

ANNUAL REPORT

grupo  enusa





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LETTER FROM THE
CHAIRMAN & CEO



ETHICS
AND GOOD
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I present to you the new edition of the ENUSA Group's Annual Report, a document that aims to reflect as faithfully as possible what we are, but above all, what we bring to the environment around us, and what our added value is for the society we represent and serve.

ENUSA is the compendium of energy, environment, logistics, technological development, digital transformation, R&D&I, internationalisation, knowledge transmission, transparency and communication, equality, responsible management, culture of safety and constant work for quality improvement.

We are committed to the Sustainable Development Goals because we want to confront the social, economic and environmental challenges of globalisation, putting people, the planet in the centre.

The year 2019 has been a year of important commitment fulfilled, but also of new challenges and goals that we want to confront collectively with enthusiasm, work and commitment of the entire Group.

On 19 November 2019 the collective agreements of the work centres of Juzbado and Saelices el Chico were signed after five years of not having an agreement. This agreement includes, among others, measures for labour conciliation, equality of treatment and opportunities, the improvement of the Juzbado factory and the promotion of generational change-over that ensures appropriate knowledge transmission.



JOSÉ VTE. BERLANGA ARONA
CHAIRMAN & CEO

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We continue working on the great prospects of the ENUSA Group. We are committed to equality and, for this reason, we have revised ENUSA's Equality Plan which adapts it to the new legislation, but it also avoids the underrepresentation of women in the more masculinised occupations and, in particular, in positions of responsibility, also with the aim of being a company that is enriched by diversity. This year a collaboration agreement has been signed between ENUSA and the Asociación Asperger Madrid to carry out professional pre-labour practices in our organisation by young people of the association.

We continue being leaders in BWR technology, a success that belongs to each and every one of the members of the organisation who have made it possible that the culture of quality, the culture of safety, the continuous improvement and the excellency of our workers have made us deserving of the confidence of our customers.

During the past year we have continued implementing our internationalisation process and the opening of new market niches in which to capitalise our technical strengths. In 2020 we will continue advancing in this process, directing our steps to show the technical excellence of our company towards other countries. A road that we will travel uniting the capacities, abilities and skills of the public sector, but also of the private sector, because I am convinced that the uniting of the talent makes us a leader in the international markets.

We advance towards the goal of being a 4.0 company and for this the Digital Transformation Plan is essential. This Plan, besides integrating digital technology in all

areas of business, innovating and supplying new solutions, is supposing a cultural change and a demanding effort for the entire organisation in adapting to new work methods that, without a doubt, will produce a new form of relationship with our customers and a more competitive position in an increasingly more globalised market.

The year 2019 has been intense in R&D&I. We are aware of the importance that research, development and innovation has in our sector. Our constant commitment to this subject has resulted in new developments and products that have deserved the trust of our customers. We want to continue advancing in this subject, also collectively with other companies of the sector and, in this way, we have continued taking steps to achieve multilateral cooperation instruments on this subject within the context of nuclear energy. This agreement will be ratified in 2020 by the public companies of the nuclear sector.

Our Juzbado factory continues being an international leader, not only in fuel fabrication but also in the developments in the area of safety systems. We have managed to surpass the goal marked for 2019 with the fabrication of 274 tons of uranium equivalent fuel.

On the subject of the environment, in 2019 the first benchmark has been reached in which the Centre for Industrial Technological Development (CDTI) has organised the TEKURA project as part of the dismantling activities of the Saelices el Chico mine to achieve the environmental restoration and elimination of acid waters from the *technosols*.



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During 2019 EMGRISA has promoted its activity as the means and service of the State Public Administration. This has been an important year in the number of assignments that, in addition to being reflected in the accounts that we present in this Annual Report, will have great repercussion in upcoming years. We have relied on the confidence of the Ministry of Ecological Transition –specifically Environmental Quality, Water and Coasts–, Ministry of Agriculture, Ministry of Justice, Defence, Hydrographic Confederation of the Ebro, National Aerospace Technical Institute (INTA), National Mint (FNMT) and contracts of great importance with ADIF and Renfe on the subject of soil decontamination. This increase in the order portfolio has made it possible for the billing to have gone up 13% with respect to 2018 and the good results of the previous year have been consolidated. The solvency and quality that we offer have merited us the confidence of the Spanish public administrations, also consolidating the action of our branches in Chile and Peru on the international level.

The RSU plant of Cervera del Maestre continues being an environmental management model that increase the quantity of tons that it processes year by year.

At ETSA, the transport business line related to the nuclear industry maintains the quota of 100%; it has signed with ENRESA a transport operators contract of low and intermediate level waste business during the 2018-2021 period. As for the logistics related to nuclear medicine and other radioactive products, ETSA increased the level of penetration in the market,

incrementing its billing noticeably. During 2019 the Bolivian Nuclear Energy Agency awarded to ETSA, at the hand of Empresarios Agrupados, a modelling and simulation study for the logistics of the distribution of radiopharmaceuticals.

The best of the ENUSA Group are its workers for their knowledge, their work, but also because they transfer to the company our best version through the participation in the different programs of Corporate Volunteering.

We have increased our commitment to transparency and the efficient management of our business, and, therefore, the Audit Department has been a constant support to quality, accounting, budgetary, legal and good governance compliance.

We have opened our door to professional groups related to the sector and to the communication media that have shown their interest in disseminating our activity.

I would like to end these lines by showing my deepest gratitude to all the persons who are part of this Group for their work, their dedication and the professionalism. And also to everyone who has had interest in reading this annual report.

José Vte. Berlanga Arona
Chairman & CEO



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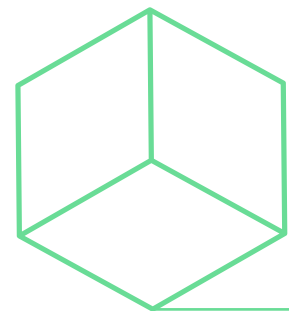
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CORPORATE GOVERNANCE

The governance structure of ENUSA comprises the following bodies:

BOARD OF DIRECTORS

This is the highest governing body of the company. It approves the strategy and oversees all the organisation's activities. It is composed of eleven members: the Chairman –the only executive member who in turn presides over the Executive Committee, i.e., discharges at the same time senior management functions in the company– and ten board members, of which two are proprietary directors and the remaining eight are independent. The General Shareholders' Meeting is responsible for both appointing and removing directors, as well as for establishing their number within the minimum and maximum limits stipulated by the Corporate Bylaws.

AUDIT COMMITTEE

A Board of Directors' Committee comprising a chairman and two members, none of them executive. Its function is to report to the Board of Directors on agreements to be adopted in the General Shareholders' Meeting in relation

The ENUSA Group consists of the controlling company ENUSA Industrias Avanzadas, S.A., S.M.E. (ENUSA) and its subsidiary companies Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) and Express Truck, S.A.U., S.M.E. (ETSA)

to approval of the accounts and assessment of the company management during the year and its internal control system. It also reports to the Board of Directors on any other matters of its competence that are raised in its meetings.

EXECUTIVE COMMITTEE

It is composed of eight members (Chairman plus seven company directors), all of them executives. It proposes the organisation's strategy in all matters to the highest governing body, it advises the Chairman on those matters of its competence and it makes decisions when any specific proposal is submitted to it.

The ETSA Board of Directors is made up of four members: the Chairman and three directors, all of them proprietary.

The EMGRISA Board of Directors is made up of three members: the Chairman and two proprietary directors.



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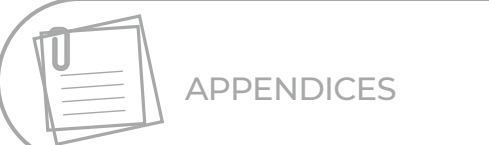
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Appointment and selection

The highest governing body of ENUSA is appointed in full by the organisation's two partners. The criteria used to select the members of the current highest governing body are as follows:

- > The only executive member and the two proprietary directors were directly elected by the organisation's two partners from among persons that are related through labour or profession to the organisation itself or to them, respectively.
- > The eight independent members were chosen from among persons who are not related through labour or profession to the organisation, or to the two partners, or to the regulatory body with competence on the subject of the organisation's activity, or, finally, to the Administrative body to which the tutelage of the organisation is attributed.

The highest governing body has an audit committee appointed and selected from among its members by said body.

The following is considered for the appointment and selection of the members of the highest governing body:

- > The participation of representatives of the main ministries and agencies of the State's General Administration on which the organisation is dependent.
- > Specialised knowledge and experience in the economic, environmental and social areas, insofar as the members in turn hold posts and perform functions in different spheres of the State's General Administration and its subordinate agencies that have relations with the social community in the aforementioned spheres.

Independence is taken into account in the appointment and selection of the members of the highest governing body given that, as has been commented, eight of its eleven members are independent. For its part, the interest group constituted by the shareholders is directly involved:

- a. In the appointment of all the members of the highest governing body, given that they are all appointed by the two partners of the organisation.
- b. In the selection of three of the members (the only executive member and the two proprietary directors), who were directly chosen by the two partners of the organisation from among the persons that are related by labour or profession to the organisation itself or to them, respectively.

The chairman of ENUSA's highest governing body also presides over the highest governing body of each of the invested organisations. The remaining members of the highest governing body of each of the invested organisations designated from among the executive posts of the controlling organisation.



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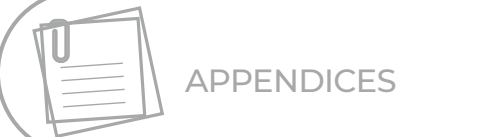
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Conflicts of interest

The members of the highest governing body annually communicates to the organisation the possible existence of conflicts of interest, and they agree to abstain from taking part in decisions regarding which they may have any possible conflict of interest.

Since possible conflicts of interest must be reflected, by law, in the organisation's accounting report (Section 23. b) of the consolidated annual report), and since this annual report is published on both the institutional website and in the Business Registry (accessible to the public for these purposes), possible conflicts of interest are public and, therefore, known by all the stakeholders.

Remuneration policies

The remuneration policy of the Board of Directors is described in Section 23.b) of the 2019 Consolidated Annual Report.

The Management Board remuneration policy is described in Section 23.c) of the 2019 Consolidated Annual Report. Nonetheless, it should be added that the remuneration policy is governed by Royal Decree 451/2012 of March 5, which regulates the system of remuneration of senior executives and directors in the public corporate sector and other entities. This decree includes the principles of austerity, efficiency and transparency, the minimum required both of entities and their senior executives and directors. It thus applies criteria of good governance common to the world of listed companies and financial

firms and that are derived from agreements coming from international organisations, adapting these advances to the nature of the public sector. The Minister of Finance is responsible for classifying entities according to their nature and the criteria laid down in Article 5 thereof.

Remunerations in commercial contracts or of senior management are classified as basic and supplementary. The supplementary remunerations include a job post supplement and, where applicable, a variable supplement.

- > The job post supplement remunerates the specific characteristics of the functions performed and it is assigned by whoever exercises the entity's financial oversight or control, by the shareholder or, in the absence thereof, by the associated Ministry in accordance with the following criteria: external competitiveness, organisational structure under the job post, relative weight of the post inside the organisation and level of responsibility.
- > The variable supplement is of an optional nature and remunerates the achievement of previously established objectives according to parameters to be evaluated by whoever exercises the entity's financial oversight or control, by the shareholder or, in the absence thereof, by the associated Ministry, and its payment is conditioned on the achievement of such objectives.

The dismissal compensation regime is regulated by the Royal Decree-Law 3/2012 in its eighth additional provision.

COMPOSITION OF THE BOARD OF DIRECTORS

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

On 7 February 2019, Mrs. M^a Jesús Álvarez González resigned as proprietary director in representation of the shareholder “Sociedad Estatal de Participaciones Industriales” (SEPI).

On 7 February 2019, Mrs. Elsa Andrés Sanchís was appointed independent director by the shareholder “Sociedad Estatal de Participaciones Industriales” (SEPI).

On 18 May 2019, Mrs. Elsa Andrés Sanchís died, up to that time a member of the Board of Directors of this Company proposed by the shareholder “Sociedad Estatal de Participaciones Industriales” (SEPI).

On 11 July 2019, Mrs. Elena Pastor Les was appointed proprietary director representing the shareholder “Sociedad Estatal de Participaciones Industriales” (SEPI).

