-74.7%	-4.2	1.9%	2.1%
SWEDEN	0.9	3.7	-75.0%	-2.8	1.2%	1.3%
IRELAND	0.8	4.6	-82.9%	-3.8	1.0%	1.7%
DENMARK	0.7	3.1	-77.1%	-2.4	0.9%	1.1%
UNITED STATES	0.7	5.0	-85.8%	-4.3	0.9%	1.8%
MOROCCO	0.7	2.4	-70.1%	-1.7	0.9%	0.9%
POLAND	0.6	2.3	-72.3%	-1.7	0.8%	0.8%
TOTAL TOP 15	67.5	237.5	-71.6%	-170.0	89.0%	86.6%
REST OF THE WORLD	8.3	36.6	-77.3%	-28.3	11.0%	13.4%
TOTAL PASSENGERS	75.8	274.2	-72.3%	-198.3	100.0%	100.0%

As for passenger traffic by airline, the general decline in activity throughout the year is shown below:

DISTRIBUTION OF AIR TRAFFIC BY AIRLINES

	PASSENGERS (MILLIONS)		YEAR-ON-YEAR VARIATION		TOTAL SHARE	
	2020	2019	%	PASSENGERS	2020	2019
RYANAIR (1)	13.5	49.4	-72.7	-35.9	17.8	18.0
VUELING	12.8	42.7	-70.0	-29.9	16.9	15.6
AIR EUROPA	6.5	19.0	-66.0	-12.6	8.5	6.9
IBERIA	6.2	20.7	-69.9	-14.4	8.2	7.5
GRUPO BINTER (2)	4.5	7.7	-41.8	-3.2	5.9	2.8
IBERIA EXPRESS	3.9	10.3	-62.4	-6.4	5.1	3.8
EASYJET (3)	3.6	17.6	-79.6	-14.0	4.7	6.4
AIR NOSTRUM	3.2	8.9	-63.6	-5.7	4.3	3.3
NORWEGIAN AIR (4)	1.3	8.9	-85.5	-7.6	1.7	3.2
JET2.COM	1.2	8.0	-84.4	-6.7	1.6	2.9
LUFTHANSA	1.1	4.5	-74.4	-3.3	1.5	1.6
EUROWINGS	1.1	5.6	-79.7	-4.5	1.5	2.1
TRANSAVIA	1.0	3.8	-73.2	-2.8	1.3	1.4
WIZZ AIR (5)	0.9	2.7	-64.3	-1.7	1.3	1.0
VOLOTEA	0.9	1.8	-52.5	-0.9	1.1	0.7
TOTAL TOP 15	61.8	211.6	-70.8	-149.8	81.5	77.2
OTHER AIRLINES	14.1	62.6	-77.5	-48.5	0.2	0.2
TOTAL PASSENGERS	75.8	274.2	-72.3	-198.3	100.0	100.0
TOTAL LOW-COST PASSENGERS (6)	42.2	157.6	-73.2	-115.4	55.6	57.5

(1) Including Ryanair Ltd. and Ryanair Sun, S.A.

(2) Including Binter Canarias, Naysa and Canarias Airlines.

(3) Including Easyjet Switzerland, S.A., Easyjet Airline Co. LTD. and Easyjet Europe Airline GMBH.

(4) Including Norwegian Air International, Norwegian Air Shuttle A.S. and Norwegian Air UK

(5) Including Wizz Air Hungary, Wizz Air Ukraine, Wizz Air UK LTD. and Wizz Air Bulgaria.

COVID-19 aeronautical commercial incentive

In order to contribute to the reactivation of air traffic in Spain, Aena offers a commercial incentive that encourages airlines to schedule operations regardless of the number of passengers.

As of 1 July 2020, the incentive was applied to the percentage of recovery of operations in comparison with the same month of 2019, providing certain thresholds are met. Each company could obtain a discount of 75% or 100% on the average monthly landing charge, for all those monthly operations carried out at network airports that exceed the recovery levels set.

For the winter season, the Board of Directors approved a new incentive. This measure, applicable between November 2020 and March 2021, incentivises all movements operated, and not only those above a certain threshold, providing the airline achieves at least a 20% recovery compared to the same month of the previous winter season.

2.3. Commercial activity

The declaration of the state of emergency in Spain led to the closure of most points of sale from 15 March to 21 June. Only convenience shops, tobacconists, pharmacies, some restaurants and vending machines remained open.

From 21 June, commercial activity was gradually restarted at network airports. Accompanying the reopening, various measures were implemented aimed at facilitating the transit of passengers through commercial areas, shops and restaurants. The measures implemented, which comply with the health indications issued by the authorities at all times, offer travellers the opportunity to pass through commercial spaces in safe conditions. These measures include the following:

- Coordinating with the commercial lessees on staggered openings, adapted to passenger traffic, maximum capacity and social distancing measures.
- Coordinating health and safety measures for customers and employees, and supervising maximum capacity restrictions in walk-through and traditional shops.
- Adapting VIP lounges to the new operating environment. Establishing which rooms to open, opening hours, service levels, maximum capacities, as well as new social distancing layouts.
- Advertising campaigns to reactivate VIP lounge and car park marketing.
- In terms of car rental activity, the lessees in question, in collaboration with Aena, have developed and implemented safety, cleaning and hygiene protocols aimed at increasing the level of service associated with the reactivation of traffic.

At the close of 2020, revenue from commercial lines reached €1,030.2 million, reflecting a year-on-year decrease of €206.8 million (-16.7%).

As a consequence of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, Aena began negotiations with commercial activity lessees to agree on changes to the contractual conditions, including the minimum annual guaranteed rent (MAG).

These negotiations, in which the Company has made different commercial proposals based on the evolution of the activity and always under the legal framework existing at each moment in time, have been affected by the continued deterioration of expectations regarding the recovery of air traffic.

Following the entry into force on 24 December 2020 of Royal Decree-Law 35/2020 on urgent measures to support the tourism, the hotel industry and commerce sector, and on tax matters, this negotiation process has culminated in the proposal made on 18 January 2021 to commercial operators of duty free, specialty shops, food and beverage establishments, vending machines, financial services and advertising in relation to MAG. The details of this proposal are included in section 12. Events after the reporting period.

However, pending the conclusion of the agreements with those commercial operators that are affected by the aforementioned proposal and in application of NRV 8 "Leases and other transactions of a similar nature" of the NPGC, the revenue from MAG for 2020 has been recorded for accounting purposes, in the amount of €619.0 million, including those corresponding to the period of the state of emergency for the amount of €198.6 million, given that there is a contractual right to receive said revenue. In the event of the contracts undergoing changes in the future as a result of the aforementioned negotiations, their effect will be recorded in accordance with the provisions of these regulations regarding contractual amendments. Therefore, the incentives and concessions awarded that derive directly from the adverse situation caused by COVID-19 will be prospectively treated as a change of estimate, from the effective date of the contract modification, reducing, through a straight-line distribution system, the lease revenue from the remaining periods of the contract.

Consequently, revenues in business lines of duty-free, speciality shops, food and beverage, advertising and other commercial activities, reflects the above-mentioned accounting revenue.

In those activities not subject to MAG, the annual revenue reflects the agreements reached with car rental operators, as well as the measures taken by Aena in order to collaborate with companies that provide services at airports, customers and lessees, to alleviate the effects to their activity caused by the COVID-19 health crisis:

- The exemption of fixed rents during the first state of emergency period for operators of car rental activity amounts to €18.4 million. Of this, with the application of the straight-line method as per NRV 8 "Leases and other transactions of a similar nature" of the NPGC, a total of €4.2 million has been recorded as lower revenue in 2020.
- On 29 and 30 December, the novation of most of the existing contracts with the vehicle rental operators was signed. This novation mainly establishes that, for the period between 21 June 2020 and 31 December 2021 (both inclusive), the system for calculating the monthly fixed rent stipulated in the previous contract is replaced by a variable rent system linked to the number of airport passengers. These fixed rent variability conditions will remain until 31 December 2021 or until 95% of the passengers declared in 2019 have been reached, whichever comes first, at which time the monthly fixed rent conditions of the contract will resume. This modification to the contract has led to reduced rent for the period from 21 June 2020 to 31 December 2020 of €28.6 million, which, according to the accounting standard explained above, remain in the balance sheet as accrual accounts at 31 December 2020. This balance will be adjusted by reducing, through a straight-line distribution system, the revenue for the remaining period of the agreement, until 22 October 2022.
- The partial exemptions of monthly fixed rent during the first state of emergency, corresponding to leases within the terminal, have amounted to €1.9 million. This measure involved a 75% discount for the majority of agreements signed by airlines and handling agents, and companies that managed offices, warehouses, and commercial counters (including commercial counters of tour operators and transport companies). Through the straight-line method mentioned above, in 2020, a total of €0.7 million were allocated as lower revenue.

In addition to this, at the end of April, Aena approved an extraordinary six-month postponement on collections, subject to certain conditions; applicable to the amounts invoiced from the date the state of emergency was decreed, 14 March 2020, and for a period of three months, which ended on 14 June 2020. As for commercial operators, this measure has benefited them to the extent of €19.5 million.

3. Business lines

3.1 Airport services

Airport Regulation Document 2017-21 (DORA I)

Regulated Asset Base

The average regulated asset base at the close of 2020 stood at €9,955.4 million.

2020 airport charges

On 1 March 2020, the airport charges applicable for 2020 came into force, based on the reduction of the adjusted annual maximum revenue per passenger (IMAAJ) for 2020 by 1.44% (€10.27 per passenger) compared with the 2019 IMAAJ (€10.42 per passenger).

2021 airport charges

As established by law (Act 18/2014 and Directive 2009/12/EC on airport charges), and in order to update airport charges for 2021, the first meeting of the consultation process was held in the months of October to December 2020, between Aena and the airline company associations that use the airports.

In the course of this consultation process Aena has provided users and the CNMC (Spain's National Authority for Markets and Competition), which performs the functions of Independent Supervisory Authority, with the information required by the legislation and a proposal of charges which meets the requirements given in the Airport Regulation Document (DORA) and in Act 18/2014.

The users called upon by Aena to take part in the consultative process belong to the following associations and airline companies:

- IATA: International Air Transport Association
- A4E: Airlines for Europe
- AIRE: Airlines International Representation in Europe
- ALA: Asociación de Líneas Aéreas
- AECA: Asociación Española de Compañías Aéreas (Spanish Airline Association)
- AOC España: Comité de Operadores de Líneas Aéreas (Committee of Airline Operators)
- RACE: Real Aeroclub de España (Royal Aero-Club of Spain)
- RFAE: Real Federación Aeronáutica Española (Spanish Royal Aeronautical Federation)
- AOPA: Aircraft Owners and Pilots Association
- ASEATA (Asociación de Empresas de Servicios de Asistencia en Tierra en Aeropuertos)
- Ryanair
- Norwegian
- Jet2.com
- EasyJet
- Vueling

Likewise, the CNMC, the General Directorate of Civil Aviation (DGAC) and the Spanish Aviation Safety and Security Agency (AESA), attended the meetings as observers to the process.