As a consequence of all of this, the Board of Directors, on 31 December 2019, had the following composition:

| NAME AND POST | TYPE | SENIORITY |
|--|-------------|------------------|
| CHAIRMAN | | |
| MR. JOSÉ VICENTE BERLANGA ARONA Chairman ENUSA Industrias Avanzadas, S.A., S.M.E. | Executive | 23 July 2018 |
| VICE CHAIRMAN | | |
| MR. CARLOS ALEJALDRE LOSILLA Director General CIEMAT | Proprietary | 29 October 2018 |
| BOARD MEMBERS | | |
| MRS. ELENA PASTOR LES Deputy Direct Invested Companies I SEPI | Proprietary | 11 July 2019 |
| MRS. MARÍA DOLORES RODRÍGUEZ MAROTO Advisory Member of the State Secretariat for Support to Enterprises Ministry of the Economy and Digital Transformation | Independent | 5 June 2012 |
| MR. JOSÉ MANUEL REDONDO GARCÍA Deputy Director General of Nuclear Energy General Directorate of Energy Policy and Mines Ministry for Ecological Transition and Demographic Challenge | Independent | 11 March 2016 |
| MR. LUIS M. AGUADO DÍAZ Deputy Director General of Special Sectors Spanish Agrarian Guarantee Fund (FEGA) Ministry of Agriculture, Fisheries and Food | Independent | 22 November 2012 |
| MR. LUIS GONZAGA SERRANO DE TOLEDO Deputy Director General of Contentious Services State Legal Service Ministry of Justice | Independent | 3 November 2016 |
| MRS. RAQUEL GONZÁLEZ PICO Advisor to the State Secretariat of the Environment Ministry for the Ecological Transition and Demographic Challenge | Independent | 24 April 2017 |
| MRS. MYRIAM PALLARÉS CORTON Secretary General General Mutual Fund for State Civil Servants (MUFACE) Ministry of Territorial Policy and Public Function | Independent | 25 June 2018 |
| MR. JUAN MIGUEL BÁSCONES RAMOS Director of the National Accounting Office General Intervention of the State Administration (IGAE) Ministry for the Treasury | Independent | 27 November 2018 |
| MRS. FRANCISCA GÓMEZ-JOVER TORREGROSA Deputy Director General for Organisation, Studies and Supplementary Social Directorate General of Insurance and Pension Funds State Secretariat for Economy and support to Enterprises Ministry for the Economy and Digital Transformation | Independent | 27 November 2018 |
| NON-MEMBER SECRETARY | | |
| MR. FERNANDO LOZANO SÁNCHEZ Director of Legal Services and Secretary of the Board ENUSA Industrias Avanzadas, S.A., S.M.E. | | |





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CHAIRMAN

Mr. José Vicente Berlanga Arona

BOARD MEMBERS

Mr. Juan I. Artieda González-Granda

Mr. Fernando Lozano Sánchez

EXPRESS TRUCK, S.A.U., S.M.E.

CHAIRMAN

Mr. José Vicente Berlanga Arona

BOARD MEMBERS

Mr. Francisco Javier Montes Navarro

Mr. Juan I. Artieda González-Granda

Mr. Roberto González Villegas

NON-MEMBER SECRETARY

Mr. Fernando Lozano Sánchez



COMPOSITION OF EXECUTIVE COMMITTEE

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

CHAIRMAN

Mr. José Vicente Berlanga Arona

DIRECTOR OF INTERNAL AUDITING, COMPLIANCE AND CSR

Mrs. Rosario Arévalo Sánchez

DIRECTOR OF LEGAL DEPARTMENT & SECRETARY OF THE BOARD

Mr. Fernando Lozano Sánchez

DIRECTOR OF HUMAN RESOURCES, SYSTEMS AND QUALITY

Mrs. Paloma Lorente Velázquez-Gaztelu

DIRECTOR OF NUCLEAR FUEL OPERATIONS

Mr. Fco. Javier Montes Navarro

DIRECTOR OF BUSINESS DEVELOPMENT AND TECHNOLOGY

Mr. Roberto González Villegas

DIRECTOR OF URANIUM PROCUREMENT AND R&D&I

Mr. Manuel Lozano Leyva

DIRECTOR OF FINANCE AND INVESTMENTS

Mr. Juan I. Artieda González-Granda

EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P.

DIRECTOR

Mr. Mariano Martínez Cepa

DIRECTOR OF OPERATIONS AND TECHNOLOGY

Mr. Alfonso Álvarez Rodríguez

DIRECTOR OF ADMINISTRATION AND FINANCE

Mrs. Aurora Fernández Blanco

EXPRESS TRUCK, S.A.U., S.M.E.

DIRECTOR

Mr. Millán Morán Sánchez



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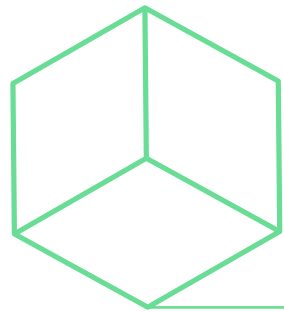
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MISSION, VISION AND VALUES

ENUSA believes that the best guarantee of its commitment to creating value for all the different people and collectives with which it interacts is professional performance in accordance with its mission, vision and values.

MISSION

Provide to society, on a continuous, long-term basis, quality, competitive and safe products that enable professional and human development, environmental protection and an adequate return.

VISION

It is based on business lines in technology and service areas developed from its structural capabilities in nuclear and radioactive material processing and management, which combine mature markets with other emerging markets with a major growth potential.

VALUES

- > Prioritised attention to safety, the environment, and quality
- > Attention, confidence, understanding and respect for people

The senior management lays out the purpose, values, mission, strategies, policies and objectives related to the impacts of the organisation and submits them to the approval of the higher governing body

- > Training
- > Teamwork spirit
- > Leadership, innovation, professionalism and honesty
- > Perseverance in work and desire to excel
- > Transparency and constructive self-criticism
- > Participation, commitment and communication

Each of the invested companies has its own mission, related to the mission, vision and values of the controlling company but taking into account its different corporate purposes:

EMGRISA: To implement and make available for customers and society solutions and tools that enable them to meet their environmental commitments in an efficient, safe and responsible manner.

ETSA: To provide multimodal and global transport and logistics operator services for nuclear and radioactive goods, as well as other dangerous and complex goods. It strictly and rigorously complies with applicable national and international regulations according to an internal quality management and environmental protection system.



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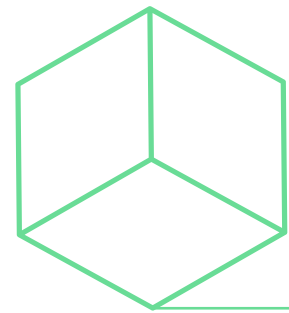
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ETHICS AND INTEGRITY

Integrity in an organisation involves a comprehensive, ongoing effort to ensure ethical and legal behaviour.



Two main instruments stand out as part of integrity management within the ENUSA Group: the Code of Conduct and the Organisation, Management and Control Model for Crime Prevention

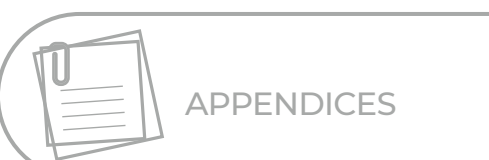
CODE OF CONDUCT

On 15 March 2004, the Board of Directors of ENUSA Industrias Avanzadas, S.A. approved the first corporate Code of Conduct which was updated in 2014, following the criteria established by SEPI for its subsidiary companies. In 2019 a new update of the Code of Conduct was published, in which some names and terms used were substituted, adapting them to the current treatment, in addition to including the existence of the Crime Prevention Model of the ENUSA Group.

This Code constitutes the core that identifies the standard of conduct that the ENUSA Group wants to observe in all its business activity. It deals with a more demanding standard of conduct than that defined by the applicable legislation in the different countries in which it conducts its business. It is the expressed set of principles and values of corporate conduct, constituting a written reflection of a public commitment by the ENUSA Group to these principles and values.

In April 2019 the Code was approved by the Board of Directors –as the highest governing body of ENUSA– and it signifies, therefore, the highest level of commitment.

As for its scope of application, the Code will be applied to all the subsidiary companies in which ENUSA holds a majority interest. It may also be applied to temporary joint ventures, consortiums and other instruments of business development in which ENUSA holds a majority interest.



PRINCIPLES AND VALUES OF CORPORATE CONDUCT

The principles and values of corporate conduct to which the ENUSA Group is committed at the very highest level and on which this code is based are as follows:


1. Compliance with the law
2. Integrity and objectivity in corporate performance
3. Respect for people
4. Protection of health and physical integrity
5. Environmental protection
6. Efficient management
7. Proper conduct in international markets
8. Use and protection of information
9. Quality and safety


Each of these principles leads to a set of rules of conduct, which in most cases are broadened with more specific rules via internal company rules or contract clauses.

ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR CRIME PREVENTION

In accordance with its mission and values and the principles of ethics and integrity, the ENUSA Group has a firm commitment to regulatory compliance –regarding both legal provisions and technical standards that affect its business– and, in general, to all legal system regulations and especially criminal law. All the people who work at ENUSA and its subsidiaries or who are related to the Company should know that ENUSA does not tolerate legal non-compliance of any kind and that it will take decisive action if it becomes aware that an illegal act has been committed.

The result of this commitment is the Organisation, Management and Control Model for Crime Prevention (hereinafter, “the Model”), which was approved by the ENUSA Board of Directors on 29 June 2015, and which was updated in 2019 to adapt it to the company’s new organisational structure. The respective governing bodies of EMGRISA and ETSA approved their models on 30 June 2015, and 21 October 2016, respectively. Each model has three complementary protocols that were approved by the competent bodies in each case:

 **Anti-corruption Protocol:** It establishes a series of specific rules and controls for the prevention of situations and behaviours that could lead to the commission of crimes of public and private corruption, both in Spain and in the rest of the countries in which it operates.

 **Reporting Channel Protocol:** It establishes a set of rules that regulate a specific channel by which the persons that make up the ENUSA Group can comply with their obligation to report freely to the Supervisory Body the irregularities that they may know of without fear of reprisals and with their confidentiality guaranteed.



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Action Protocol in Case of Detection of Irregularities: Its purpose, on the one hand, is to regulate the terms in which the internal investigations must be carried out once possible non-compliances with the rules and controls provided in the Model have been detected and, on the other hand, to establish a disciplinary system to apply in case that such investigations confirm the reality of these non-compliances.

The purpose of the Crime Prevention Models is to complete the compliance function already implemented in each company and to adapt it to the standards established in international practice for the effective crime prevention programs. In this way, the system responds to what is required regarding the criminal responsibility of the legal persons introduced in Spain by the Organic Law 5/2010, in the wording given by the Organic Law 1/2015, of 30 March.

The Crime Prevention Models of ENUSA and its subsidiaries can be consulted in the following links:

ENUSA: <http://www.enusa.es/modelo-de-organizacion-gestion-y-control-para-la-prevencion-de-delitos>

EMGRISA: <https://www.emgrisa.es/portal-de-transparencia>

ETSA: <http://www.etsa.es/corporativo.php>



REPORTING AND SUGGESTION CHANNEL

Both the Code of Conduct and each Organisation, Management and Control Model for Crime Prevention require the existence of a Supervisory Body, as well as a reporting channel. Any person who has knowledge of any fact that may constitute a crime or a non-compliance with the Model, the Code of Conduct or with the rules and procedures of any of the companies of the ENUSA Group can communicate with the Supervisory Body through any of the following methods:

- > **By postal mail, to the following address:**

ENUSA Industrias Avanzadas, S.A., S.M.E.
C/ Santiago Rusiñol, 12.
28040 Madrid
- > **By e-mail, to the following e-mail address:**

canaldedenuncias@enusa.es
- > **By personal interview with any of the members of the Supervisory Body.**



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MAIN ECONOMIC QUANTITIES



ENUSA GROUP STRUCTURE



REPORT PARAMETERS



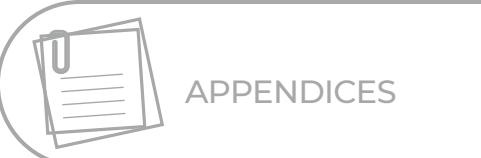
ECONOMIC PERFORMANCE



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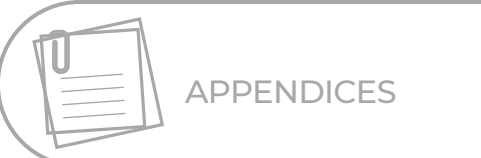
ECONOMIC PERFORMANCE



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The Reporting Channel is based on the following principles:

1. It is categorically forbidden to adopt any penalty, reprisal or consequence against a person for having filed a complaint.
2. Access for reporting directly to the Supervisory Body is guaranteed, without the person who reports the act having to go through a hierarchical superior or any other intermediate body.
3. It is guaranteed that the identity of the person who makes the report will remain confidential (although anonymous reports are not possible), unless revealing the identity is required by a judicial body.
4. The guarantees of the reporting channel do not apply to reports that are made with the knowledge that they are not true or with rash disregard for the truth.

REPORTS RECEIVE THROUGH THE REPORTING CHANNEL

| | NO. OF REPORTS | STATUS / SOLUTION |
|------|----------------|--|
| 2016 | 1 | Dismissed in the year 2018 in view of the impossibility of being ratified by the reporting party. |
| 2017 | 1 | Once the corresponding instruction process was carried out, the report was dismissed due to the voluntary withdrawal of the reporting party. |
| 2018 | 2 | Once the corresponding instruction process was carried out, the Supervisory body decided the termination of the cases due to not observing finally any violations of the principles included in the Code of Conduct. |
| 2019 | 1 | In instruction phase on the date of 31/12/2019. |

There is also a suggestion channel (canaldesugerencias@enusa.es) available for any interested person.

TRAINING

Both documents state that it is obligatory to take the necessary training/information actions so that all employees will be sufficiently aware of them and to ensure their effectiveness.

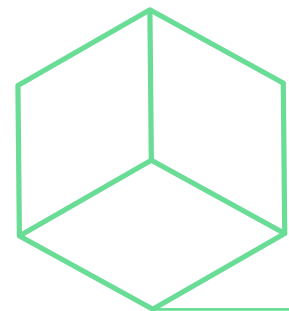
Throughout 2019, different training actions have been carried out on the subject of the Code of Conduct, the Organisation, Management and Control Model for Crime Prevention and the protocols that implement them. Specifically, 505 employees from the ENUSA work centres in Madrid, Juzbado and Saelices el Chico, as well as 38 employees from EMGRISA and 34 employees from ETSA have been trained.