The first meeting of the consultation process was held on 2 October, and the second was held on 13 November.

On 22 December 2020, the Board of Directors of Aena approved the charges corresponding to 2021, which will enter into force on 1 March 2021. The corresponding charges were based on freezing the 2021 IMAAJ relative to the IMAAJ for 2020, which was established at €10.27 per passenger. This act was reported to the CNMC, user associations and the General Directorate of Civil Aviation on 30 December 2020.

On 12 February 2021, the CNMC issued its Resolution on Aena's airport charges for 2021. In the aforementioned Resolution, it declares the charge update approved by Aena applicable, given that the 2021 IMAAJ is €10.27 per passenger, which implies a 0% variation.

Airport Regulation Document 2022-2026 (DORA II)

Consultation process

Aena is currently immersed in the process of preparing the DORA for the second regulatory period (2022-2026), the proposal of which must be sent to the General Directorate of Civil Aviation before 15 March 2021.

In compliance with the regulations (Act 18/2014 and Directive 2009/12/EC on airport charges), the consultation process is being held jointly between Aena and the airline company associations that use the airports, about the Airport Regulation Document 2022-2026 proposed by Aena and regarding the updating of airport charges for 2022.

The first meeting, with which the consultation process began, took place on 22 December 2020.

It is expected that this consultation process will take place until 15 March 2021, the date on which Aena will send its final proposal for DORA II. Then, the General Directorate of Civil Aviation (DGAC), as the regulatory body, will request the corresponding mandatory reports from both the National Commission of Markets and Competition (economic aspects of the proposal), the State Agency for Air Security (technical and operational aspects) and the General Directorate of Economic Policy of the Ministry of Economic Affairs and Digital Transformation. The Act establishes that the deadline for final approval by the Council of Ministers is 30 September 2021.

Aeronautical activity

Aena's activity continues to be highly determined by COVID-19 at an operational level. There are currently no signs of recovery in traffic in the short term and there are no prospects on when it will start.

Accompanying the evolution of traffic, Aena continues to adapt its means and facilities to operational needs, in line with the measures taken by the Spanish Government.

Closely related to the capacity adjustment carried out at airports, Aena maintains its cost-saving plan to protect cash in hand. This plan is based on the renegotiation of service agreements (security, cleaning, maintenance, etc), the elimination of non-essential expenses and the halting of new non-essential contracts according to needs.

In order to ensure passenger and worker safety, Aena continues to implement all cleaning, social distancing, hygiene and communication recommendations set by EASA (European Union Aviation Safety Agency) and ECDC (European Centre for Disease Prevention and Control). This is done in coordination with the health and transport authorities of the Spanish Government, as well as with the Member States of the EU, and international airport and airline associations (ACI and IATA respectively).

Since 15 May, the Ministry of Health, through the Foreign Health Department, requires sanitary controls for the arrival of passengers from abroad and, in order to carry out these controls, the Ministry of Health has the support of Aena, both with human and technological resources.

As a result of the measures implemented during 2020 relating to the health and operational checks at the airports, the Company incurred in exceptional expenses, both in airport facilities, as well as in personal and health protection, to the reported amount of €52.7 million, recorded in the Income Statement. In addition, investments have been made in fixed assets amounting to €9.8 million.

Royal Decree-Law 21/2020, of 9 June, states that Aena will have the right to recover the costs incurred as a consequence of collaborating with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic. These costs will be recovered within the DORA framework.

If these costs cannot be recovered within the framework of DORA 2017–21, they may be recovered, duly capitalised, in any of the subsequent DORAs. In this case, the rate will not be subject to the airport charges review cap of 0%, the accumulated deficit in DORA 2017–21 may be transferred to DORA 2022–26 and the accumulated deficit in DORA 2022–26 may be transferred to the following five-year period.

It should also be noted that Aena has taken measures to collaborate with companies that provide services at airports, customers and lessees, who face liquidity pressures due to the situation caused by COVID-19. At the end of April, an extraordinary six-month postponement on collections was approved, subject to certain conditions; applicable to the amounts invoiced from the date the state of emergency was decreed, 14 March 2020, and for a period of three months, which ended on 14 June.

As far as aeronautical services were concerned, this deferral was applied to amounts invoiced for:

- Aircraft parking
- Landing charges and airport transit services
- Passengers, PRM and security
- Use of airbridges
- Fuels and lubricants
- Ground assistance services
- Meteorological services

The total amount deferred under the various headings, from which the airlines benefited, amounted to €82.2 million.

With regard to BREXIT, Aena has been part of various working groups, together with the Ministry for Home Affairs, to assess the possible effects after its entry into force. Thus, border control stations have been redesigned according to the new requirements applicable to UK citizens.

It is also important to mention that the European Commission has authorised the use of ABC (automatic border control) systems for UK citizens. This authorisation was the result of a joint analysis effort carried out by the General Directorate for Immigration and Border Affairs of the National Police and Aena.

Following the instructions of the Ministries of Health and Agriculture, Aena has reviewed and reinforced the deployment of information regarding existing restrictions on animal products, vegetable products and pets from third countries.

The fall in passenger traffic due to the restrictions on mobility imposed in Spain and in the rest of the world, as a result of the spread of COVID-19, is reflected in the decrease in ordinary revenue from aeronautical activity.

Likewise, the lower revenue for the period is affected by the exemption from paying the landing and air traffic rates applied during the state of emergency to those aircraft that carried cargo comprising of at least 50% medical supplies needed to fight the pandemic. If, in addition to medical equipment, they carried other non-medical material of any kind, the exemption would apply only to the percentage of the charge corresponding to the medical equipment. This measure was extended until 5 July.

BREAKDOWN OF REVENUE FROM AIRPORT SERVICES

THOUSANDS OF EUROS	2020	2019	VARIATION	% VARIATION
AIRPORT CHARGES[1]	899,269	2,768,380	-1,869,111	-67.5%
LANDING/AIR TRANSIT SERVICE/METEOROLOGICAL SERVICE	263,139	743,409	-480,270	-64.6%
PARKING FACILITIES	70,504	44,696	25,808	57.7%
PASSENGERS	349,985	1,284,742	-934,757	-72.8%
BOARDING AIRBRIDGES	45,199	101,183	-55,984	-55.3%
SECURITY	115,030	440,930	-325,900	-73.9%
HANDLING CHARGES	40,555	108,591	-68,036	-62.7%
FUEL	11,360	32,980	-21,620	-65.6%
CATERING	3,497	11,849	-8,352	-70.5%
OTHER AIRPORT SERVICES[2]	36,491	75,568	-39,077	-51.7%
REVENUE FROM AIRPORT SERVICES	935,760	2,843,948	-1,908,188	-67.1%

(1) The revenue from passenger charges, landing charges and security fees include commercial incentives: -€11.5 million in 2020 (-€26.1 million in in 2019).
(2) Includes: Check-in counters, use of 400 Hz airbridges, fire service, luggage lockers and other revenue.

The net effect of traffic incentives has meant a lower revenue of €11.5 million. This amount includes the accrual of the commercial incentives that aim to promote the scheduling of operations by airlines (€20.4 million), the incentive provisioned in January and February for the winter season (€3.4 million), the regularisation of provisions from previous years (€1.8 million), and the adjustment of the provision of incentives for growth (€10.5 million). The latter is due to the drastic decrease in passenger traffic, which has seen many airlines failing to meet the requirements necessary to accrue them.

Rebates for connecting passengers have amounted to €21.6 million in 2020, compared with €77.7 million in 2019.

In terms of the development of aeronautical services at network airports in 2020, the following actions should be noted:

Passenger services

Within the scope of the Strategic Cleaning Plan, the phase V tendering process, which started in December 2019, is about to end. The total amount of the tender is €4 million per year, which represents an increase of

15.3% compared with the amounts in the previous bidding process.

The main objective of the new contracts is to improve the quality offered to passengers, in compliance with the standards set out in the Airport Regulation Document 2017-21 (DORA). These follow a model that promotes the values of quality, efficiency and flexibility, as well as modernising the service by means of a digital platform for resolving incidents in real time.

In recent months, the Strategic Cleaning Plan has been reinforced by some of the measures contained in the Operational Recovery Plan. This Plan is allowing activity to be resumed at airports, while maintaining a strict level of service for passengers, as well as for airport workers, complementing the usual cleaning by a regular and frequent sanitising of the facilities.

The implemented service plans and the Strategic Cleaning Plan are adapted to the current situation, which requires a more frequent cleaning in order to maintain hygiene and sanitary conditions in the airport environment. Frequencies are constantly being resized in response to variations in passenger traffic. Additionally, other measures continue to be implemented following the recommendations of the Health Authorities, such as Royal Decree-Law 26/2020, which makes EASA recommendations mandatory.

Additionally, to ensure that the measures adopted to fight the pandemic are in alignment with international standards of excellence, the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Josep Tarradellas airports have been included in the AHA (Airport Health Accreditation) accreditation, which is granted by ACI (Airports Council International). Accreditation for Palma de Mallorca is still being processed. AHA is the first worldwide programme of this type, specifically defined for the airport sector following the COVID-19 crisis. It is participated in by more than 160 airports worldwide.

Likewise, to ensure the suitability of the measures implemented by Aena in the Operational Recovery Plan, conversations are held with other European and worldwide airports to learn about the measures they implement and incorporate improvements into Aena's plan.

With regard to the gradual incorporation of all airports in the Aena network into the ASQ (Airport Service Quality) programme on electronic tablets, the 33 airports registered to the programme already conduct surveys digitally. Interviewer fieldwork has also been adapted to the current scenario in order to limit interpersonal contact as much as possible, and protect passengers and workers.

Airline services

The situation in which the air transport sector has found itself since the outbreak of the COVID-19 crisis, has led Aena to offer airlines a new commercial incentive scheme, with the aim of accompanying the recovery of activity and encouraging airlines to increase their operations.

To achieve these objectives, Aena participates in various forums within the European framework, such as the Airports Council International Europe (ACI Europe). The company contributes its experience in various work groups to, in a coordinated manner with the other participants, study proposals that promote the sector's improvement and safeguard the groups involved.

Another area of action developed in 2020 is the improvement of processes. In this area, Aena is firmly committed to promoting different innovation projects in order to respond to the new needs and requirements derived from the pandemic.

In this regard, one of the most important projects is promoting the use of facial recognition technology. Its use allows passengers to go through the security screening and board without having to show their ID documents. This initiative began to be tested at Menorca Airport in 2019, and has been tried at the A.S. Madrid-Barajas Airport. These types of initiatives, in addition to increasing capacity and improving processing times, are especially relevant in the current climate, as they provide ways of reducing physical contact between the passengers and their surroundings.

With the same aim of reducing physical contact, we have been promoting the use of contactless applications and management tools, which, in addition to streamlining operations, reduces the user's exposure to possible sources of contagion.

Another way of reducing the passenger's exposure to potential contagion is the use of self-check-in kiosks for luggage. By using self-check-in kiosks and self-service bag drop devices, the check-in process is carried out without requiring the intervention of external personnel.

Air traffic services

Despite the drastic reduction in air traffic caused by the pandemic, the air traffic services provided ensure that operations can be carried out. During 2020, these services have been adjusted to the real demand.

The provision of air traffic services (ATS) or tower control services, at 12 network airports where this service is deregulated, has been awarded. During the month of November, Sabadell and La Palma airports transitioned to the new operator.

It should also be noted that Aena continues to work on projects to implement remote towers at Vigo and Menorca airports. The objective is to ensure that the infrastructure and equipment are available during the first half of 2021. In Vigo, a camera and image processing system will be installed with technology from Canadian company Searidge. In Menorca, a system with technology from Norwegian company Kongsberg will be installed.

Operational systems

During 2020, progress has continued on integrating network airports into the A-CDM (Airport-Collaborative Decision Making) and Advanced Tower programmes, under the auspices of Eurocontrol. These programmes encourage the exchange of information among all agents involved in the operation of a flight. Its objective is to promote joint decision-making, improve punctuality, reduce the cost of movements and reduce environmental impact.

Sevilla and Bilbao airports are on the final stretch to obtaining Advanced Tower certification. With the integration of the operational data of these airports into the European real-time information network managed by Eurocontrol, nearly 82% of the Spanish network's operations traffic will be incorporated into the programme.

Migration work from Advanced Tower to A-CDM at Málaga-Costa del Sol Airport continues. Its certification was planned for the first half of 2020, but due to the current circumstances of COVID-19 it is estimated that it will be certified throughout the first quarter of 2021.

Operations

In relation to the management of the COVID-19 international health crisis, Aena has coordinated actions with the Ministry of Health in order to define the procedure and means necessary to control suspected positive cases. Among them, an action procedure model for handling COVID-19 alerts has been coordinated, both in aircraft and in the terminal building. The procedure model is a living document that is updated as needed with the Ministry.

Signage guidelines associated with COVID-19 have been implemented at network airports to implement measures such as social distancing, waste management, hygiene, etc. These actions allow us to offer passengers a safe airport environment and comply with the recommendations established by various organisations (EASA, Ministry of Health, the Spanish Aviation Safety and Security Agency, etc). The guidelines are under review to improve the effectiveness of the COVID-19 material deployed.

It is also worth noting that the Company has participated in both the State Facilitation Committee and in its permanent commission for health issues, with the aim of incorporating the EASA guidelines on COVID-19 into the Spanish legal system, based on the decisions of the Ministry of Health on health controls, dated 11 November and 9 December.

With regard to the use of operational capacity, the possibility of adapting the declared capacity parameters to the circumstances caused by the pandemic has been discussed with the Directorate General for Civil Aviation (DGAC Dirección General de Aeronáutica Civil). The need to convey, to the European Commission, the suitability of adopting the recommendation of the Worldwide Airport Slot Board, in which Aena participates, to address the allocation of slots during the summer 2021 season, was also discussed.

Security

In the field of physical security, the term of the contracts awarded in 2018 (two years) having elapsed, the corresponding private security service tenders have been awarded to five of the six companies that did not sign the ordinary extension foreseen in the agreements.

The new agreements have a duration of two years, with the option of a one year extension.

Of the total amount awarded, almost €289 million correspond to airports with the highest passenger traffic, and over 14.5 to those with less than 400,000 passengers. The agreements includes an item associated with COVID-19 activities and another to support technological transition projects.

The awarded tender does not include security at the Barcelona-El Prat Josep Tarradellas (passenger inspection), Palma de Mallorca, Alicante-Elche, Almería, Ibiza and Menorca airports, as an extension agreement has been reached with the current successful bidder.

With regard to the tenders for the supply of inspection equipment (and its maintenance, access control systems and CCTV-video surveillance control centres), as well as operating equipment and vehicles, it should be noted that they have been reactivated in accordance with the investment plan. Specifically, EDS hold baggage screening equipment (Standard 3) has been supplied and installed in order to meet the regulatory compliance dates.

Airport security inspection and airport security internal quality control activities carried out by AESA, both in relation to the performance of tests, and with respect to compliance verification activities of the National Security Programme, have continued.

The activities of two pilot projects designed to carry out tests with equipment in security screenings have also continued. The first, focused on security screening equipment, allows passengers to carry liquids and laptops in their hand luggage. The second pilot project is aimed at implementing remote inspection rooms that will enable the “relocation” of some security screening guards to independent rooms.

Facilities and Maintenance

During the third quarter, Aena has continued working on the main lines of the Strategic Airport Maintenance Plan (PEMA) established for 2020. In this regard, the implementation of the grouped maintenance agreements and the deployment of the new version of the MAXIMO application continues. The main objective is to rationalise and standardise maintenance services at all Aena network airports over a three-year period. Within the scope of PEMA, it is worth mentioning the launch of the new Mobile Airport Maintenance Application (AMMA Aplicación Móvil de Mantenimiento Aeroportuario) on the new version of MAXIMO. This is the pilot test at Sevilla airport for the management of maintenance in real conditions.

It is also important to note that Aena has implemented various initiatives aimed at promoting the use of renewable energies and integrating the Sustainable Development Goals (SDGs) into airport management so that the recovery of traffic is accompanied by energy efficiency and sustainability criteria.

Alicante-Elche Airport has acquired 5 new electric vehicles to renew its fleet.

Alicante-Elche Airport has also started to install quick recharge points in public areas, in order to facilitate the gradual incorporation of non-pollutant cars, both for individuals and all other companies operating at this airport.

3.1.2 Commercial activity

The following table shows the revenue derived from the lines of commercial activity:

	REVENUE		VARIATION	
THOUSANDS OF EUROS	2020	2019	THOUSANDS OF EUROS	%
DUTY-FREE SHOPS	382,888	343,755	39,133	11.4%
SPECIALTY SHOPS	104,340	114,805	-10,465	-9.1%
FOOD AND BEVERAGES	224,894	224,345	549	0.2%
CAR RENTAL	100,493	154,362	-53,869	-34.9%
CAR PARKS	50,684	158,489	-107,805	-68.0%
VIP SERVICES (1)	20,570	78,833	-58,263	-73.9%
ADVERTISING	20,975	26,043	-5,068	-19.5%
LEASES	33,699	34,452	-753	-2.2%
OTHER COMMERCIAL REVENUE (2)	91,637	101,855	-10,218	-10.0%
COMMERCIAL SERVICES REVENUE	1,030,180	1,236,939	-206,759	-16.7%

(1) Includes commercial operations (banking services, vending machines, telecommunications, baggage laminating machines, etc), commercial supplies, use of lounges and filming and recordings.

(2) Includes VIP lounge rental, VIP packages, other lounges, fast-track and fast-lane.

The total ordinary commercial revenue includes the minimum annual guaranteed rent (MAG) accrued by contract in the business lines of duty free shops, specialty shops, food and beverage, advertising and other commercial revenues.

In 2020, MAG revenues of €634.3 million have been recorded, compared to €144.4 million in 2019.

As explained in section 2.3. as a consequence of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, Aena began negotiations with commercial activity lessees to agree on changes to the contractual conditions, including MAG.

During the course of the negotiations, the Company has made various commercial proposals that have culminated in the one carried out on 18 January 2021 for commercial operators of duty-free, specialty shops, food and beverage services, vending machines, financial services and advertising in relation to MAG.

However, pending the conclusion of the agreements with those commercial operators affected by the aforementioned proposal and in application of NRV 8 "Leases and other transactions of a similar nature" of the NPGC, the revenue from the MAG for 2020 has been recorded for accounting purposes, for the amount of €619.0 million, including the revenue corresponding to the period of the first state of emergency in the amount of €198.6 million, given that Aena has a contractual right to receive said revenue.

In the event of said agreements undergoing changes in the future, as a result of the negotiations of agreements, their effect will be recorded in accordance with the provisions of these regulations regarding contractual amendments. Therefore, the incentives and concessions awarded that derive directly from the adverse situation caused by COVID-19 will be prospectively treated as a change of estimate, from the effective date of the contract modification, reducing, through a straight-line distribution system, the lease revenue from the remaining periods of the contract.

In those activities not subject to MAG, annual income reflects:

- The exemption of fixed rents for operators of car rental activities during the first state of emergency period. In 2020, lower revenues of €4.2 million have been imputed.

- The partial exemptions of monthly fixed rent during the first state of emergency, corresponding to leases within the terminal. Lower revenues in 2020 amounting to €0.7 million have been imputed.
- Car parks and VIP services registered a loss in revenue of €107.8 and €58.3 million, respectively.

It is worth highlighting the following aspects of the different lines of activity:

Duty-free shops

The effect of COVID-19 on duty-free shops at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Josep Tarradellas airports was not noticed during the first two months of the year. The loss caused by the impact on sales to passengers bound for Asian and Italian destinations was offset by increases in sales to passengers for other destinations, achieving a positive result.

Royal Decree 463/2020, approved by the Government on 14 March 2020, via which the first state of emergency was declared in order to manage the health crisis caused by COVID-19, applicable to all of Spain, ordered the immediate closure of retail premises and establishments to the public, with the exception of those businesses dedicated to the sale of food, beverages and essential items. This measure, in force until the end of the state of emergency on 21 June, caused the closure of all duty-free shops located at Spanish airports.

From 22 June, the process of gradually reopening duty-free shops started with the walk-through shop on the 4th floor of Palma de Mallorca Airport. This continued on 23 June with the reopening of the walk-through shop in the Central Plaza in T4 of Adolfo Suárez Madrid-Barajas Airport and on 24 June with the reopening of the shop located in the Sky Centre in T1 of Barcelona-El Prat Josep Tarradellas Airport.

To restart activity, Aena and Dufry coordinated protocols with applicable measures that the operator implemented at its shops. These measures included the removal of testers, capacity control, social distancing, flow organisation, installation of protection screens, and hydro-alcoholic gel dispensers, among others. Specific procedures were also established in walk-through shops for cases of overcrowding.

On 1 July, the walk-through shops in Bilbao, Málaga-Costa del Sol, Santiago-Rosalía de Castro, Alicante-Elche, Valencia, César Manrique-Lanzarote, Fuerteventura and Tenerife Norte-Ciudad de La Laguna reopened, as did the ground-floor shop at Tenerife Sur, the express duty-free shop in Ibiza and, with a reduced surface area, the main shop at Menorca Airport.

Due to the evolution of the pandemic and the mobility limitations established by the Autonomous Communities since October, 35.2% of duty-free shops were operating at the end of December.

Specialty shops

At the end of 2020, the shops that were open represented 27% of the total surface area dedicated to this activity in the Aena network. With the arrival of the second wave, some premises that were open during the summer season were closed.