Throughout 2020, new training sessions will be scheduled.

AUDITS

Finally, both documents pose the conducting of audits and implementing internal controls in matters concerning their application, establishing the participation of the bodies responsible for the internal audit in the compliance supervision and control.

In 2018 the internal audit of ENUSA's Crime Prevention System was carried out, whose final report was issued on 15 January 2019. Throughout 2019, different actions were carried out to implement the greatest number possible of the recommendations.



CORPORATE RESPONSIBILITY

We are committed to respecting and complying with the principles related to Corporate Responsibility established in the following instruments: Universal Declaration of Human Rights, the United Nations Global Compact, the Conventions and Recommendations of the International Labour Organisation (ILO) and all the national, European Union and international legislation applicable to any of the business areas of ENUSA and its invested companies.

At ENUSA, sustainability is one of the axes of its corporate strategy. We work to be a sustainable company over time, seeking a balance between the satisfaction of the stakeholders and the innovation for the improvement of the results



GLOBAL COMPACT

ENUSA is a signatory of the United Nations Global Compact since 2002, the year when the Spanish network for this initiative was founded. Since then, it has been committed to its Ten Principles, based on the promotion of and respect for human, labour and environmental rights and the fight against corruption, and these have become another mainstay of the code of ethics and best practices on which the company bases its management.

In addition to submitting its annual Progress Report (available at www.pactomundial.org) ENUSA gives all newly hired staff members an informative brochure together with its Welcome Manual; this brochure explains what the Global Compact is and the company's commitment, and what it means for the organisation to be a member.

The subsidiaries EMGRISA and ETSA are signatories of the United Nations Global Compact since 26 September 2016 and 19 January 2017, respectively.



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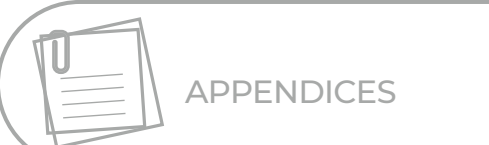
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SUSTAINABLE DEVELOPMENT GOALS (SDGs)

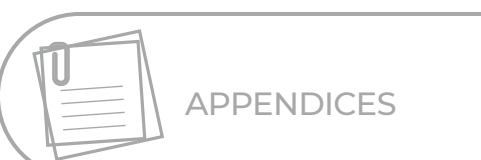
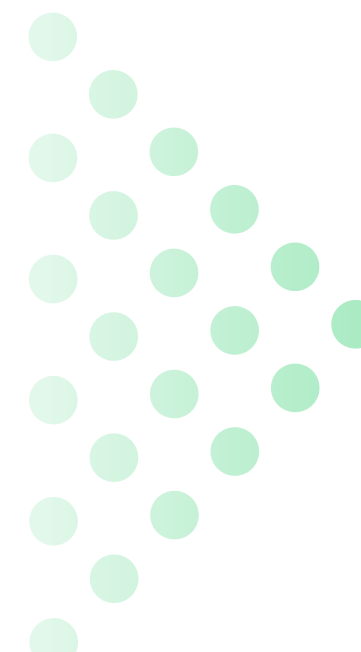
On 25 September 2015, the UN General Assembly approved the 2030 Agenda for Sustainable Development, composed of 17 goals (the so-called “Sustainable Development Goals”, SDGs) and 169 objectives. Unlike what occurred with the preceding Millennium Development Goals (MDGs), the SDGs grant a fundamental role to the private sector’s participation in their achievement, which is more important than ever before in this scenario.

In 2018, ENUSA joined Forética’s Social Responsibility Action Group for public companies, which aims to encourage the exchange of knowledge, lend visibility to success stories, transfer tools and trends, and contribute positively to the leadership of public companies in this field.

The members of the Group have worked in these two years along with Forética in designing a roadmap that serves as a guide to advance the integration of the Sustainable Development Goals (SDGs) in their strategy.

At ENUSA, the first step was taken by carrying out a materiality analysis that seeks to identify which objectives and goals it has the ability to influence and on which it wants to focus its future strategy and projects. Since the realisation of this analysis, ENUSA has continued working in the contribution to the Sustainable Development Goals and, as a result, in 2019 it has identified two new SDGs, the number 3 “Good Health and Well-Being” and number 5 “Gender Equality”, which have been incorporated due to their relation to the corporate strategy of the organisation.

The prioritised SDGs according to the materiality analysis, due to the impact on the business and the priority for ENUSA, are the following:





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This analysis has also served to reflect on the SDGs to whose achievement ENUSA contributes indirectly through different actions and initiatives, among which stand out those of CSR / corporate action.

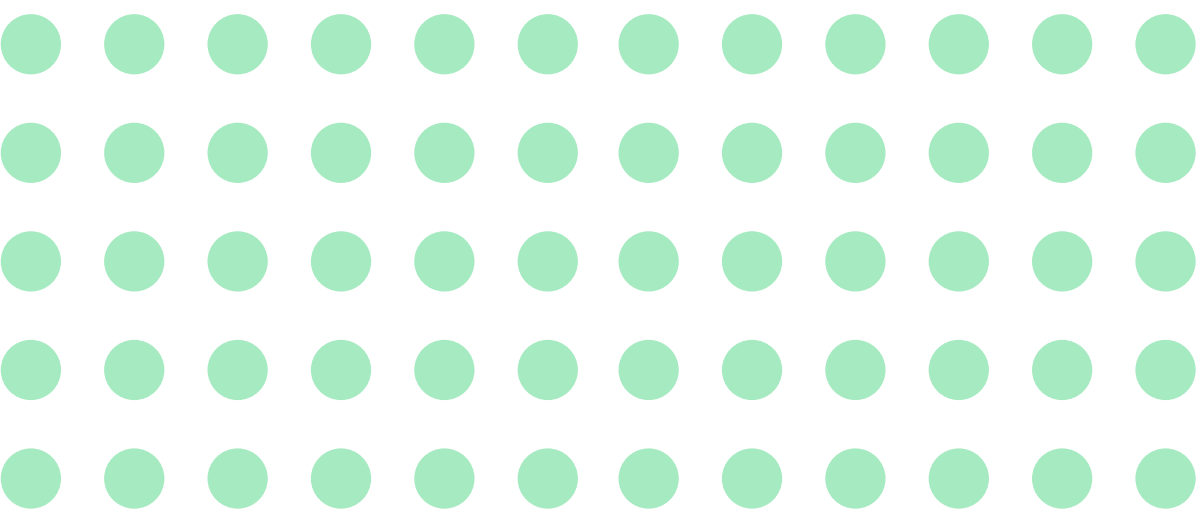
In 2019, ENUSA has carried out different awareness actions contributing to the SDGs:

- > In the month of September, it joined the #ODSéate campaign promoted by the High Commissioner for the 2030 Agenda. With this objective, ENUSA's logo was fused with that of the Sustainable Development Goals and different publications of support messages for the campaign were made in social networks.
- > Furthermore, it participated in the 45th Annual Meeting of the Spanish Nuclear Society with a presentation on the activities carried out by ENUSA for the implementation of the 2030 Agenda, in addition to having a stand that reflected the company's commitment to the SDGs, a message that was also present in the corporate merchandising.

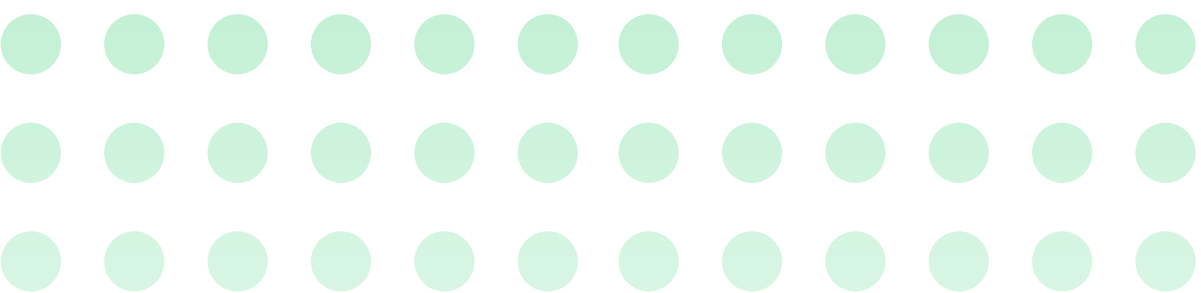
To continue with the activities related to the SDGs, the following identified steps relate to continue working in the integration in our strategy of these prioritised SDGs through the establishment of goals and monitoring indicators. Only through these actions will we manage to measure our real impact and the contribution that we make from ENUSA to the implementation of the 2030 Agenda.

Furthermore, by dealing with the incorporation of the SDGs in the strategy and the contribution to them of a dynamic process, gradually and as the goals are reached, new SDGs will be added in order to contribute actively to the 17 SDGs through different initiatives.

At ENUSA we firmly believe in the commitment of the society, the private companies and especially of the public companies to the Sustainable Development Goals. Integrating sustainability and global development in our operations is a challenge and a great opportunity to align our strategy with that of our stakeholders and comply in this way with the expectations of the current society.



45th ANNUAL MEETING OF THE SPANISH NUCLEAR SOCIETY

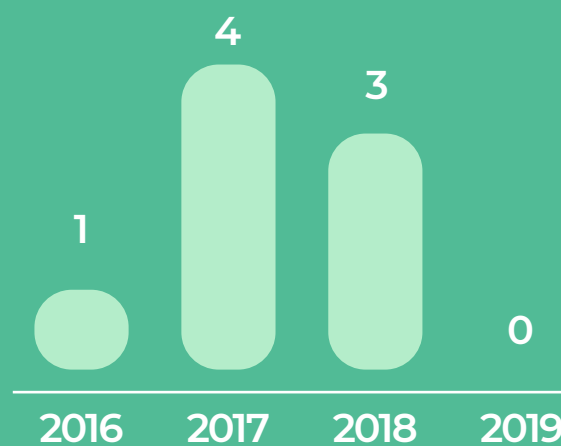




TRANSPARENCY

Transparency is one of the basic principles on which public management should revolve

The entry into effect of Law 19/2013, of 9 December, on Transparency, Access to Public Information and Good Governance marked the beginning of the transformation of the public sector towards a greater openness and accountability. In order to adapt to the demands of this Law, the websites of the companies that make up the ENUSA Group include a section devoted to the Transparency Portal, which makes available to all interested parties information on the company business and which include data on economic and financial management, as well as corporate, organisational and regulatory information, among others. During 2019, no requests for access to information have been received through the ENUSA Group's Transparency Portal.



Nº. OF REQUESTS FOR ACCESS TO INFORMATION THROUGH THE ENUSA GROUP'S TRANSPARENCY PORTALS

In the year 2016 only one request for information reached ENUSA but not through the Transparency Portal but rather through SEPI.

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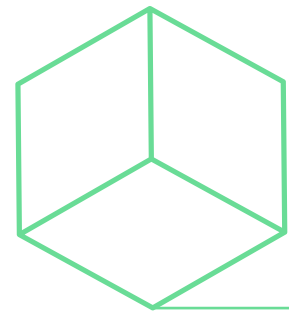
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INTERNAL AUDITS AND CONTROL

12
1
6

Internal audits of the Quality Management System

Internal audit of the Environmental Management System

Internal Management Audits on different subjects

The Internal Audit is an independent and objective consulting and control activity, that is guided by the philosophy of added value to the Group through the improvement of its operations. It serves as support to the ENUSA Group in achieving its objectives through a systematic focus capable of evaluating and improving the effectiveness of the risk management, internal control and corporate governance processes.

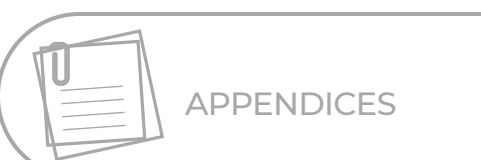
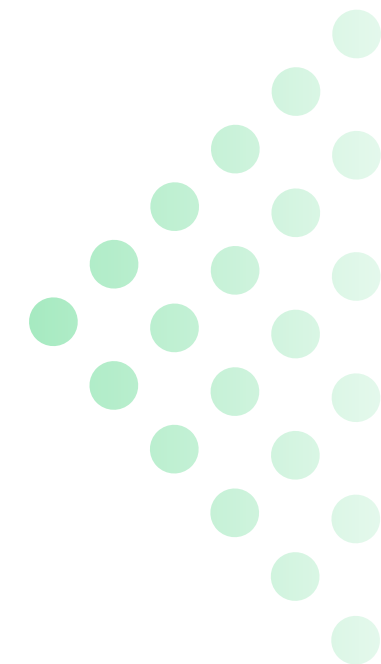
The ENUSA Group carries out audits and supervisions on the activities and controls that affect safety, quality, environment and performance of its products and the safety and quality of its industrial and economic-financial activities.

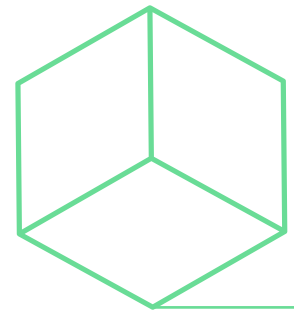
The audits and supervisions are structured by means of the annual internal audit program of the Quality Management System and the Annual Internal Audit Plan of the SEPI Group.

In the case of the Quality Management System, the Annual Internal Audit Plan is defined in such a way that at least every three years all the activities and organisations that intervene in the implementation of the system are audited. This Annual Program is carried out according to a “master” audit program.