In order to maintain the commercial offer, 36 calls for tenders were published. These agreements will last until 31 December 2021.

Food and beverages

After the end of the first state of emergency, some premises started to open. During the summer months, the rate of openings was adapted to the recovery of air traffic, in order to gradually re-establish the activity of food and beverage businesses in the terminals of network airports.

During the last quarter of 2020, as air traffic decreased and restrictions on commercial premises were increased to alleviate the effects of the second wave of the health crisis, operators reduced the number of operating premises. At the end of 2020, approximately 23% of the total surface area dedicated to this activity in the airport network in Spain was open.

To maintain the commercial offer, there have been five extraordinary calls for tenders published, and the processes that were suspended as a result of the declaration of the state of emergency have continued. These include:

- The handing over of two premises awarded to McDonald's at Barcelona-El Prat Josep Tarradellas Airport, 60 food and beverage vending machines at Málaga-Costa del Sol Airport, and surface areas for food and beverage establishments and vending machines at Vigo, F.G.L. Granada-Jaén and A Coruña airports.
- The awarding of the entire food and beverage offer at Valencia Airport in October. This is made up of eight premises and 68 food and beverage vending machines. The new premises will occupy a surface area of around 2,800 m² (an increase of 26% compared to the current surface area). Furthermore, in

the last quarter, two catering contracts have been awarded for Sevilla Airport (corresponding to six premises) and two other contracts for Tenerife Sur Airport.

Car rental

Confronted with the first state of emergency and the stoppage suffered by this activity, our tenants' demand for space to park their fleet of vehicles was met by Aena renting spaces (land and parking spaces) in exchange for a special rate created specifically for this purpose, with the aim of:

- Facilitating operations for companies that provide car rental services at network airports, providing new areas for them to park their fleets.
- Minimising the negative impact that the current health crisis will have on Aena's revenue and taking advantage of the other car parks, which remained unused due to the fall in passenger numbers.

The development of this line of activity since 22 June has been affected by a 66.3% year-on-year drop in the number of contracts and a 64.9% drop in sales.

To alleviate the effects experienced in the vehicle rental activity, negotiations were carried out with all the operators of this activity due to the health crisis caused by COVID-19. As a result thereof, an agreement was reached with the lessees and the Board of Directors of Aena approved, at its meeting in December, the modification of all contracts, as explained in section 2.3 Commercial activity.

Car parks

The year-on-year drop in revenue for the year, in addition to being affected by the traffic reduction caused by COVID-19, reflects the higher comparable base from the previous year, impacted by the higher revenue recorded at the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Josep Tarradellas airports due to the taxi strike that took place for three weeks in these cities.

The management is under a temporary partial suspension agreement, signed by the two car park management companies (EMPAK and SABA), but there is still no planned date for the full resumption of the service. This agreement includes the extension to these management agreements that were to end in November 2020, so it is therefore expected that they will end in the last months of 2021.

The operation has been gradually recovering based on the evolution of passengers and occupancy of car parks. The recovery began in the summer months (July and August), but the positive trend was cut short in the months of November and December, affected by the new mobility restrictions imposed by the authorities and the greater impact of COVID-19. The car parks at 28 of the 32 airports that offer this activity are currently operational.

VIP Services

The restrictions stemming from the first state of emergency led to the closing of lounges from 15 March.

Lounges gradually started to open from 22 June, adapting to the evolution of passenger traffic. As of 31 December, a total of 10 out of the 28 lounges in the airport network in Spain were open.

The 72.3% drop in passenger traffic has been accompanied by lower penetration. Users have decreased by 78% in 2020, while the average rate has grown by 3% due to the segmented pricing system.

To mitigate the increase in the average rate, a 10% discount has been approved on the corresponding rate. This incentive applies from 1 December for a period of four months.

Advertising

Advertising tenants are negotiating the reactivation of the advertising campaigns, which had been suspended during the state of emergency, adjusting the rates to the delicate situation caused by the health crisis.

During the first quarter of 2020, operators took a large part of the investment included in their contracts and put it into advertising media, both conventional and, especially, digital.

Leases

The revenue from this business line comes from the rental of office space, commercial counters and warehouses within the terminal.

The decrease in revenue during the period is affected by the partial rent exemptions approved in April, as a way of mitigating the risk of large-scale abandonment of spaces by our tenants due to the state of emergency and the uncertainties surrounding the recovery of air traffic.

Other commercial revenue

This section includes sundry commercial activities carried out at airports, such as banking services, baggage wrapping machines, other vending machines and regulated services (pharmacies, tobacconists, lottery vendors...). Also, during this period, the sale of Personal Protective Equipment (PPE), from vending machines and convenience shops, was incorporated into the airports.

During the first quarter, the tendering process for the VAT refund offices at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Josep Tarradellas airports (contracts 2 and 1 respectively) opened. Awarding of the contracts is still pending, as one of the bidders has appealed the process.

Digital Marketing and Development

To drive commercial revenue and offer a better purchasing experience to the customer using technology, we are offering digital solutions to our passengers that allow there to be less physical transactional contact and greater usability through their own mobile devices.

During 2020, special emphasis has been placed on disseminating the different types of services that facilitate zero contact. Therefore, if the passenger decides to use the car park for convenience and safety, Aena offers the possibility to book and pay in advance, paying via their mobile phone and, at some airports, paying via their number plate. Various payment methods that avoid contact at automatic and manual payment stations.

In the current context, the aim is to provide the passenger with tools that facilitate access to services and recover revenue from commercial activities at airports. For this reason, Aena, focusing on the different stages of a passenger from travel inspiration to taking the trip, offers solutions through its digital channels (App, website, social networks, etc) and its loyalty programme.

Various online marketing campaigns have also been carried out to promote the knowledge and booking of parking spaces.

In terms of VIP services, campaigns have also been developed on price communication, opening of lounges and new VIP services (Meet & Assist), both at airports and online.

Aena launched the “AenaMaps” platform in October, allowing passengers to receive information through their mobile device that guides them on their journey through the airport. This tool, initially available at A.S. Madrid-Barajas Airport, will be gradually implemented at other airports in the network and will be available at the main airports throughout 2021.

At the end of 2020, Aena launched the “Aena Travel” portal (aenatravel.com), where the passenger can find everything they need to plan their trip. The portal offers the possibility to book flights, accommodation, restaurants, experiences and tickets for shows at the destination. The “Food To Fly” portal (foodtofly.es) has also been launched, which lists the food and beverage offer at airports. This is a service that allows passengers to place their food and drink order from the website in advance and pick it up at a specific point, without having to queue. In the first stage, this service is available at Adolfo Suárez Madrid-Barajas Airport, and the functionalities and offer will be expanded to improve the food and beverage experience at other airports.

A marketplace (“Shoptofly”) is also being developed that will allow passengers to purchase products from airport shops, reducing physical contact and offering new sales channels to our commercial operators.

Finally, it is worth mentioning that the loyalty programme managed by Aena (Aena Club Cliente Aena Customer Club) has over one million customers. We are working to improve the accessibility and usability of the App and website, which will allow us to personalise the digital experience of passengers, resulting in an improvement in the relationship with our travellers and, therefore, in the Company's commercial revenue.

3.1.3 Real estate services

The activity of real estate services centres around the leasing or transfer of use of land (built up on or not), office buildings, warehouses, hangars and cargo storage facilities to airlines, air cargo operators, handling agents and other airport service providers. These support the activity and the development of complementary services, such as the 24 service stations (15 landside and nine airside) at 12 airports or the FBO (Fixed Base of Operations) executive aviation terminals at five of the most important airports in the network.

With regard to land development plans for complementary airport activities at the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Josep Tarradellas airports, Aena began the year with the firm intention to process the first tenders throughout the first half of 2020. To do this, it worked with external advisers to define the main marketing aspects of the airport land available at both airports. However, based on the situation caused by the COVID-19 crisis and the declaration of the first state of emergency decreed by the Spanish Government, a decision was taken to delay the launch of these processes, until there is enough clarity to assess the right moment to resume them without penalising the value of the assets.

- Until the outbreak of the COVID-19 crisis and following the initial valuations carried out by the experts hired, a plan was drawn up for the Adolfo Suárez Madrid-Barajas Airport that entailed developing an area of up to 2.2 million m² over the next few years, by occupying 349 net hectares (out of the total of 909 gross hectares available), for a range of uses. This development represented a significant diversification of the activity carried out at the airport, bringing it closer to the modern concept of an Airport City.
- The objective of the Real Estate Plan for the Barcelona-El Prat Josep Tarradellas Airport was to cover a maximum of 1.1 million new buildable m² by occupying close to 200 net hectares (out of a total of 290 gross hectares available). A global development project that kept in mind the conservation of the environmental and ethnographic values of the Llobregat Delta.

In September, work began to define the *White Papers* on architectural, urban and landscape design. These papers will establish the minimum technical requirements to be complied with in all the developments that take place as part of the Plans and will be included as part of the public tendering process.

In order to ensure best working standards and that the particularities of each project are perfectly understood, Aena hired the services of a specific team for each airport:

- Madrid: IDOM / Ezquiaga Architects
- Barcelona: ARUP / B-720 Architects

In accordance with current forecasts, it is estimated that the process for selecting partners by means of a competitive tender could be relaunched during the first half of 2021.

In terms of the work to be carried out at other airports where there is available land and assets with a high potential for the development of complementary airport activities, specifically at the Palma de Mallorca, Málaga-Costa del Sol, Valencia and Sevilla airports; assessments began in mid-September 2019 and were expected to take one year. The declaration of the first state of emergency suspended all project work, however, it is estimated that work may resume during the first quarter of 2021.

With regard to revenue from real estate services, it is worth indicating that, despite the increase in activity due to the new leasing agreements for cargo storage facilities and fuel facilities, ordinary revenue has decreased.

This decline is affected by the partial exemptions of monthly fixed rent during the first state of emergency, corresponding to leases outside the terminal, which amounted to €4.9 million. Due to the linearisation applied under NRV 8 "Leases and other transactions of a

THOUSANDS OF EUROS	2020	2019	VARIATION	% VARIATION
LEASES	15,122	14,672	450	3.1%
LAND	24,882	29,908	-5,026	-16.8%
WAREHOUSES AND HANGARS	8,742	8,092	650	8.0%
CARGO LOGISTICS CENTRES	19,912	17,412	2,500	14.4%
REAL ESTATE OPERATIONS	7,585	8,575	-990	-11.5%
REAL ESTATE SERVICES REVENUE	76,243	78,659	-2,416	-3.1%

similar nature" of the NPGC, a total of €0.8 million have been imputed as lower income in 2020.

This measure has meant that agreements on offices, warehouses, paved and unpaved surfaces, and commercial counters, signed by airlines, handling agents and handling equipment maintenance companies have received a discount of 75%, whilst those assets most directly linked to air cargo have received a discount of 65%.