In the case of financial audits, of compliance and management control, those set out in the program are performed, based on the solvency analyses of the existing risk control procedures and the priorities of the Group.

Throughout the year 2019, twelve internal audits were conducted of the Quality Management System and one of the Environmental Management System, as well as six internal management audits on the following subjects: action plans, follow-up of recommendations, personnel expenses, travel expenses, rules on purchases and corporate social responsibility.





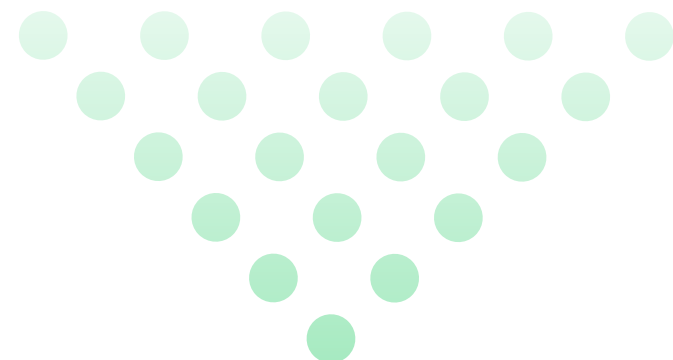
RISK MANAGEMENT

The three companies that comprise the Group have procedures for risk management

Risk management becomes an essential tool in an increasingly complex, uncertain and volatile world that requires us to be in permanent adaptation mode, with the necessary flexibility to face challenges, but also to take advantage of opportunities.

In this context, the ENUSA Group is carrying out risk management on two levels:

- > On the strategic level, the ENUSA Group annually conducts a global analysis of the competitiveness, identifying the strong and weak points, opportunities and threats and establishes the strategies on the company level, the actions and the monitoring indicators.
- > At the level of processes, the three companies that make up the Group have risk management procedures:



ENUSA has drawn up a procedure for identifying and implementing actions to address risks identified as necessary to ensure ENUSA's quality management system and the environmental management system of the Juzbado factory. This procedure identifies the risks based on three components (factor, event and consequence) in such a way that, for the processes considered (manufacturing, fuel services, engineering services, communication, laboratories and supplies), the risks, actions and persons responsible are defined. ENUSA also has a catalogue of environmental risks in which considers all the identified risks and what the actions are for addressing them.



At **EMGRISA** risk and opportunity management is continuous and constitutes an implanted process that covers both the organisation's key processes, its operations (services) and its relations with its stakeholders. It is carried out through a cyclical process that consists of identifying risks and opportunities, analysing and evaluating their significance, defining and establishing measures for their management and monitoring or measuring results.

The techniques used to identify risks and opportunities are selected according to the nature of the objectives. Thus, for project management, techniques are used based on the criterion and the experience of the participants, while for standard support processes historical or predefined lists are used. As for analysis, the organisation



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uses quantitative methods such as the FMEA (Failure Modes and Effects Analysis) model or the risk matrix. Risk quantification, which does not exclude the use of qualitative methods in certain cases, allows EMGRISA to assess its significance based on predefined criteria and, therefore, its hierarchy. Risk and opportunity ranking resulting from their assessment is the starting point for decision making. Decisions about continuity, optimisation and resource distribution, or decisions about the establishment of measures for their removal, control or achievement, as the case may be. Risk management effectiveness is monitored by compiling, with a defined periodicity, indicators, control data or results. This information, together with the context, is both the starting point and a continuous source of feedback for the management process.



ETSA determines the risks and opportunities affecting the organisation by planning and reviewing the Quality and Environmental Management System, and reviews them periodically (at least quarterly on the Quality Committees) to ensure that its processes are carried out as planned and to guarantee the achievement of the Management System expected results. To this end, it takes into account the context of the organisation (external issues, internal issues and environmental conditions) as well as any significant environmental aspects, legal requirements and other requisites.

The risk and opportunity management process involves several phases:

- 1. Identification:** Finding out which risks and opportunities may affect the Quality and Environmental Management System results. To this end, a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is used.
- 2. Analysis:** Understanding what the risk entails, knowing its consequences and the probability of its occurrence (a level is calculated depending on its probability and severity): trivial, tolerable, moderate, important or critical.
- 3. Assessment:** It involves determining the risks to be addressed, the most appropriate way to do so, the actions to be carried out, the priority in the addressing, etc.
- 4. Addressing:** How to proceed about each of the risks: eliminating, reducing, controlling or taking the risk according to the previous assessment and deciding whether actions should be defined to take advantage of the opportunities found.
- 5. Planning:** It should include what action is to be taken, with what resources, by whom, when and how its effectiveness is to be assessed. The objectives of the organisation are derived from this action plan.
- 6. After the actions have been implemented,** assessment of their effectiveness and a re-assessment of the level.



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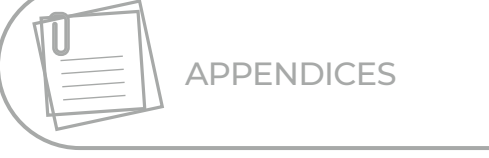
ECONOMIC PERFORMANCE



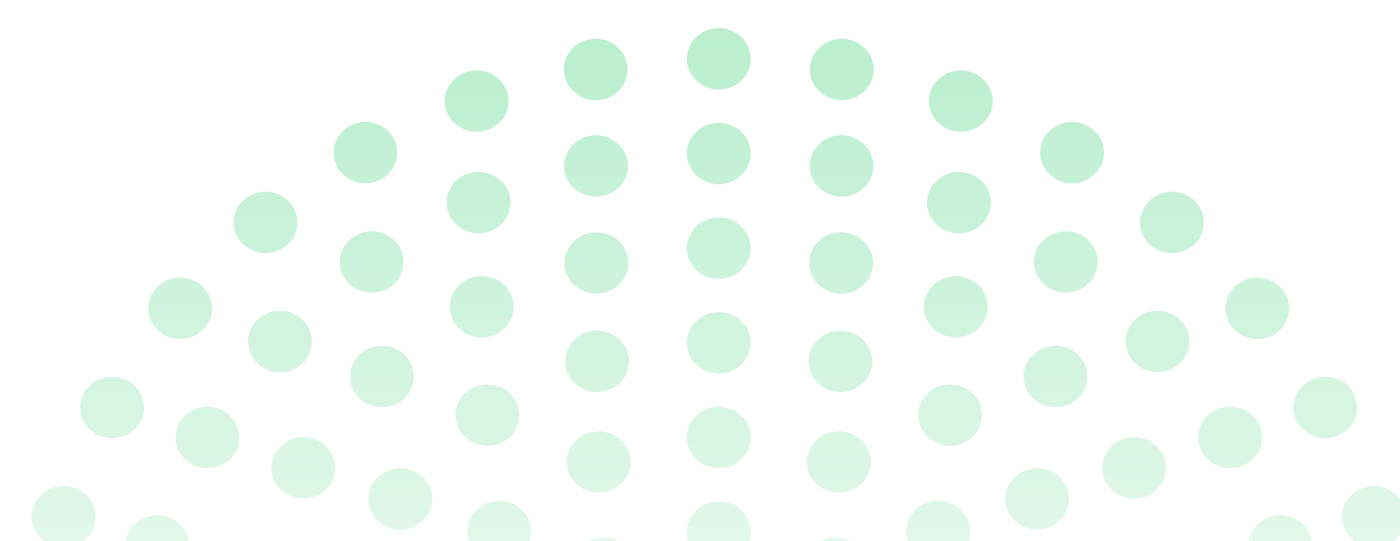
SOCIAL PERFORMANCE

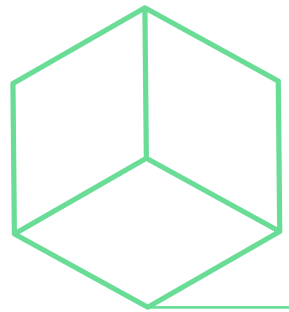


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DIGITAL TRANSFORMATION

The digital transformation project at ENUSA was launched in 2017

Globalisation and the rapid technological transformation that has taken place in recent years have resulted in the need for a change in organisations, adapting their work methods and their strategies to the new technologies.

In this context, in the year 2017, the digital transformation project was put into motion in ENUSA, whose objective focusses on the reorientation of the organisation and of its processes towards an efficient model that improves the position of the company through the use of the new digital technologies.

This process is accompanied by a cultural change, since no change is possible without taking into account the people and, therefore, it is necessary to adapt the leadership style and develop new digital skills, both general and specific.

In 2019 ENUSA continued working on the challenge of digital transformation, a project that extends to the integration of the digital technology in all its business areas with the

aim of changing or improving the way of operating and contributing value to the customer by innovating and providing new solutions.

The actions that have been ongoing in this last year were defined by the prioritising and assignment to strategic line that respond to the challenges that must be faced in order to generate sustainable advantages that guarantee continuity: generating value for the customer, speeding up the value chain and making the organisation and culture flexible.

In order to confront the challenges, a series of levers and actions were identified on the principal processes.

These elements are those that have helped to establish a roadmap where small projects are defined and carried out that generate the knowledge and the promotion to extend their implementation on a broader scope.



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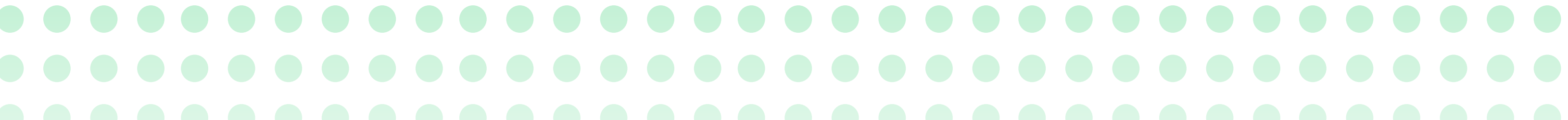
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In this regard, in 2019 a series of more specific projects in lines of action has been undertaken, such as:

-  **Development of the methodology of defining the customer experience map** and the creation of the map for the national customers of PWR fuel and ENRESA.
-  **Development of interactive digital tools** to optimise and automate the design engineering process of PWR refuelings.
-  **Development and exploitation of databases associated with PWR fuel** and their interaction with the customer by means of Business Intelligence tools.
-  **Generation of radiochemistry databases of the primary circuit** and analysis with Data Analytics tools.
-  **Development of applications for the improvement of the dosage estimate** through geolocation technologies.
-  **Development of collaborative robot applications** in tasks of mechanical production.
-  **Development of sensorisation projects of production equipment** and their connection to the maintenance management systems.

 **Development of an encouragement program and digital development for its communication** and the detection, evaluation and development of digital profiles through the development of a platform and evaluation survey of the digital attitude of all the employees.

-  **Deployment of the digital ecosystem:**
- > Improvement of the capacity and security of data communication between work centres.
 - > Improvement of the digital infrastructure of the meeting rooms with image equipment and videoconference.
 - > Implementation of collaborative Office 365 E-1 tools.



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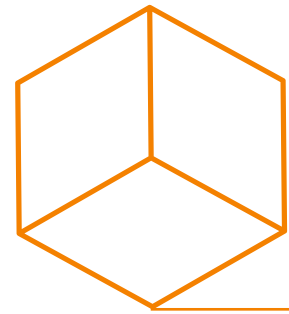
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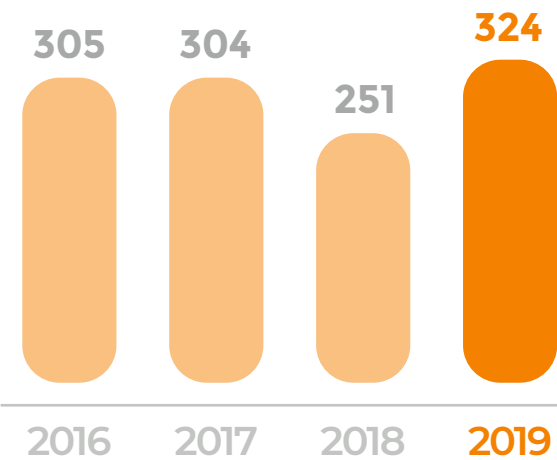
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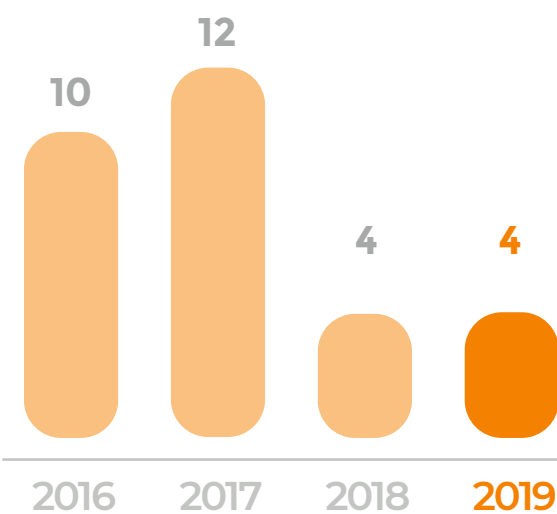
MAIN ECONOMIC QUANTITIES OF THE ENUSA GROUP

(MILLIONS OF EUROS)

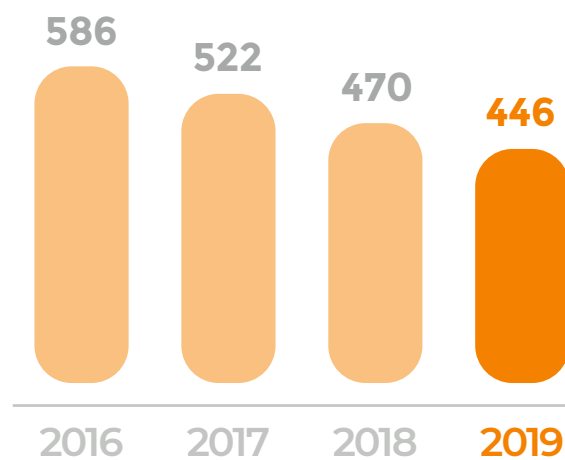
TURNOVER



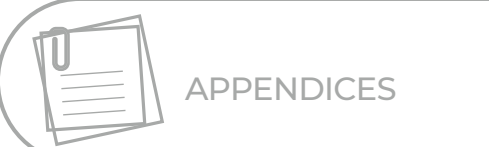
AFTER-TAX PROFIT/LOSS

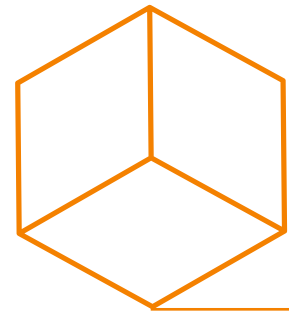


TOTAL ASSET/ EQUITY AND LIABILITIES



| | 2016 | 2017 | 2018 | 2019 |
|---|------------|------------|------------|------------|
| TURNOVER | 305 | 304 | 251 | 324 |
| Rendered Services | 48 | 44 | 47 | 50 |
| Amortisations and provisions | 12 | 13 | 16 | 10 |
| Before-tax profits and loss | 12 | 13 | 4 | 5 |
| AFTER-TAX PROFIT AND LOSS | 10 | 12 | 4 | 4 |
| Net intangible fixed assets | 37 | 35 | 35 | 34 |
| Net tangible fixed assets | 42 | 44 | 44 | 39 |
| Equity (excluding profit/loss of the year) | 113 | 109 | 111 | 114 |
| Financial indebtedness | | | | |
| Long-term debts | 172 | 130 | 19 | 107 |
| Short-term debts | 91 | 99 | 184 | 74 |
| Creditors | 123 | 98 | 76 | 71 |
| TOTAL ASSETS/ EQUITY & LIABILITIES | 586 | 522 | 470 | 446 |
| Millions of euros | | | | |
| STAFF | 735 | 748 | 780 | 797 |

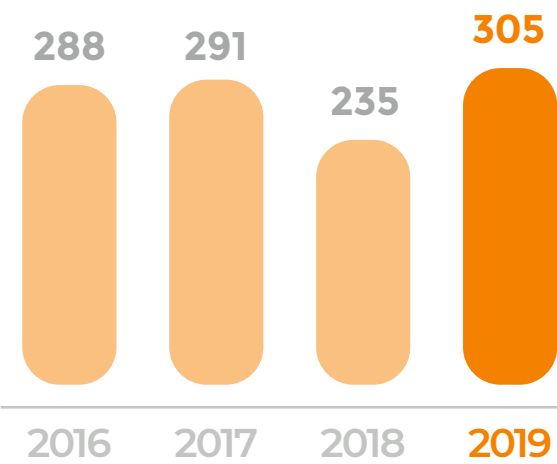




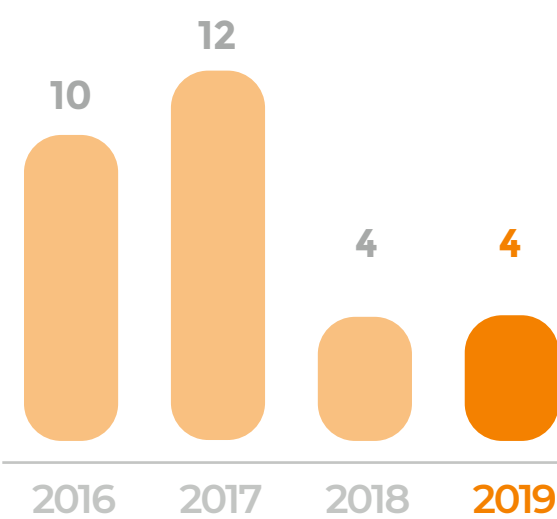
MAIN ECONOMIC QUANTITIES OF ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

(MILLIONS OF EUROS)

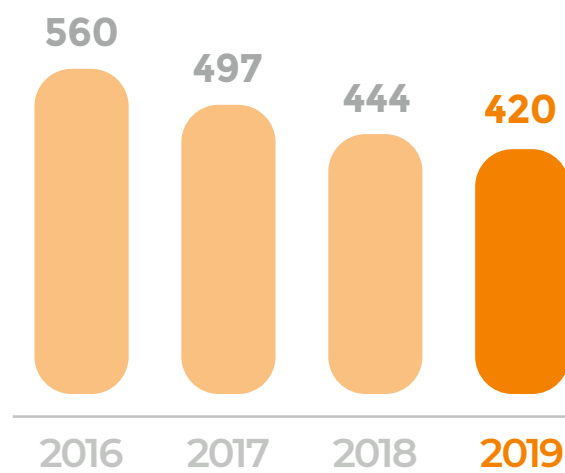
TURNOVER



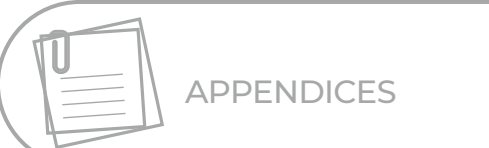
AFTER-TAX PROFIT/LOSS



TOTAL ASSET/ EQUITY AND LIABILITIES



| | 2016 | 2017 | 2018 | 2019 |
|---|---------------------|-------------|--------------------|----------------------|
| TURNOVER | 288 | 291 | 235 | 305 |
| Rendered Services | 31 | 31 | 32 | 31 |
| Amortisations and provisions | 11 | 12 | 16 | 10 |
| Before-tax profits and loss | 12 | 14 | 3 | 5 |
| AFTER-TAX PROFIT AND LOSS | 10 | 12 | 4 | 4 |
| Net intangible fixed assets | 37 | 35 | 35 | 34 |
| Net tangible fixed assets | 39 | 42 | 42 | 37 |
| Equity (excluding profit/loss of the year) | 92 | 88 | 89 | 92 |
| Financial indebtedness | | | | |
| Long-term debts | 172 | 130 | 19 | 107 |
| Short-term debts | 91 | 99 | 184 | 74 |
| Creditors | 121 | 95 | 73 | 69 |
| TOTAL ASSETS/ EQUITY & LIABILITIES | 560 | 497 | 444 | 420 |
| | Millions of euros | | | |
| STAFF | 635 | 646 | 673 | 677 |
| ITEMISED SALES | | | | |
| | PROCUREMENTS | FUEL | ENVIRONMENT | GENERAL TOTAL |
| Service | 0 | 23 | 8 | 31 |
| Sales | 207 | 67 | 0 | 274 |
| TURNOVER | 207 | 90 | 8 | 305 |





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PARENT OR CONTROLLING COMPANY

SHAREHOLDERS

60 % SEPI

40 % CIEMAT

Santiago Rusiñol, 12
28040 Madrid
(+34) 913 474 200

JUZBADO FUEL ASSEMBLY FACTORY

Carretera Salamanca-Ledesma, Km. 26
37115 Juzbado (Salamanca)
Telephone: (+34) 923 329 700

SAELICES EL CHICO CENTRE

Carretera Ciudad Rodrigo-Saelices, Km. 7
37592 Saelices el Chico, Ciudad Rodrigo (Salamanca)
Telephone: (+34) 923 461 139

BUSINESS AREAS

Enriched uranium management and procurement
Fuel assembly manufacturing
In-plant services
Environmental area

STAFF ON 31 DECEMBER 2019

677 employees



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CHAIRMAN & CEO



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The ENUSA Group is composed by the parent or controlling company (ENUSA Industrias Avanzadas, S.A., S.M.E.) and its invested companies.

FINANCIAL INVESTMENTS

COMINAK 10% (1973)

Republic of Niger
Uranium mining extraction

INDUSTRIAL INVESTMENTS

ETSA 100% (1996)

Hazardous material transport
Staff: 49
Ctra. C-517
Salamanca-Vitigudino Km. 0,7
37009 Salamanca
Tel. 923 330 980
transport@etsa.es

CETRAMESA 10% (2006)

Development of logistics and transport in Salamanca and western Castilla y León
Ctra. C-517
Salamanca-Vitigudino Km. 0,7
37009 Salamanca
Tel. 923 330 500
cetramesa@cetramesa.com

ENVIRONMENTAL INVESTMENTS

EMGRISA 99,62% (2003)

Contaminated soil treatment
Industrial waste and discharge management
Staff: 71
C/ Santiago Rusiñol 12
28040 Madrid
Tel. 91 411 92 15
info@emgrisa.es

Investments in other enterprises or companies:
50% **REMESA**
30% **CETRANSA**
100% **GESTIÓN Y PROTECCIÓN AMBIENTAL, S.L**

FUEL AREA INVESTMENTS

GENUSA 49% (1996)

Fuel supply to European BWR nuclear power plants and engineering services
C/ Josefa Valcárcel, nº 26
28027 Madrid
jjs@enusa.es

ENUSA-ENSA AIE 50% (1995)

PWR fuel assembly repair Services related to the reactor core and its components
C/ Santiago Rusiñol, 12
28040 Madrid
Tel. 913 474 200

SNGC AIE 25% (2008)

Commercial promotion of products and services for nuclear plants in China and South America
C/ Santiago Rusiñol, 12
28040 Madrid
Tel. 913 474 200



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Data updated to 31 December 2019.

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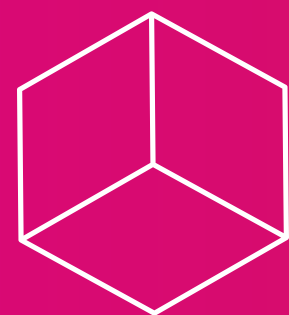
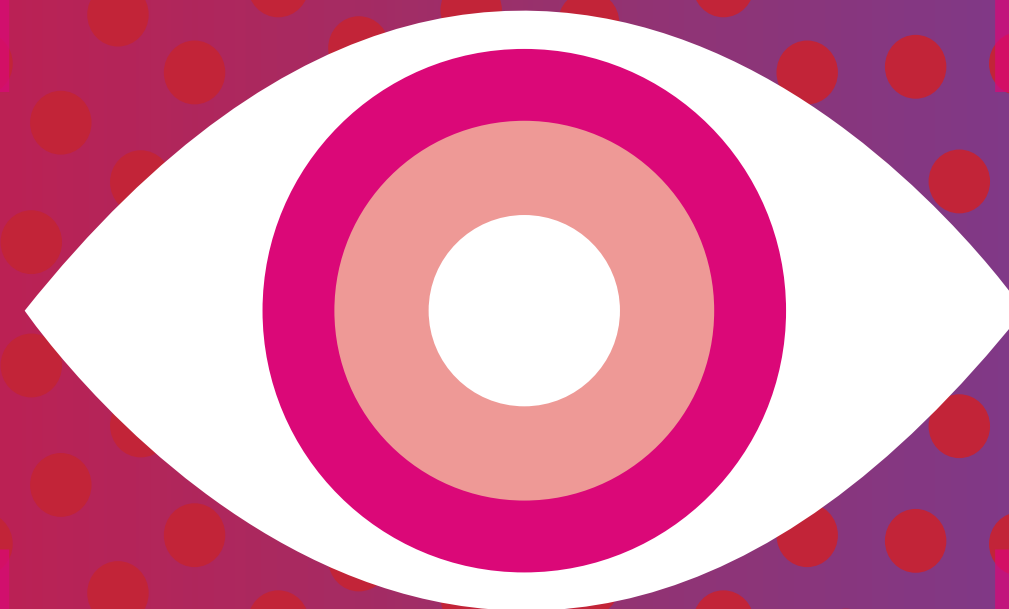
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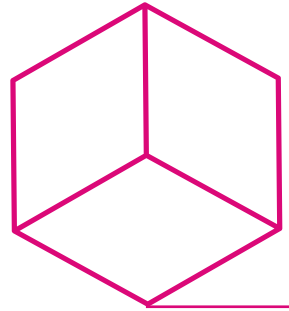
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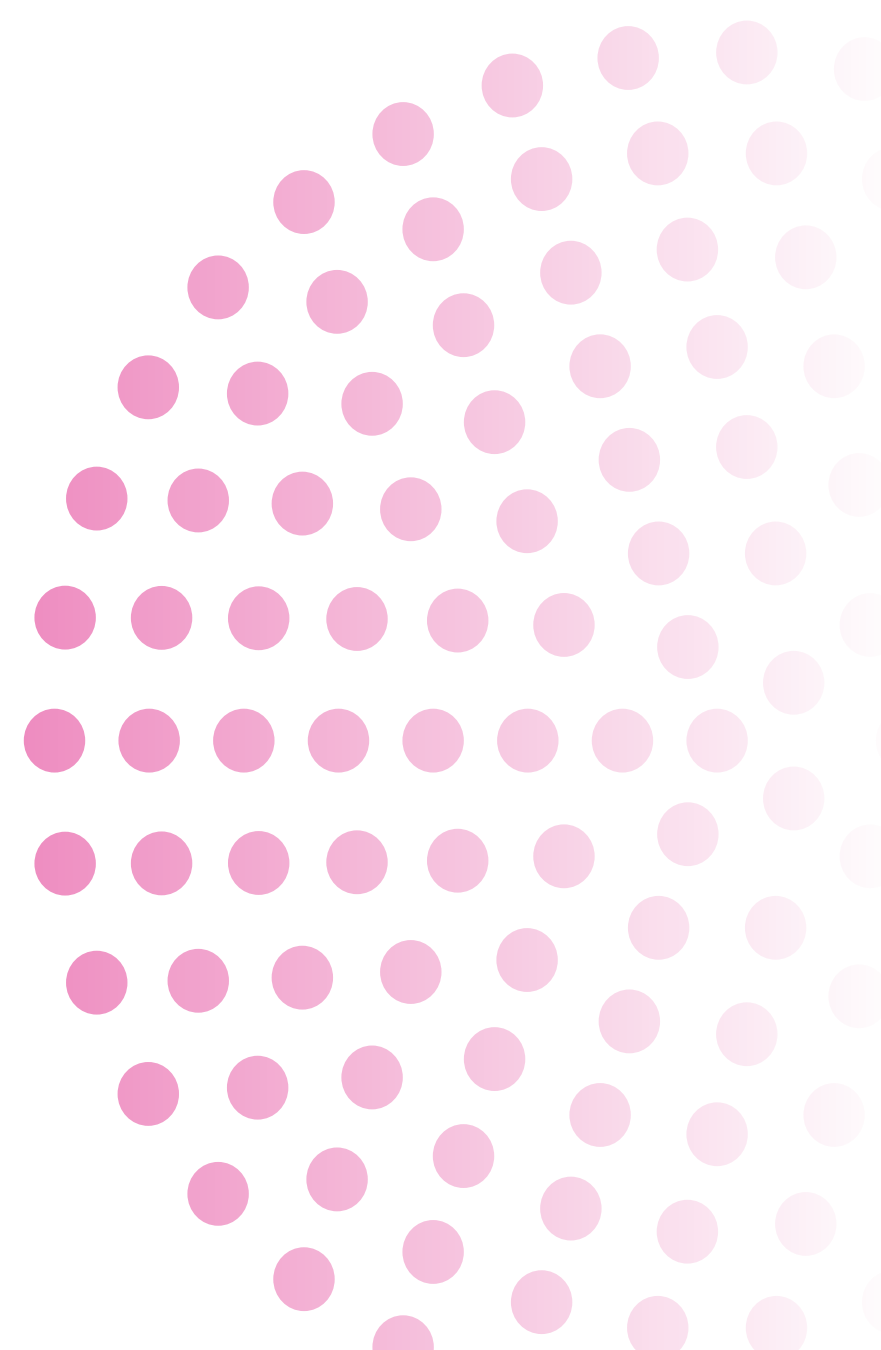
REPORT PROFILE