In terms of other significant actions in the period relating to the activity of the segment, we would highlight the following:

Hangar activity

- At the Ceuta Heliport, the construction of an 800 m² hangar was completed in June.
- At Valencia Airport, work began in March on the construction of a new 4,750 m² hangar with a private apron on a 15,600 m² plot. In April, the lease of a 1,240 m² hangar with an associated paved surface of 5,853 m² was awarded.
- At Sevilla Airport, construction work for a 10,000 m² hangar began in August.

  At Sabadell Airport, a land lease was signed for the construction of a 1,307 m² hangar. At Girona-Costa Brava Airport, the lease of a 250 m² hangar and a paved area for the construction of another 1,300 m² hangar. At Santiago-Rosalía de Castro Airport, a contract was signed for a 1,550 m² hangar with an associated paved area of 240 m². And at Madrid-Cuatro Vientos Airport, the contract for a 336 m² hangar was signed in favour of World Aviation, and the contracting of two hangars, of 1,127 m² and 1,261 m², is being processed.

Rentals of offices and warehouses outside the terminal

At Barcelona-El Prat Josep Tarradellas Airport, offices and warehouses with a surface area of 2,982 m² were leased in May.

Spaces dedicated to air cargo

As for the marketing of spaces for air cargo, it should be noted that at Barcelona-El Prat Josep Tarradellas Airport, a tender has been called for a new second-line cargo terminal with the possibility of leasing the space for a maximum period of 10 years.

The terminal has a built-up area of 5,050 m² and its own 1,456 m² truck manoeuvring area. The deadline for submitting bids was suspended after the declaration of the first state of emergency. Once resumed, it has remained deserted.

During the third quarter, a call for tender was issued for the development and operation of three applications on a shared-use platform for the exchange of information among members of the cargo community at Aena airports. The tender was awarded in the month of December, so it is estimated that in 2021 the first applications will be developed that will allow operational efficiency to be improved at airports.

It is also worth noting that the construction of a new cargo terminal at Zaragoza Airport was called for tender in December for the amount of €3.6 million. Its construction has a completion time of thirteen months and once finished, it will be used by company Swissport.

In December, Aena's Board of Directors authorised the tender of a plot in the south expansion of the Air Cargo Centre at Adolfo Suárez Madrid-Barajas Airport to build new cargo terminals on the first line of the airport. The maximum built surface area would be 7,478 m² and the investment to be made by the potential successful bidders will exceed €3.7 million. The awarding is estimated to be drawn up in the first quarter of 2021.

Executive aviation

Due to the health crisis caused by COVID-19, it was necessary to establish, in the executive terminals, the measures established by the General Sub-directorate for Foreign Health, in order to guarantee health safety and minimise the risk of contagion without penalising operations in these terminals. These measures were implemented by the operators with the support and in coordination with Aena and the handling agents.

The health situation and mobility restrictions have caused a 40% year-on-year drop in executive aviation activity.

Finally, it is worth noting that at Palma de Mallorca Airport, new contracts for the Executive Aviation management service (FBO) were awarded to companies Aviapartner and Mallorcair in February. Likewise, a lease agreement was awarded to company Aviapartner for the rental of a space within the terminal to carry out multi-brand retail activity, the start of which is estimated to take place in the second half of 2021 once the remodelling work of said terminal is completed.

4. Income statement

THOUSANDS OF EUROS	2020	2019	VARIATION	% VARIATION
ORDINARY REVENUE	2,042,183	4,159,546	-2,117,363	-50.9%
OTHER OPERATING REVENUE	63,197	61,562	1,635	2.7%
TOTAL REVENUE	2,105,380	4,221,108	-2,115,728	-50.1%
SUPPLIES	-153,830	-170.205	-16,375	-9.6%
STAFF COSTS	-412,799	-402,881	9,918	2.5%
OTHER OPERATING EXPENSES	-661,676	-957,755	-296,079	-30.9%
DEPRECIATION AND AMORTISATION OF FIXED ASSETS	-721,370	-716,985	4,385	0.6%
IMPAIRMENT AND NET GAIN OR LOSS ON DISPOSALS OF FIXED ASSETS	-61,994	-21,106	40,888	193.7%
TOTAL EXPENSES	-2,011,669	-2,268,932	-257,263	-11.3%
OPERATING PROFIT/(LOSS)	93,711	1,952,176	-1,858,465	-95.2%
FINANCE INCOME	5,335	4,808	527	11.0%
FINANCE EXPENSES	-94,903	-96,265	-1,362	-1.4%
EXCHANGE DIFFERENCES	-1	-41	-40	-97.6%
IMPAIRMENT AND NET GAIN OR LOSS ON DISPOSALS OF FINANCIAL INSTRUMENTS	-16,150	-	16,150	100.0%
FINANCIAL RESULTS	-105,719	-91,498	14,221	15.5%
PROFIT/(LOSS) BEFORE TAX	-12,008	1,860,678	-1,872,686	-100.6%
INCOME TAX	6,718	-439,352	446,070	101.5%
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	-5,290	1,421,326	-1,426,616	-100.4%
PROFIT/(LOSS) FOR THE YEAR	-5,290	1,421,326	-1,426,616	-100.4%

Total revenue shows a year-on-year decrease of €2,115.7 million (-50.1%) and current revenue shows a decrease of €2,117.4 million (-50.9%), as explained by business segments in section 3 of this report (Business lines).

Total expenses have been reduced by €257.3 million (-11.3%).

The main year-on-year variations in operating expenses correspond to the following items:

- **Supplies** have decreased by €16.4 million (-9.6%), mainly due to the renegotiation of the ATM/CNS (Air Traffic Management, and Communications, Navigation and Surveillance) service agreement with ENAIRE, which led to a cost reduction of €14.3 million.

- **Staff costs** show an increase of €9.9 million (+2.5%), mainly due to the salary revision provided for in Royal Decree-Law 2/2020, of 21 January 2020, and new hires in 2019.

  Due to the situation caused by the health crisis and the consequent cost containment measures, starting in March, the hiring of new employees was halted.

- **Other operating expenses** have decreased €296.1 million (-30.9%) due to the savings measures implemented.

  The main decreases correspond to the items of security, maintenance, PRM service, cleaning, supplies and professional services. These savings, which were very significant in the months when there was hardly any activity, have been adjusted with the resumption of activity at airports and the reopening of facilities.

  Security expenses have been reduced by €77.3 million compared to 2019. Decreases in maintenance costs have reached €52.9 million, in PRM services €35.9 million and in cleaning costs €26.9 million.

  The reduction in activity and the closure of terminals and spaces was reflected in the decrease of €40.7 million in the cost of supplies. Expenses for professional services were lower by €14.8 million, mainly due to the suspension of non-essential services and commercial marketing campaigns.

  Likewise, expenses for managing VIP lounges and car parks have been reduced by €17.4 and €6.0 million, respectively.

  Likewise, it should be noted that as explained in section 3.1 Airport Services-Aeronautical Activity, as a result of the measures taken to control, contain and foresee changes to the pandemic during 2020, the Group incurred exceptional expenses, both in airport facilities, as well as in personal and health protection, to the reported amount of €52.7 million, recorded in the Income Statement.

- The **depreciation** of fixed assets has increased €4.4 million (0.6%), due to the 2019 additions corresponding to constructions, computer applications and vehicles.

Financial result reflects an increase in net spending of €14.2 million due mainly to the item Impairment loss and result of disposals of financial instruments, in which the amount of impairment of the equity in Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.A. has been recorded for the amount of €16.2 million (see Note 11 to the Annual Accounts).

The **result before taxes** reflects a loss of €12.0 million.

This result is affected by the impact of the impairment loss of the aforementioned stake in AIRM. Likewise, this includes €619.0 million of revenue corresponding to the MAG of fiscal year 2020, which are the subject of the proposal formulated by Aena to commercial operators.

Regarding **Income Tax**, revenue of €6.7 million has been recognised, mainly as a consequence of the results for the period.

As a result of the variations indicated, the **result for the fiscal year** reflects a loss of €5.3 million, which represents a reduction of €1,426.6 million compared to the net result of 2019.

5. Investments

Total investments for the period (property, plant and equipment, intangible assets and real estate investments) came to €489.8 million, reflecting a year-on-year reduction of €0.5 million.

These investments have been mainly allocated to the field of safety. Some minor investments have also been made in infrastructure improvements to adapt them to the healthcare prevention measures put in place due to COVID-19, such as the installation of screens, adaptation of toilets and furniture, and the development of computer applications for health controls. The investments executed in this field, throughout 2020, amounted to €9.8 million.

After the partial stoppage of investments in March, April and May, due to the limitations on the execution of works as a result of the state of emergency, the annual investment plan was gradually reactivated from 1 June.

With regard to the actions completed during the year, it is worth highlighting the adaptation of the terminal building at Reus to its functional design and the new flooring in the terminal at Palma de Mallorca.

As for airfields, the actions completed at the airports of Sevilla, Ibiza, Zaragoza and Girona-Costa Brava stand out. In particular: the resurfacing of the runway at Sevilla and Ibiza airports, the connection of the commercial apron with the taxiway, the adaptation of strips and taxiways, and the adaptation of the surface of the apron and runway thresholds. In Zaragoza, the expansion of the commercial apron and, in Girona-Costa Brava, the resurfacing of the taxiway.

With respect to investments underway, which will run into the coming months, it is worth noting that most correspond to investments in the safety of individuals and facilities. The most notable investments are the installation of more modern explosives detection systems, the adaptation of in-hold baggage inspection systems and the supply of more efficient passport control equipment at several airports.

In the terminal area, the remodelling and expansion of the building in the south pier at Barcelona-El Prat Josep Tarradellas Airport is underway. This action includes expanding the building onto two floors and installing six pre-airbridges and 14 airbridges. At the Tenerife Sur and Sevilla airports, functional improvements to their respective buildings according to the functional designs were carried out. It is also worth mentioning the replacement of boarding airbridges in Adolfo Suárez Madrid-Barajas Airport and Barcelona-El Prat Josep Tarradellas Airport, and, also at this airport, the maintenance of the automatic baggage handling system.

As for airfields, the surfacing of the southwest triangle of the commercial aviation apron in Ibiza is especially relevant.

Finally, it should be noted that the projects to build a photovoltaic solar plant for self-consumption purposes and the construction of the new power plant are underway at Adolfo Suárez Madrid-Barajas Airport.

With regard to the actions initiated, the most important ones are those carried out on airfields. These include: the expansion of the remote apron of the T4 satellite building and T123 at Adolfo Suárez Madrid-Barajas Airport, the regeneration of the 06L/24R runway and the new rapid exit taxiways at Palma de Mallorca, the expansion of runway accesses at Gran Canaria, the refurbishment of the manoeuvring area at Asturias, and the regeneration of the runway surface at La Palma.

As for airport terminals, the actions on the new bus zone at T4 of Adolfo Suárez Madrid-Barajas Airport and the construction of a new building in Bilbao for Aena offices, in order to free up space for new boarding gates and expand remote departure lounges, are worth highlighting.

With regard to the maintenance of terminal buildings, it is worth highlighting the installation of air conditioning in T2 at Málaga-Costa del Sol, the replacement of air conditioning equipment at Palma de Mallorca, as well as the expansion of the P1 car park, RAC and the construction of the express drop off car park in front of the departures terminal at Ibiza.

5.1 Analysis of investments broken down by areas of action

Information on the breakdown of capital expenditure payments concerning the Spanish airport network in 2020 is shown hereunder, along with a comparison with the previous year:

- Investments related to safety:

  As for operations, the most noteworthy are the improvement of the surface of various areas of the airfield at Adolfo Suárez Madrid-Barajas and Sevilla airports, investments in strips and verges of taxiways at Palma de Mallorca and Ibiza, those allocated to the approach lighting system on runway 29 at Seve Ballesteros-Santander, as well as the acquisition of fire extinguishing vehicles and the supply of aircraft recovery equipment for several airports.

In terms of the safety of people and facilities, investments have focused on equipping terminals at various airports with the new explosives detection system and installing a more modern and efficient passport control system.

- Capacity investments:

  As for airfield capacity, the following should be highlighted: the expansion of the apron and rapid exit taxiways at Ibiza Airport, the remote apron of the T4 satellite building at Adolfo Suárez Madrid-Barajas Airport and the expansion of the commercial aircraft apron at Zaragoza.

  As for terminal buildings, it is worth highlighting the remodelling and expansion of the 'Dique Sur' building at Barcelona-El Prat Josep Tarradellas Airport, the adaptation of the terminal building at Reus Airport to a functional design.

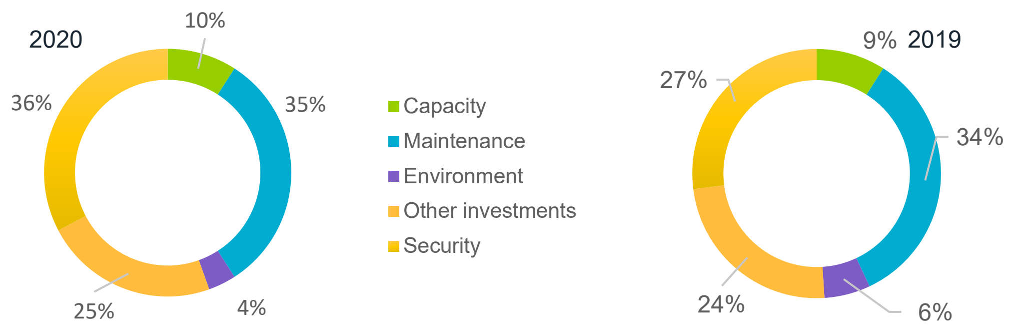
- With regard to the environment, this investment corresponds to the following: the installation and commissioning of photovoltaic solar power stations for self-consumption purposes at several airports, sound insulation work on homes in areas adjacent to several airports, the replacement of air conditioning systems at Alicante-Elche, the installation of lighting systems with efficient technologies at various airports, the construction of a new waste-water management treatment plant at César Manrique-Lanzarote, thermal insulation work on various terminal buildings at Palma de Mallorca, the plan to install charging points for electric vehicles, and the supply of electric and low-emission vehicles at several airports.

  As for service maintenance, this category includes work carried out at all network airports in order to maintain infrastructures. The following are also noteworthy: the replacement of boarding airbridges at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Josep Tarradellas, the partial renovation of the TETRA (terrestrial broadcasting) network at Barcelona-El Prat Josep Tarradellas, works to refurbish the power station at Sevilla, the improvement works to the surface of the northern apron at La Palma and the adaptation of the surface of the apron and runway thresholds at Ibiza.

- Other investments include those made in information technologies aimed at: improving communication infrastructure at several airports, the acquisition of hyperconvergent equipment at several airports and central services (to equip them with infrastructure that reduces the complexity of the data centre), to develop and maintain computer applications, and to supply and install microcomputer equipment at several airports.

  Of note are the actions taken related to commercial activities, such as: various investments made in VIP lounges at Barcelona-El Prat Josep Tarradellas, Gran Canaria, Valencia, Ibiza and Tenerife Norte-Ciudad de La Laguna airports; the new commercial area at Menorca Airport; the various improvements carried out in car parks at Adolfo Suárez Madrid-Barajas and Asturias; and the new season pass car park at Bilbao Airport.

ANALYSIS OF INVESTMENTS BY SCOPE OF APPLICATION



6. Balance Sheet

6.1 Net assets and capital structure

THOUSANDS OF EUROS	2020	2019	VARIATION	% VARIATION
ASSETS				
NON-CURRENT ASSETS	13,146,764	13,375,145	-228,381	-1.7%
CURRENT ASSETS	2,000,194	654,633	1,345,561	205.5%
TOTAL ASSETS	15,146,958	14,029,778	1,117,180	8.0%
EQUITY AND LIABILITIES				
EQUITY	6,620,711	6,655,614	-34,903	-0.5%
NON-CURRENT LIABILITIES	7,280,156	5,427,046	1,853,110	34.1%
CURRENT LIABILITIES	1,246,091	1,947,118	-701,027	-36.0%
TOTAL EQUITY AND LIABILITIES	15,146,309	14,029,778	1,116,531	8.0%

Impacts of the crisis caused by the spread of COVID-19 on the Balance Sheet.

The spread of the coronavirus has led to an extraordinary reduction in activity, revenue and results for Aena, as reflected in practically all the items in the Balance Sheet, as explained below.

Main changes

Non-current assets decreased by €228.4 million, primarily due to the drop of €298.1 million in “Property, plant and equipment”, which is explained by trends in capital expenditure in the Spanish network, as a result of which additions of fixed assets for the period were less than the depreciation recognised. This effect is impacted by the temporary halting of the investment programme, a measure adopted to mitigate the effects of the crisis caused by COVID-19 in order to protect cash in hand.

“Long-term investments in group and associated companies” increased by €18.4 million, as a result of two opposing effects:

- A reduction of the item “Financial investments in group companies” (see Note 11 to the Annual Accounts) to the amount of €11.6 million corresponding to its investment in the concession company Región de Murcia International Airport (AIRM). On 16 May 2020, in accordance with the provisions of the Economic-Financial Plan of Airport Activities of the Concession Company, a new direct monetary contribution was made to the Company’s equity for the amount of €4.6 million; on the other hand, an impairment loss of the stake in AIRM was recorded for the amount of €16.2 million. Thus, at the end of the 2020 fiscal year, the value of the Company’s stake in AIRM amounts to zero, corresponding to the cost of the stake in AIRM amounting to €16.2 million (€11.6 million at the end of the 2019 fiscal year), minus the value impairment correction of the stake recorded in the 2020 fiscal year for its entire cost value.
- An increase of €30 million for the item "Long-term loans" with the subsidiary Aena Desarrollo Internacional, by transfer from the short term of this amount, since the long-term deferral of the same has been agreed between the parties.

“Other financial assets” increased by €12.2 million due to the net establishment of deposits consigned by legal mandate with various public institutions of Autonomous Communities, corresponding to deposits in guarantee previously received from lessees of Aena commercial spaces, in compliance with Act 29/1994, of 24 November, on Urban Leases.

Similarly, “Deferred tax assets” increased by €12.1 million due to tax credits on the tax-loss carryforwards associated with reported losses and deductions not applied.

On the other hand, **current assets** increased by €1,345.6 million due to the increase in the balance of "Cash and cash equivalents" by €991.9 million (whose variation is explained in section 7. Statement of cash flows) and of the balance of "Trade debts and other receivables" by €360.7 million, as a result of the recording of the MAG accrued during the period for the amount of €619.0 million, including €198.6 million corresponding to the period of the State of Emergency as explained in section 2.3 (Commercial activity) of this management report. Excluding this effect, the balance corresponding to the amounts invoiced has fallen by approximately €340 million, due to the low turnover of recent months and the collection of MAG invoiced in December 2019, which amounted to approximately €140 million.

Equity has been reduced by 34.9 million mainly due to the result for the period that was down by €5.3 million and to the decrease of €27.5 million of the heading "Grants, donations and legacies received" due to its allocation to the net results of the tax effect (see Note 19.d and the Statement of Changes in Equity in the accompanying Annual Accounts).

The increase in **Non-current liabilities** of €1,853.1 million comes essentially from the increase in the heading "Debts with credit institutions" of €2,423.7 million, due to obtaining long-term financing in order to reinforce the liquidity of the Company, as explained in section 6.2 of this report (Evolution of net financial debt). On the contrary, the "Long-term debts with group and associated companies" have decreased €545.7 million, mainly due to the short-term transfer of the Debt with ENAIRE according to the schedule of its amortisation to the amount of €546.3 million.

The €701.0 million reduction in **current liabilities** mainly reflects the €495.1 million reduction under the heading "Short-term debts", for the cancellation of debts for credit policies in the amount of €391 million and for promissory notes of the ECP Programme in the amount of €104 million. Additionally, there was the payment of the principal of the mirror debt with ENAIRE of €633.6 million, prior to the short-term transfer of €546.3 million.

Working capital, calculated as the difference between current assets and current liabilities, which is generally negative in the Company as a result of its operational and financing structure, stood at €754.1 million at the end of the period (-€1,292.5 million as at 31 December 2019), due to the changes in current assets and liabilities referred to above.

6.2 Evolution of net financial debt

The net financial debt of Aena S.M.E., S.A. (calculated as Current financial debt plus Non-current financial debt minus Cash and cash equivalents), at 31 December 2020 was €6,540.4 million, compared to €6,200.4 million at 31 December 2019, and the related ratios are as follows.

THOUSANDS OF EUROS	2020	2019
GROSS FINANCIAL DEBT	7,681,676	6,349,811
CASH AND CASH EQUIVALENTS	1,141,265	149,375
NET FINANCIAL DEBT	6,540,411	6,200,436
NET FINANCIAL DEBT / EBITDA (Earnings before interest, tax, depreciation and amortisation, IFRS)	8.1x	2.3x

Aena has taken out loans that include the obligation to meet the following financial ratios, for an outstanding amount at 31 December totalling €5,800 million:

- Net Financial Debt / EBITDA must be less than or equal to 7.0x.
- EBITDA / Finance Expenses must be higher than or equal to 3.0x.

These ratios are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months, and the net financial debt at the end of the period.

As a result of the exceptional situation caused by COVID-19 and its impact on EBITDA, as of 31 December 2020, the maximum ratio of 7.0x Net Financial Debt/EBITDA has not been complied with.

Anticipating this breach, Aena obtained on 1 December 2020 waivers for the financial ratios from all the affected financial entities until at least, 30 June 2022. In accordance with the established terms, the entities waive the right to exercise their right to declare early maturity in the event of the possible rupture of the aforementioned ratio.

During 2020, Aena amortised long-term debt to the amount of €633.6 million, according to the payment schedule established under the agreement.