This report has been externally verified by an independent entity

SCOPE AND COVERAGE

“This report has been prepared in accordance to the GRI standards; comprehensive option”, and although it is issued as a separate document, it forms part of the 2019 consolidated management report of the ENUSA Group by virtue of the provisions of Law 11/2018, of 28 December, which amends the Commercial Code, the consolidated text of the Capital Company Act approved by Legislative Royal Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Account Auditing, in matters of non-financial information and diversity.

Since 2007, ENUSA Industrias Avanzadas, S.A, S.M.E., has been preparing its annual Sustainability Report following the guidelines of the Global Reporting Initiative (GRI), the main international standard for Corporate Social Responsibility reporting (<http://www.enusa.es/sala-de-prensa/publicaciones/memorias-anuales/>). However, although we have always tried to comply with these recommendations regarding the data from the rest of the invested companies, from the entry in effect of the Law 11/2018 the scope of this report was extended officially to include them. In this way, in 2019, the information related to the dependent companies of the group, Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) and Express Truck, S.A.U., S.M.E. (ETSA), is consolidated in this report, but the information relating to the associated or multi-group companies or to the minority invested companies on which there is no control, is not integrated according to the requirements of this Law or of the GRI.



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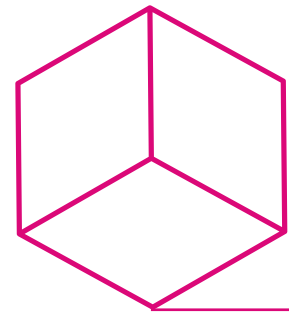
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In view of the level of maturity of the ENUSA Sustainability Reports, the comprehensive option has been used to prepare this report. Therefore, this document includes information on all the contents of the GRI 102 (general contents) and of all the GRI-themed standards (series 200, 300, and 400) that correspond to material topics.

This report has been subject to external assurance by an independent entity. The Assurance Report issued by this entity can be found at the end of this document. Likewise, the section on “Economic performance” has been audited by another entity, and there is no relationship between one audit process and the other.

All the data and GRI indicators provided in this report have been prepared in accordance with the same valuation and calculation methods used in previous annual reports, thus ensuring that their evolution over the last four years can be properly analysed. If any significant change occurs that should be taken into account for proper interpretation of the information on any indicator, this change is duly indicated with table/chart footnotes or, where applicable, in Appendix II.



MATERIALITY ANALYSIS

In order to determine the material topics in ENUSA, the initial list was subjected to both an internal and external prioritisation

In order to determine the material topics and, consequently, the Annual Report contents, we began with a materiality analysis of ENUSA carried out in the framework of the 2015 Annual Report, which was broadened during the preparation of the 2016 Annual Report and adapted to GRI Standards in 2017:

1. Establishment of the initial topics list

The first step of the process was the definition of the “material topic” concept according to two types:

1. Topic that reflects social, environmental and economic impacts of the company.
2. Topic that influences the decisions of stakeholders.

Once the concept of “material topics” was defined, the GRI topics were established as the baseline for the materiality analysis, i.e., as the initial list of potentially material topics.

2. Internal and external prioritisation

In order to determine the material topics in ENUSA, the initial list of topics was then subjected to both an internal prioritisation (by the members of the Executive Committee)

and external prioritisation (by the representatives of the following stakeholders: customers, partners, suppliers, regulatory bodies and Public Administrations). For this purpose, a questionnaire was prepared in which they were asked to identify the topics they consider relevant for ENUSA and that, accordingly, should be included in the Annual Report, and to score each of them on a scale from 1 to 4 (where 1 is not very important and 4 very important).

3. Review and validation

The review and validation of the results of the questionnaires was done by the Corporate Social Responsibility and Continuous Improvement divisions. The arithmetic mean and the standard deviation of the results were calculated for each of the groups (internal and external). To make the analysis more consistent, the criterion for selecting the material topics was the confluence in the same topics of a high arithmetic mean and a low standard deviation, such that the resulting material topics not only have a high score but also all the respondents coincide in attaching great importance to them.

In order to reflect the materiality of the Group, this analysis has been completed with the identification of the relevance of each of these topics in the subsidiaries by members of the management team.



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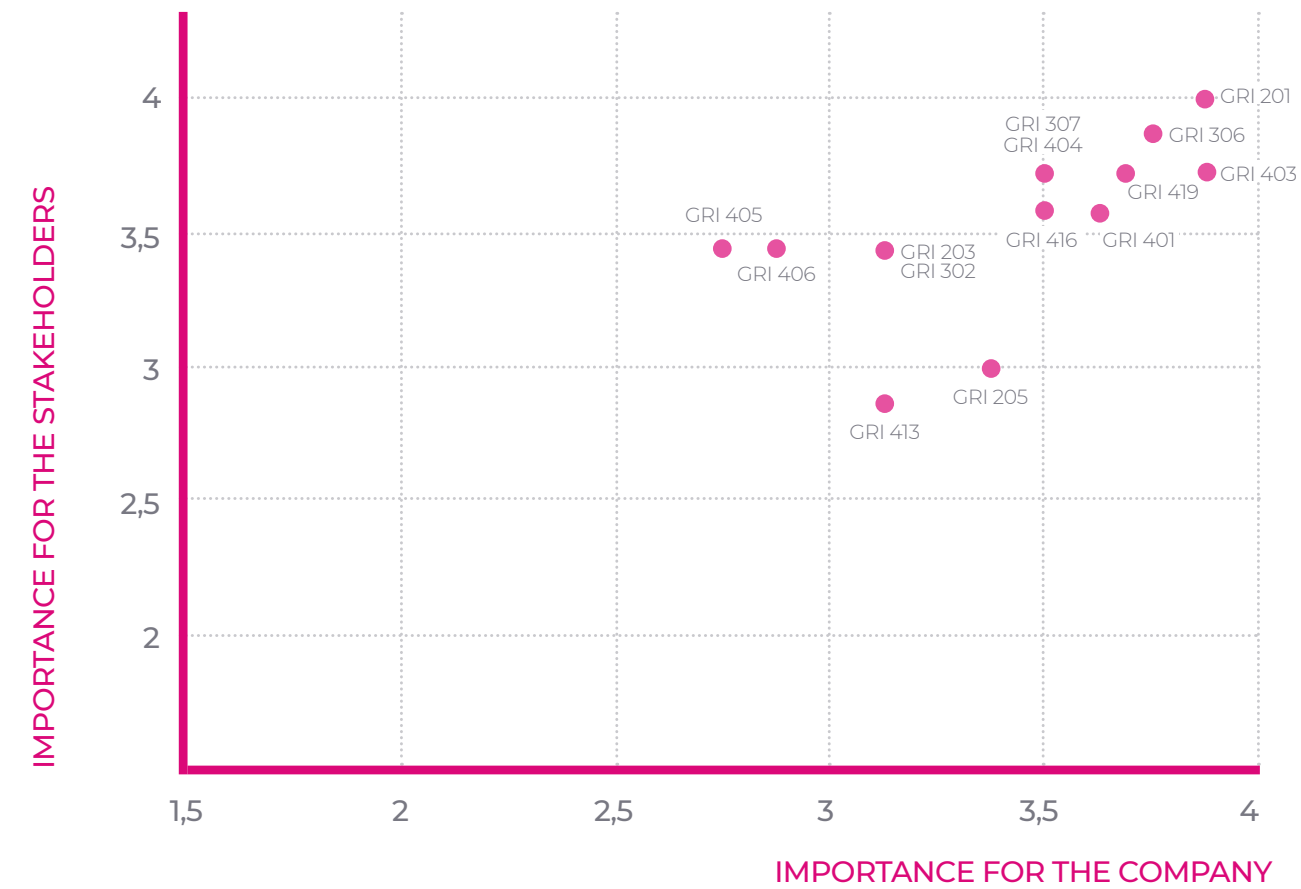


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Consequently, the material topics resulting from the materiality analysis of the ENUSA Group are as follows:

| GRI STANDARD | MATERIAL TOPIC | COVERAGE |
|--------------------|---------------------------------|--------------------------------------|
| ECONOMY | | |
| GRI 201 | Economic performance | ENUSA, EMGRISA and ETSA |
| GRI 203 | Indirect economic impacts | ENUSA – Juzbado |
| GRI 205 | Anti-corruption | ENUSA |
| ENVIRONMENT | | |
| GRI 302 | Energy | ENUSA - Juzbado/Saelices |
| GRI 306 | Effluents and waste | ENUSA - Juzbado/Saelices |
| GRI 307 | Environmental compliance | ENUSA - Juzbado/Saelices and EMGRISA |
| SOCIAL | | |
| GRI 401 | Employment | ENUSA, EMGRISA and ETSA |
| GRI 403 | Occupational health and safety | ENUSA and EMGRISA |
| GRI 404 | Training and education | ENUSA |
| GRI 405 | Diversity and equal opportunity | ENUSA and ETSA |
| GRI 406 | Non-discrimination | ENUSA |
| GRI 413 | Local communities | ENUSA – Juzbado |
| GRI 416 | Customer health and safety | ENUSA and EMGRISA |
| GRI 418 | Customer privacy | ETSA |
| GRI 419 | Socioeconomic compliance | ENUSA |

MATERIALITY MATRIX ENUSA



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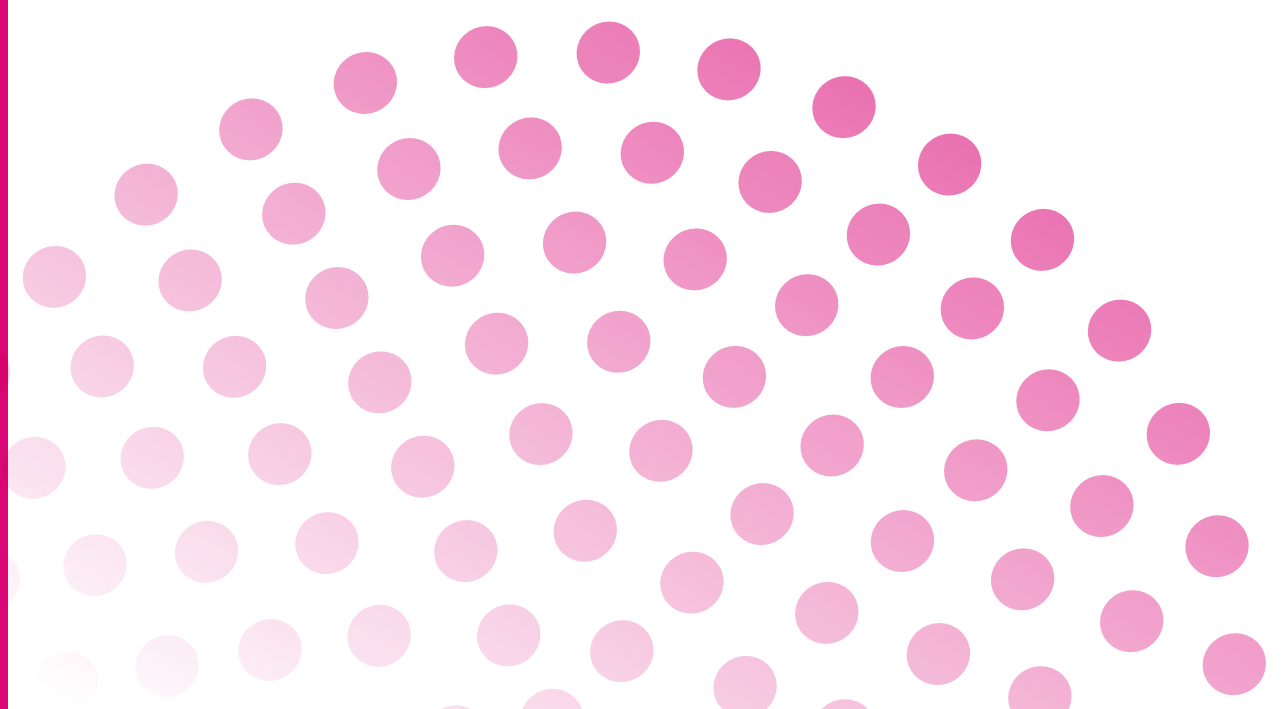
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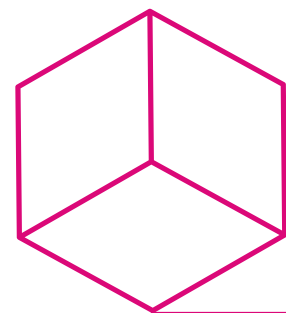
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STAKEHOLDER ENGAGEMENT

The ultimate purpose of this report is to provide relevant, rigorous and accessible information to all of the ENUSA Group stakeholders and in general to any person interested in the activities it carries out.

The following table shows a breakdown of the ENUSA stakeholders and their level of priority for the organisation.

| STAKEHOLDERS | PRIORITY FOR THE ORGANISATION | | |
|---|-------------------------------|--------|-----|
| Shareholders | High | | |
| Regulatory organisations | High | | |
| Public Administration | High | | |
| Staff | | | |
| • Staff | High | | |
| • Workers' committees | High | | |
| Partners | | | |
| • Technicians | High | | |
| • Business | High | Medium | |
| Customers | High | | |
| Suppliers | High | Medium | Low |
| Society | | | |
| • Local communities | High | | |
| • Trade unions | High | | |
| • NGOs and civil organisations | High | Medium | |
| • Associations and foundations | High | Medium | Low |
| Professional organisations and associations | High | Medium | Low |
| Academic institutions | High | Medium | |
| Media | High | Medium | |

The stakeholders shown here correspond to general categories. In certain cases, because of their importance, the categories have been broken down (e.g., partners). In other cases, because of the breadth and range of collectives covered by the general category (e.g., suppliers), more than one level of priority is shown. The prioritisation of stakeholders is based on their specific weight, the frequency of interaction and how critical they are for the organisation.



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The different communication channels maintained with the stakeholders are dealt with specifically in the section “Communication with our Stakeholders” in the Social Performance section.

Nevertheless, in the following table, the means and frequency of participation of each stakeholder is summarised:

| STAKEHOLDERS | CHANNEL | FREQUENCY |
|-----------------------|--|-----------|
| SHAREHOLDERS | <ul style="list-style-type: none"> > General Shareholder’s Meeting > Board of Directors > Annual Operative Plan (AOP) > Annual Management Evaluation > Periodic meetings > Corporate reports | VERY HIGH |
| REGULATORY BODIES | <ul style="list-style-type: none"> > Liaison Committee > Inspections > Periodic working meetings > Periodic information > Information request assistance > Satisfaction surveys > Institutional meetings | VERY HIGH |
| PUBLIC ADMINISTRATION | <ul style="list-style-type: none"> > Satisfaction surveys > Information request assistance > Institutional meetings > Bilateral meetings with mayors > Annual meeting with mayors | HIGH |
| HUMAN CAPITAL | <ul style="list-style-type: none"> > Report/suggestion channel > Welcome manual > Corporate Intranet > Bulletin boards > “Internal Communication” Email > ENU-Agenda > Group meetings | VERY HIGH |

| STAKEHOLDERS | CHANNEL | FREQUENCY |
|---|---|-----------|
| PARTNERS | <ul style="list-style-type: none"> > Coordination meetings > Joint improvement projects > Period technical publications > Conferences, exhibits and fairs | VERY HIGH |
| CUSTOMERS | <ul style="list-style-type: none"> > B2B customer portal > Annual meetings > Project start-monitoring-closing meetings > Satisfaction surveys > Technical committees and working groups > Periodic technical publications > Conferences, exhibits and fairs | VERY HIGH |
| SUPPLIERS | <ul style="list-style-type: none"> > Periodic meetings > Evaluations > Bids and contracts > State Contracting Platform > Code of Suppliers and Subcontractors | VERY HIGH |
| SOCIETY | <ul style="list-style-type: none"> > Corporate website > Volunteering Portal > Social networks: Twitter, Instagram, YouTube > Corporate communications | VERY HIGH |
| PROFESSIONAL ORGANISATIONS AND ASSOCIATIONS | <ul style="list-style-type: none"> > Participation in national and international technical committees and working groups > Attendance of conferences and sectoral meetings | HIGH |
| ACADEMIC INSTITUTIONS | <ul style="list-style-type: none"> > Participation in technical committees and working groups > Attendance of Conferences and sectoral meetings > Periodic technical publications | HIGH |
| MEDIA | <ul style="list-style-type: none"> > Email/Website > Press releases > Media Planning Meetings > Forums | HIGH |



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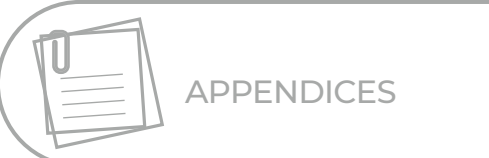
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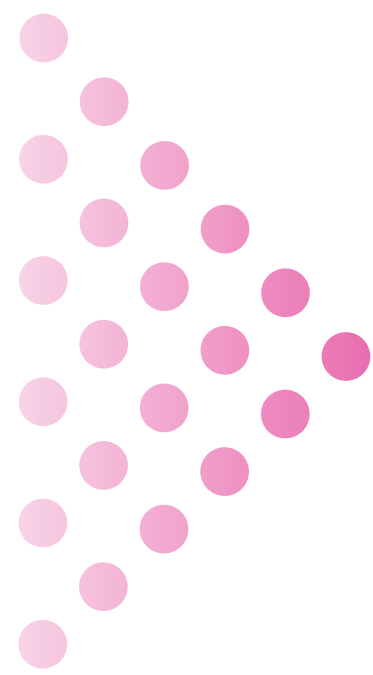
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As commented above, representatives of the following stakeholders took part in the process to determine the material topics for the Annual Report: customers, partners, suppliers, regulatory bodies and public administrations. As a result of this engagement, the stakeholders identified the following key issues in addition to those provided in GRI Standards:

| | |
|-----------------------------|--|
| <p>PARTNERS</p> | <ul style="list-style-type: none"> > Intellectual Property > Crisis Management > Mechanisms to internally report integrity violations > Operating experience management – Benchmarking – Excellence in operations (Vision and Mission) > Technological development (added value) > Balance between personal performance in relation to targets and wage raises, etc. (in this case ENUSA materiality) > Knowledge transfer > Management of lessons learned and corrective programs > Investment in technological development and innovation > Contribution to the level of exports in Salamanca > Percentage of permanent labour contracts |
| <p>PUBLIC ADMIN.</p> | <ul style="list-style-type: none"> > Participation in comprehensive development projects of the immediate environment of the centres that have productive activity, with special attention to the municipalities where these centres are located > Contribution of labour activity (employment) to the environment of the productive centres, with evaluation of the positive impact against depopulation of the affected rural areas > Participation in one-time projects (social, cultural, sports, etc.) that positively influence revitalisation and improved quality of life for the people who live in the immediate environment of the productive centres, with special attention to the municipalities where these centres are located > Evaluation of the implication with the aforesaid environment as regards the company's exterior image (environmental marketing, cultural promotion, etc.): degree of exploitation of the environment's local resources as support for achieving a positive image > Involvement in/generation of environmental projects in the aforesaid environment on: landscape reclamation, biodiversity development/recovery, reclamation of degraded spaces (gravel pits, slagheaps, landfills, etc.) |





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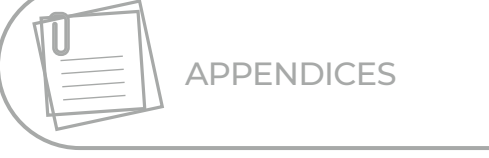
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The two tables below summarise stakeholder participation in the ETSA and EMGRISA subsidiaries: :

| EMGRISA | | | |
|--|--|---|--|
| STAKEHOLDERS | PARTICIPATION | KEY TOPICS | RESPONSE |
| PRIORITIES | | | |
| OWNERS | Periodic and on-demand reports and meetings | Business Continuity | Preparation of strategic plan |
| EMPLOYEES | Quarterly meetings | Collective negotiation, occupational safety and health, changes in productive processes, and training | Collective negotiation, partial agreements, changes in productive processes, and training |
| CUSTOMERS | Periodic and on-demand reports and meetings | Quality response on time and within budget, new needs | Improved service offer, changes in operational structure |
| IMPORTANT | | | |
| PUBLIC BODIES | On demand and according to acquired obligation | Compliance with application requirements | Changes in the organisation's operations and investment in resources, and required communication |
| SUPPLIERS AND COLLABORATING COMPANIES | Daily | Quality response one time and within budget | Maintenance and improvement of commercial relations |
| PERMANENTLY IDENTIFIED | | | |
| ENVIRONMENT | Daily | Improvement of the significant environmental aspects | Program of goals, awareness campaigns and promotion of new technologies |
| COMPETITOR COMPANIES | Participation in forums and associations | Cooperation | Active participation in forums and associations |
| MEDIA | Internet and social networks | Corporate image | Investment in online and social networks communications |

The identification starts from a general base, with respect to which factors are chosen according to their typology (whether internal or external to the company), their relationship (whether inevitable or avoidable) and the scope in which they are framed (legal, economic, social, environmental, etc.). The final selection is made based on dependency criteria and the risk associated with their management.

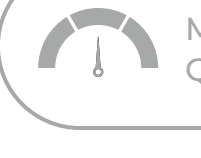
| ETSA | | | | |
|---------------------------------------|---|---|---|--|
| STAKEHOLDERS | INTERESTS | DOCUMENTS TO DISTRIBUTE | FREQUENCY | COMMUNICATION CHANNEL |
| INTERNAL | | | | |
| SHAREHOLDERS | Market consolidation and generation of profits | SEPI Documents and reports | Monthly | General Shareholders Meeting and economic control |
| BOARD OF DIRECTORS | Administration of the company, compliance with legislation, safety in the service, compliance with instructions and directives, quality and environmentally responsible services, good reputation, market consolidation | Report of the Board of Directors and SEPI documents | Quarterly and annual SEPI Directives | Board of Directors |
| ETSA MANAGEMENT | Management and administration of the company. Compliance with instructions and directives, process optimisation, qualified personnel in continuous retraining, continuous improvement, anticipating customer demands | SEPI Documents and ENUSA Group Documents | Announcement of meetings of boards of directors and of management | Meetings/e-mail |
| EMPLOYEES | Job stability, training and retraining, protocolled processes, work climate, opinions and assessment, conciliation, Occupational Risk Prevention (ORP) | Welcome Manual | At the beginning of employment | To be delivered and commented |
| EXTERNAL | | | | |
| CUSTOMER | Company lifespan, punctuality/compliance with deadlines, availability of staff, advice quality, ease of communication, service quality, reduced environmental impact | Quality and Environmental Policy published on the ETSA website and on the Public Sector Contracting Platform (PCSP) | Continuous. In some cases personnel is dedicated to specific customer accounts in daily communication with it | Meetings/e-mail |
| SUPPLIERS / SUBCONTRACTORS | Company continuity, relationship with the "ETSA Brand", continuous training and advice, compliance with payment deadlines, company growth | Quality and Environmental Policy, Flow-chart, Applicable operating instructions (IOs) | Internal contracting instructions, contracting dossiers | Public Sector Contract Platform, orders and contracts (postal mail and e-mail) |
| SOCIETY | Personal growth, decrease in unemployment rate, environmentally friendly, compliance with ORP, minimisation of incidents | Quality and Environmental Policy | | Published on the ETSA website and on the PCSP |
| PUBLIC ADMINISTRATION AGENCIES | Legal compliance. Legal restrictions/limitations as public company, contracts/bids | Quality and Environmental Policy | Administrative documents and compliance policy of the ENUSA Group | Published on the website |
| FINAL ADDRESSEES | Information, communication | Policy | | Published on the website |
| REGULATORY BODIES | Legal compliance, minimising the adverse effects of working with ionising radiation | Policy | Administrative documents and compliance policy of the ENUSA Group | Published on the website |



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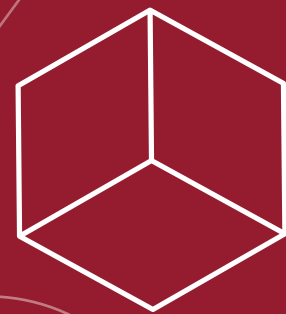
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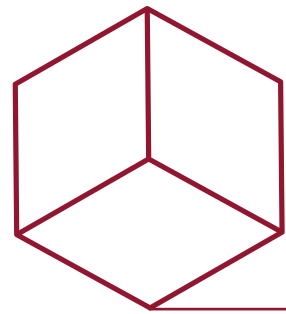
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1. ACTIVITY AND BUSINESS PURPOSE OF THE CONTROLLING COMPANY

ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter ENUSA or the controlling Company) is a public enterprise owned at 60% by the Sociedad Estatal de Participaciones Industriales (SEPI), which is attached to the Ministry of Finance, and 40% by the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), which in turn belongs to the Ministry of Science and Innovation.