With the aim of strengthening the Company's liquidity, in view of the situation caused by COVID-19, Aena proceeded to take out loans with several financial institutions for a net amount of €2,325.6 million.

In addition, two new loans have been signed with the European Investment Bank (EIB) for amounts of €110 million and €14 million, respectively. At the close of 2020, both remain undrawn.

At 31 December, Aena had a line of €800 million corresponding to a sustainable syndicated line of credit (ESG-linked RCF) which remained undrawn.

On 24 November 2020, the Company registered a Promissory Note Programme (Euro Commercial Paper) with the Spanish National Securities Market Commission (CNMV Comisión Nacional del Mercado de Valores), with a maximum balance of €900 million in the BME Fixed Income Market under the same conditions as the programme it held previously. As at 31 December 2020, the paper issued amounted to €55 million, with an available balance of €845 million. At 31 December 2019, the balance of the ECP issued was €159 million.

Cash and credit facilities at Aena's disposal at 31 December 2020 amounted to a total of €2,065 million, to which is added the possibility of issuing through the Euro Commercial Paper (ECP) programme for an available amount of €845 million.

The average interest rate of Aena's debt was 1.02% in 2020 (1.24% in 2019), with the interest rate of long-term debt being 1.07% and that of short-term debt -0.15%).

For their part, Fitch and Moody's rating agencies have confirmed Aena S.M.E., S.A.'s credit rating:

- Fitch, "A" rating with a stable outlook and the "F1" short-term rating on 3 April. The long-term outlook was revised on 28 August from stable to negative, reflecting the risks surrounding the uncertainty in the recovery of traffic.
- On 24 June, Moody's confirmed the Long Term Issuer Default Rating "A3" and the outlook, which was revised on 31 March from stable to negative, also reflecting the risks surrounding the uncertainty in the recovery of traffic.

6.3 Average payment period

Regarding the Average Payment Period to suppliers:

DAYS	**2020**
AVERAGE PAYMENT PERIOD TO SUPPLIERS	44.1
RATIO OF TRANSACTIONS PAID	47.7
RATIO OF TRANSACTIONS PENDING PAYMENT	15.2

These parameters have been calculated in accordance with the provisions of Article 5 of the Resolution of 29 January 2016 of the Accounting and Audit Institute (ICAC) regarding the information to be included in the notes to the annual accounts with regard to the average payment period to trade suppliers. It is based on the balance of suppliers who, by their nature, are suppliers of goods and services, so that it includes the data pertaining to the "Trade payables" section of the balance sheet.

THOUSANDS OF EUROS	**2020**
TOTAL PAYMENTS MADE	725,139
TOTAL PAYMENTS OUTSTANDING	88,887

In the accumulated, the average payment periods are adapted to the terms established by Act 15/2010. In those cases where a payment has been made outside of the legally binding period, this is due mainly to reasons not attributable to the Company: invoices not received on time, expired AEAT (Spanish tax agency

Agencia Estatal de Administración Tributaria) certificates and lack of documentary evidence of supplier bank accounts, among others.

7. Cash flow

In fiscal year 2020, the Group's cash flow movements were conditioned by the effects of the spread of COVID-19, which caused a sharp decrease in cash flows from operating activities (-92%) and led the Group to focus on the objective of strengthening liquidity by obtaining external financing, generating an increase in the balance of “Cash and cash equivalents” during the period of €991.9 million.

Net cash flow from operating activities

The decrease in cash generated from operating activities in 2020 compared to the previous year, reflects the impact that the pandemic has had on the Aena's operations.

Cash generated by operating activities before changes in working capital and other cash generated by operations (interest, and income tax paid and collected), the cash generated from operating activities was €803.6 million. This amount represents a decrease of €1,892.0 million (-70.2%) compared to the cash generated in the previous fiscal year (€2,695.6 million).

The negative impact of €410.6 million of the year-on-year variation of changes in current capital comes mainly from changes in the heading “Trade and other receivables” (€321.1 million) and in the heading “Creditors and other accounts payable” (€87.5 million).

The decrease in cash flows due to the change in “Debtors and other accounts receivable” of €321.1 million, is due to the impact that the accrual of higher MAG has had in 2020 (see section 2.4 Commercial activity) due to the lower amount invoiced and charged to equity during the period as a result of the decrease in activity.

With regard to “Creditors and other accounts payable”, the negative variance is caused by the decrease in activity and the cost reduction plans undertaken in 2020, which have resulted in a reduction of the balance of creditor accounts and of advance payments to customers over the course of the period, given that in the comparable period of 2019 the activity was not negatively affected by any extraordinary circumstance.

The “Other cash flows from operating activities” section has a positive impact on €416.7 million, mainly due to lower advance payments for Corporate Tax.

Once the “Changes in working capital” and the section relating to “Other cash flows derived from operating activities” have been taken into account, the net cash generated by operating activities for the period (€164.2 million) brings the decrease in cash generated from operating activities to €1,886 million.

Net cash flows used in investment activities

Net cash used in investment activities during this period amounted to €506.4 million, and mainly include payments corresponding to acquisitions and the replacements of non-financial fixed assets related to airport infrastructure in the amount of €489.8 million.

The investment activities also include payments for the amount of €14.5 million for deposits consigned by legal mandate in different public institutions of Autonomous Communities. These deposits correspond to bonds previously received from lessees of the commercial spaces of the Company, in compliance with Act 29/1994, of 24 November, on Urban Leases.

Cash flows from financing activities

The main entries of financing flows come from the new bank financing obtained by the Company in 2020 (see the Statement of Cash Flows and Note 15 of the Annual Accounts).

THOUSANDS OF EUROS	2020	2019	VARIATION	% CHANGE
NET CASH FROM OPERATING ACTIVITIES	164,227	2,050,176	-1,885,949	-92.0%
NET CASH USED IN INVESTING ACTIVITIES	-506,440	-868,239	-361,799	-41.7%
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	1,334,103	-1,500,006	2,834,109	188.9%
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	149,375	467,444	-318,069	-68.0%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,141,265	149,375	991,890	664.0%

Credit lines have also been paid for a net amount of €391 million and €104 million for the Promissory Note Program (Euro Commercial Paper) (see Note 15 to the Annual Accounts).

Additionally, the principal payment of the mirror debt with ENAIRE was made for an amount of €633.6 million.

8. Operational and financial risks

The main risks to which Aena is exposed in its operational and financial activity are described in Note 5 of the Annual Accounts at the close of 31 December 2020 ("Management of operational and financial risks").

In the operational field, the aforementioned Note first describes the **risks derived from the COVID-19 pandemic**, which are the following: operational and business risk; risks of material misstatement related to the recoverable amount of assets; provisions for credit losses or fair value corrections, among others (valuation of assets); as well as liquidity risks, since, due to the exceptional circumstances caused by the pandemic, the Company's cash flows have been drastically reduced in 2020. It also describes the health risk derived from the COVID-19 pandemic.

The legal and regulatory risk related to the uncertainty around the interpretation of legislation in the context of the current crisis, and the adaptation to new and continuous legal requirements, is also included.

In addition, the main operational risks include the following: **risks related to BREXIT** after the exit agreement reached between the United Kingdom and the European Union; **regulatory risks** associated with the regulated sector in which Aena operates and any future changes or developments in applicable regulations that may have negative impacts on its income, operating results and financial position; and **operating risks** of the activity of the Company that may be affected by different factors, since it is directly related to the levels of passenger traffic and air operations at its airports.

Furthermore, the main **financial risks are identified.** Aena's operations expose the Company to various financial risks: market risks (including exchange rate risks and fair value risks due to the interest rate), credit risks and liquidity risks. The global risk management programme focuses on the uncertainty surrounding financial markets and tries to minimise the potential adverse effects on the financial profitability of the Company.

9. Legal proceedings

With regard to the main litigations at 31 December 2020, it is worth noting first the claim filed by CEMUSA, Corporación Europea de Mobiliario Urbano, S.A. (fully owned by JCDECAUX EUROPE HOLDING) in which the amount of €55 million is claimed based on the clause "rebus sic stantibus", with this claim not being related to COVID-19. This clause is invoked to support the claim of annulment of the contract, alleging that due to the 2008 crisis there was a fundamental change in the circumstances that motivated the contract and that it therefore prevents its compliance. Once the reply to the claim has been submitted, the previous hearing is pending without having been indicated so far. As indicated in Note 28 to the Annual Accounts, the risk is considered remote.

Secondly, and as a consequence of the health crisis caused by COVID-19, throughout 2020 the legislator has been adopting temporary measures of an extraordinary nature to prevent and contain the virus and mitigate the health, social and economic impact of it throughout the Spanish territory. These included temporary restrictions to free movement and containment measures in areas of education, employment, business, leisure and places of worship.

Faced with the facts stated and as a consequence of the same, some lessees have filed claims based on the jurisprudential creation clause "rebus sic stantibus" requesting, among others, that the Courts consider the need to adopt precautionary measures in the sense that Aena refrains from invoicing the rents agreed in the contracts and, at the same time, the right to the execution of the guarantees available in the event of any non-payment. All the foregoing is put forth with the consequent ordinary claim.

Until 31 December 2020, Aena has been summoned to the Courts for the purpose of seven lawsuits filed by three lessees, from among all existing ones, these being: ZEA RETAIL, S.L., AIRFOODS RESTAURACION Y CATERING, S.L. and BENICOCHES, S.L.

10. Stock market performance

Aena's share price has fluctuated throughout 2020, ranging from a minimum of €91.90 and a maximum of €174.50, ending the period at €142.20, which represents a fall in share price of 16.6%, in line with the trend seen on the IBEX35, which accumulated a loss of 15.5% during the same period.

As regards the acquisition and disposal of treasury shares, as at 31 December 2020, Aena did not hold any treasury shares, so there was no impact on the yield obtained by the shareholders nor on the value of the shares.

MAIN DATA

31/12/2020	AENA.MC
TOTAL VOLUME TRADED (NUMBER OF SHARES)	74,304,805
DAILY AVERAGE VOLUME TRADED IN THE PERIOD (NO. OF SHARES)	289,124
CAPITALISATION (€)	21,330,000,000
CLOSING PRICE (€)	142.20
NUMBER OF SHARES	150,000,000
FREE FLOAT (%)	49%
FREE FLOAT (SHARES)	73,500,000

11. Non-financial information statement

The Non-financial information statement is included in the 2020 Consolidated Management Report, in accordance with the provisions of Directive 2014/95/EU of the European Parliament and of the European Council, and those of Act 11/2018, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on Auditing of Accounts, in the field of non-financial information and diversity. This report is available on the Aena website (www.aena.es/en/).

12. Events after the reporting period

- As a consequence of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, Aena began negotiations with the commercial activity lessees to agree on changes to the contractual conditions, including those of fixed income and MAG.

  These negotiations, in which the Company has made different commercial proposals based on the evolution of the activity and always under the legal framework existing at each moment in time, have been affected by the continued deterioration of expectations regarding the recovery of air traffic.

  Following the entry into force on 24 December 2020 of Royal Decree-Law 35/2020 on urgent measures to support the tourism, the hotel industry and commerce sector and in tax matters, this negotiation process has culminated in the proposal made by the Company on 18 January 2021 to the commercial operators of duty free, specialty shops, food and beverage, vending machines, financial services and advertising in relation to the MAG:

  - For the period between 1 January 2020 and 14 March 2020 (both inclusive), the MAG will be applied in accordance with the provisions of the original agreements, that is, a pro-rata MAG for 74 days.
  - The MAG will not be applied for the period between 15 March 2020 and 20 June 2020 (both inclusive).
  - For the period between 21 June 2020 and 31 December 2020 (both included), a MAG resulting from applying a 50% reduction on the MAG provided for in the contract, which will be proportionally spread out over the 194 days of the period, will be applied. In advertising, a MAG per passenger will be applied.
  - For the period between 1 January 2021 and 8 September 2021 (both inclusive) a percentage of 50% of the pro-rata MAG will be applied on the days accrued in this period. In advertising, a MAG per passenger will be applied.
  - From 9 September 2021 (included) and until the end of the agreement, the conditions provided for in the original wording thereof will resume.
  - If the Company, in order to comply with the measures imposed by the health authorities, is forced to close some airport areas, it is willing, if so requested and within the framework of the agreement reached, to reduce up to 100% of the MAG corresponding to the number of days of each annuity during which the area in which the premises are located has not been operational.

  The rest of the contractual conditions will remain in force, including the variable income and the obligation to pay the property tax, the expenses for supplies, and other taxes and items that can be passed on.

  As communicated in said letter, the commercial proposal that Aena offers is global and indivisible, and requires the formalisation of the appropriate contractual document amending the corresponding agreements. In the same way, each lessee is informed that in the event that they do not agree to the conditions offered or do not respond within the period granted to that effect, Aena will proceed to invoice the MAG for the year 2020 and the other corresponding concepts as of that date in accordance with the contracts in force.

  The latest information available indicates that 72 commercial operators have accepted this proposal, which represents 52.9% of the total affected contracts and 13.2% of the affected MAG.

- On 12 February 2021, the CNMC issued its Resolution on Aena's airport charges for 2021. In the aforementioned Resolution, it declares the charge update approved by Aena applicable, given that the 2021

IMAAJ is €10.27 per passenger, which implies a 0% variation.

- Royal Decree 1/2021, of 12 January, published on 30 January 2021, which modified the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, the General Accounting Plan for Small and Medium-sized Companies approved by Royal Decree 1515/2007, of 16 November; the Standards for the Formulation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, of 17 September; and the Adaptation Rules of the General Accounting Plan for Non-profit Entities approved by Royal Decree 1491/2011, of 24 October.

  The changes to the General Accounting Plan are applicable to fiscal years beginning on or after 1 January 2021 and focus on the criteria for the recognition, valuation and breakdown of income from the delivery of goods and services, financial instruments, hedge accounting, valuation of the stock of raw materials quoted by the intermediaries that market them, and the definition of fair value.

  In this regard, the individual annual accounts for the first fiscal year beginning on or after 1 January 2021 will be presented including comparative information, although there is no obligation to express the information from the previous fiscal year again. Comparative information will only be shown again in the event that all criteria approved by the Royal Decree can be applied without incurring a retrospective bias, without prejudice to the exceptions established in the temporary provisions.

  The application of the rule is, generally, retroactive, although with alternative practical solutions. However, the application of hedge accounting is prospective, the criteria for the classification of financial instruments can be applied prospectively, and the criteria for income from sales and services provided can be applied prospectively to agreements initiated as of 1 January 2021.

  The Company's Administrators are conducting an evaluation of the applicable transition options and the accounting impacts these modifications will entail, although on the date these individual annual accounts were formulated, they still do not have enough information to reach a conclusion regarding the results of this analysis.

- On 19 February 2021, the Accounting and Auditing Institute (ICAC Instituto de Contabilidad y Auditoría de Cuentas) has published the accounting treatment that must be used to record the rent reductions agreed in a business premises lease agreement due to the extraordinary measures adopted by the Government to address the effects of the COVID-19 health crisis (see Note 4(e) to the Annual Accounts).

From the closing date of the fiscal year to the date the Annual Accounts were formulated, there have been no significant events that may affect the Management Report other than those discussed throughout the Annual Accounts and mentioned above.

APPENDIX I: Summary of communications with the National Securities Market Commission (CNMV)

REGISTER	DATE	TYPE OF INFORMATION		DESCRIPTION
165	21/02/2020	ORI	Other relevant information	Announcement of results presentation 2019
281	25/02/2020	ORCI	Other regulated and corporate information	The Company announces the approval of the call of the General Shareholders´s Meeting
271	25/02/2020	ORI	Half-yearly financial reports and audit reports/limited audit review	La sociedad remite información financiera del segundo semestre de 2019
275	25/02/2020	ORI	Other relevant information - On business and financial situation	2019 fiscal year dividend proposal
278	25/02/2020	ORI	Annual corporate governance report	La sociedad remite el Informe Anual de Gobierno Corporativo del ejercicio 2019
280	25/02/2020	ORI	Annual report on directors´ remunerations	La Sociedad remite el Informe Anual sobre remuneraciones de los consejeros del Ejercicio 2019
281	25/02/2020	ORI	Announcement of general shareholders' meeting	The Company announces the approval of the call of the General Shareholders´s Meeting
32	25/02/2020	II	On P&L - On strategic plans and profit forecasts	2019 results presentation and 2020 forecasts
33	25/02/2020	II	On strategic plans and profit forecasts	The Company communicates the review of passenger traffic growth estimate for the year 2020
418	27/02/2020	ORCI	Other regulated and corporate information	The Company communicates the call for the General Shareholder´s Meeting
418	27/02/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the call for the General Shareholder´s Meeting
905	12/03/2020	ORCI	Other regulated and corporate information	The Company communicates the Addendum to the notice calling of the General Shareholder's meeting TCI Luxembourg S.à.r.L y Talos Capital Designated Activity Company
905	12/03/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the Addendum to the notice calling of the General Shareholder's meeting TCI Luxembourg S.à.r.L y Talos Capital Designated Activity Company
978	13/03/2020	ORI	Other relevant information	Press release on traffic attached
1137	23/03/2020	ORI	Other relevant information	Press release on new organization of airport facilities attached
1159	24/03/2020	ORCI	Other regulated and corporate information	The Company announces that the Board of Directors of AENA has agreed to cancel the General Shareholders's Meeting
1159	24/03/2020	ORI	Announcement of general shareholders' meeting	The Company announces that the Board of Directors of AENA has agreed to cancel the General Shareholders's Meeting
118	26/03/2020	II	On business and financial situation	Communication of Covid-19 effects in the Company
133	31/03/2020	II	On credit ratings	The Company announces the credit rating assigned by the rating agency Moody's Investors Service
136	01/04/2020	II	On business and financial situation	Contigency plan. Additional funding Covid 19
137	02/04/2020	II	On business and financial situation	Statement on the non- applicability to AENA of article 49 of the Royal Decree Law 11/2020
148	04/04/2020	II	On credit ratings	The Company announces the credit rating affirmed by the Fitch Ratings agency
1472	09/04/2020	ORI	Other relevant information	Press release on traffic data during March 2020 attached
1660	21/04/2020	ORI	Other relevant information	Aena S.M.E., S.A. announces a conference call to present the Group´s 1Q 2020 Results
1811	28/04/2020	ORI	Interim management report	La sociedad remite declaración intermedia de gestión del primer trimestre de 2020
191	28/04/2020	II	On P&L	Q1 2020 Results Presentation
192	28/04/2020	II	On business and financial situation	Commercial agreements
193	28/04/2020	II	On P&L	Press release regarding Q1 2020 results
1848	29/04/2020	ORI	Interim management report	La sociedad remite una amplicación/modificación de la declaración intermedia de gestión del primer trimestre de 2020 registrada con anterioridad
220	06/05/2020	II	On business and financial situation	Contigency plan. Additional funding Covid 19
298	24/06/2020	II	On credit ratings	Moody's Investors Service has affirmed AENA S.M.E., S.A. Long- Term Issuer Default Rating (IDR)
308	30/06/2020	II	On P&L	The Company communicates the new proposed appropriation of earnings
3089	30/06/2020	ORI	Announcement of general shareholders' meeting	The Company announces the approval of the call of the General Shareholder's Meeting
3089	30/06/2020	ORCI	Other regulated and corporate information	The Company announces the approval of the call of the General Shareholder's Meeting
3091	30/06/2020	ORI	On corporate governance	The company communicates the proposal for the appointment of new directors
3132	02/07/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the call for the General Shareholder´s Meeting
3496	21/07/2020	ORI	Other relevant information	Aena S.M.E., S.A. announces a conference call to present the Group´s H1 2020 Results
366	28/07/2020	II	On P&L	2020 First half results presentation
3689	28/07/2020	ORI	Half-yearly financial reports and audit reports/limited audit review	La sociedad remite información financiera del primer semestre de 2020
432	28/08/2020	II	On credit ratings	Fitch Ratings has affirmed AENA S.M.E., S.A. Long-Term Issuer Default Rating (IDR) "A". The outlook has been reviewed from stable to negative. Fitch Ratings has also affirmed the Short-Term IDR "F1".
4944	09/10/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the Addendum to the notice calling of the General Shareholder's meeting requested by TCI Luxembourg S.à.r.L and CIFF Capital UK LP.
4996	14/10/2020	ORI	Announcement of general shareholders' meeting	The company communicates that the Board of Directors has agreed that the holding of the General Shareholders' Meeting will be exclusively virtual
5132	21/10/2020	ORI	Other relevant information	Aena S.M.E., S.A. announces a conference call to present the Group´s 9M 2020 Results
5274	28/10/2020	ORI	Interim management report	La sociedad remite declaración intermedia de gestión del tercer trimestre de 2020
5335	28/10/2020	ORI	On business and financial situation	The company releases a communication in sight of the publication in the newspapers today of the economic and financial estimates for 2020 and 2021
5370	29/10/2020	ORI	Announcement of general shareholders' meeting	The Company communicates the approval of Resolutions by the General Shareholders´ Meeting
5371	29/10/2020	ORI	On corporate governance	The Company communicates changes in the composition of the Board of Directors
6023	03/12/2020	ORI	On financial instruments	The Company has obtained waivers for the ratios included in the financing contracts with several financial institutions
6351	22/12/2020	ORI	On corporate governance	The Company communicates changes in the composition of the Board of Directors and its Committees

II-Inside Information
ORCI-Other regulated and corporate information

APPENDIX II: Corporate Governance Report

Aena's Annual Corporate Governance Report for the year 2020 is part of the Consolidated Management Report, and has been available since the date of publication of the consolidated Annual Accounts on the website of the Spanish National Securities Market Commission and on the Aena website (www.aena.es/en/).