The main objective of ENUSA is to respond to its customers' expectations with top quality, safe and competitive products. The company is aware that technology, research, development and innovation are fundamental elements for positioning itself and competing in the market.

The company has as its basic pillars the safety of the industrial installations and the protection of the environment, along with quality and corporate responsibility. In addition, it understands that excellence in management comes from strength and improvement of dialogue with its stakeholders, paying special attention to the areas where it operates, encouraging social and economic development.



ENUSA structures its activity in two main business sectors: the nuclear industry and the environment

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Nuclear business

This is the traditional core business of the company. It basically consists of supplying enriched uranium to meet the demand from Spanish nuclear power plants, operating as a central purchasing agent for the electricity companies in our country. It also includes the design and manufacture of nuclear fuel in its Juzbado factory (Salamanca) for national and foreign power plants. ENUSA also offers engineering services for all matters related with the management and optimisation of fuel use within the reactor and other services in areas such as inspection, repairs, handling of fresh and radioactive fuel, supporting the running of the nuclear plants in dealing with spent fuel and providing support for the Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA) in managing the operating waste from nuclear facilities and in dismantling them.

Currently, following the disinvestment of the minority financial stake in the European uranium enrichment consortium Eurodif, in June 2017, it has a stake in COMINAK, the owner of a uranium mine and uranium concentrate plant located in the Republic of Niger. It has taken the steps required to disinvest in this company, which will happen in the coming years.

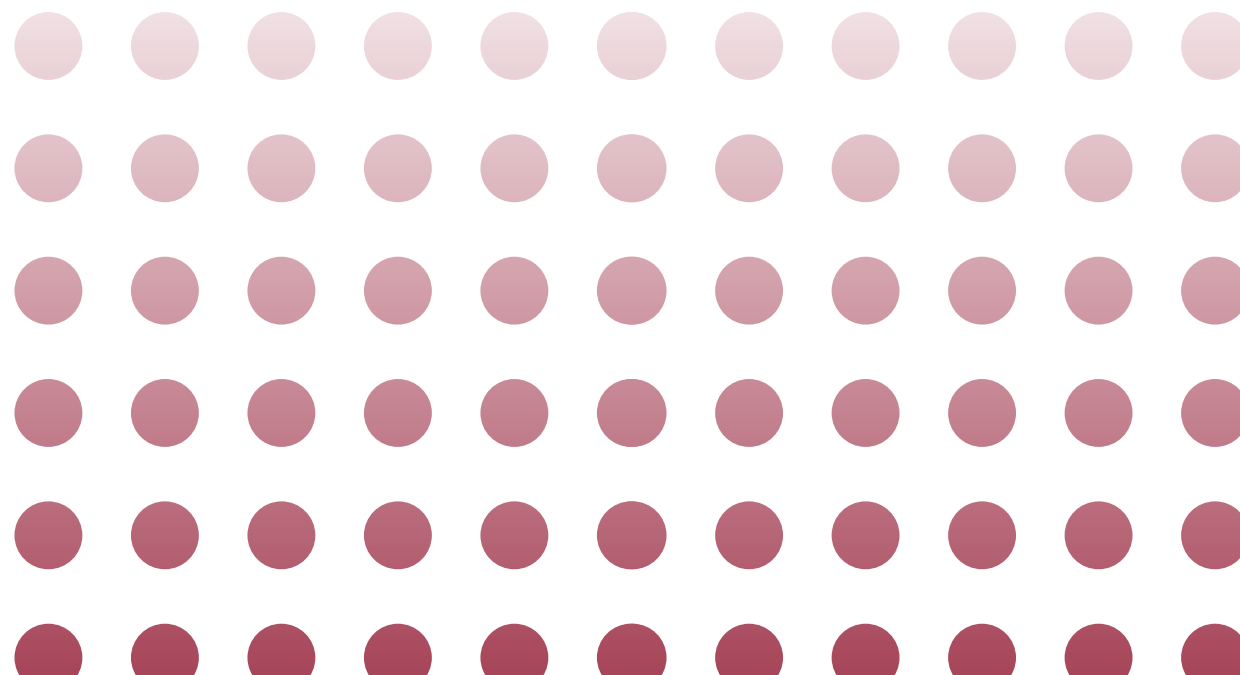
On the other hand, because of ENUSA's experience in the nuclear field and its great technological potential, the company owns another company related to the nuclear business – Express Truck, S.A.U., S.M.E. (ETSA), which transports the nuclear material necessary for the Juzbado factory to run and supplies the different clients of ENUSA with nuclear fuel alongside other important activities such as the logistics for supplying isotopes for nuclear medicine.

Environmental business

Thanks to its long record in mining operations, ENUSA has gained extensive environmental know-how. Taking advantage of this knowledge and experience, it has technicians working on environmental management projects, through the Technical Environmental Office.

This Office has carried out activities involving the reclamation of land affected by mining, the construction and closure of landfills, radiation protection services and the development of new energy applications such as biogas and other environmental R&D and Technological Innovation projects.

ENUSA's environmental actions have been expanded with the Solid Urban Waste (RSU) processing plant in the northern area of Castellón and the subsidiary Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) which specialises in processing industrial waste and the processing and characterisation of soil and water.



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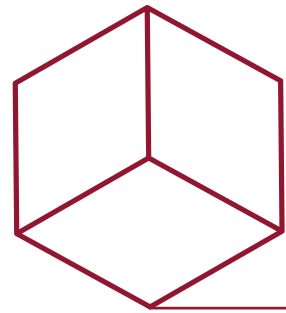
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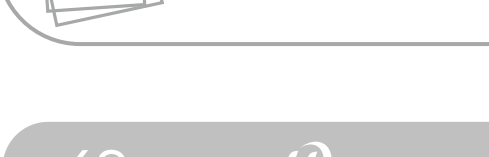
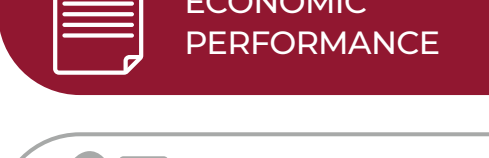


2. DESCRIPTION OF THE CONTROLLING COMPANY'S ACTIVITIES

2.1. URANIUM SUPPLY BUSINESS UNIT

During the year 2019, the international uranium markets have been marked by many decisions of a political nature that have affected the nuclear industry and the uranium markets. Without a doubt, the most important, both for ENUSA and for Spain, has been the preparation by the Government of a plan for the staggered closing of the nuclear plants which will extend between 2027 and 2035. This decision has allowed ENUSA, in the framework of the Uranium Supply Committee (CAU), to establish the purchase and supply strategy for the upcoming years. Thus, this year three new supply contracts have been negotiated and new contracts will be continue being negotiated during the next year.

Another of the decision of a political nature that has caused more problems for ENUSA in its management of the uranium supply has been "Brexit", initially planned for 31 March 2019, which has required advancing two deliveries of enriched uranium and taking contingency measures to avoid supply problems. This contingency plan was presented to the electrical utility companies.



Without a doubt, another of the decisions that has arisen during 2019 has been the well-known Section 232 investigation, with respect to the imports of uranium in the U.S.A., which finally resulted in not applying any type of commercial restriction (tariffs or quotas, as were applied to other raw materials as a consequence of the commercial war between China and the U.S.), and in the creation of a working group to increase national security through an improvement of the domestic nuclear fuel cycle industry of the U.S.A.

The political tension with Iran has also been relevant during this year, which foreseeably will continue in 2020. The threat of sanctions on companies that collaborate with Iran in its nuclear program, particularly TENEX, a subsidiary of Rosatom, will continue.

As for the uranium markets, the year 2019 has confirmed that the prices of the Separation Work Unit (UTS) reached their low point with an increase of around 20% during the year. But without a doubt the true protagonist of the year has been the conversion market, with important supply risks due to the closing of the Metropolis plant and the problems of starting up that of Comurhex II and of the Russian conversion plant Seversk, which was translated into an unstoppable rise in prices that began at the end of 2017. Finally the market of concentrates has remained around \$25-30/lb, quite marked by the lack of demand and the uncertainty of the decision on Section 232.

During 2019, all the Spanish reactors were supplied with enriched uranium for the subsequent manufacturing process of fuel assemblies, with the exception of Ascó II. All the supplies have been made on time and in the proper form.

2.2. FUEL BUSINESS UNIT

With respect to the international nuclear fuel market, the year 2019 continues being impacted by the strong imbalances that exist on the territorial level in the offer and demand associated with fuel manufacturing. In the European and American markets, an important fabrication offer surplus continues to exist, which increased in 2019 in the BWR technology of Europe and in the PWR and BWR technologies in the U.S. In the Asian market, there is a current imbalance between supply and demand, with the exception of Japan, and a need to increase the fabrication capacities in China, Korea and India as new nuclear plants go into operation in those countries.

As for the situation of the more relevant suppliers, it can be noted that the restructuring of Framatome and Orano has been completed with an independent shareholding and organisational structure.

In the case of ENUSA's strategic and technological partners, they are immersed in a very important process of restructuring. Westinghouse has defined the first level of its new organisation after the acquisition of the company by the investment fund Brookfields, and General Electric Hitachi (GEH) is also immersed in a significant organisational and strategic change due to integrating the assets and liabilities of the company Global Nuclear Fuel (GNF) in the controlling company GEH.

In the European market, the most outstanding is the progressive closing of the nuclear plants in Germany, Sweden, Belgium and Switzerland that is causing a significant reduction in fuel demand and, therefore, a sharp reduction of the workload in the European nuclear fuel factories. Västerås, Lingen, Springfields and Juzbado will be the factories most affected. This situation is provoking an important reduction of staff in the factories of the Westinghouse company and an adaptation of the organisation in the region of Europe, Middle East and Africa (EMEA, acronym in English) to the new circumstances



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of the nuclear business of the company. Furthermore, a review process has begun of the agreement of the European Fuel Group (EFG) between Westinghouse and ENUSA to adapt this Joint Venture Agreement (JVA) to the situation envisaged for the 2021-2024 period and which is going to cause a workload reassignment from Juzbado to the Swedish factory of Västerås in relation to the deliveries currently existing in the contract with the French electricity company EDF.

In relation to the Spanish market, the most relevant aspect has been the agreement reached with the electrical companies owners of nuclear assets and the Spanish Government by which an agreement was reached on the program to close the Spanish nuclear plants between the year 2027 –in which the closure of the Almaraz I nuclear plant is planned– and the year 2035 in which the Trillo nuclear plant will be closed. This agreed program for closing the Spanish nuclear plants is going to be considered in the VII Radioactive Waste Management Plan that ENRESA is going to issue for comments in the first part of the year 2020. As part of the mentioned plan, the decision on spent fuel management and, specifically, the Centralised Temporary Storage Facility (ATC) will be developed.

Throughout the year 2019 the following actions have been carried out:

- > The modification of the business purpose of the AIE-ENUSA/ ENSA to incorporate radioactive waste management and dismantling activities.
- > The award of the total refuelings of the year 2021 for the Cofrentes nuclear plant.
- > The bid of Iberdrola for the supply of demonstration fuel assemblies for the Leibstadt nuclear plant in Switzerland.

- > Negotiations of the agreement of the EFG with Westinghouse for fuel fabrication of the contract with EDF.
- > Negotiations with the Spanish electrical companies Endesa, Iberdrola and Naturgy, to extend the fuel supply contracts for the lifetimes of the operation of the 5PWR reactors.
- > In the engineering area, the important effort can be highlighted that was dedicated to supporting the operation of the French, Belgian and Spanish nuclear plants, as a consequence of the introduction of new products in their operations. In the BWR area, a very important increase of activity has been carried out to licence the fuel and the codes and design methodology associated with the refuelings to supply for TVO, Vattenfall and Cofrentes.
- > In this engineering area, ENUSA's relevant contribution can be cited in the development of advanced fuel of the Accident Tolerant Fuel (ATF) type of Westinghouse and the introduction of the first demonstration fuel assemblies in Belgium and later in France:
 - >> During 2019, the commitments acquired with the Nuclear Safety Council (CSN) have been fulfilled, in relation to the framework of the response given as a consequence of the renovation of the manufacturing and operation authorisations granted by the Ministry of Industry, Energy and Tourism, currently the Ministry of Industry, Commerce and Tourism.
 - >> During this exercise, the CSN has conducted 36 inspections in the plant: 10 corresponding to the basic plan, 1 outside the basic plan and 25 under the reinforced inspection plan. As a consequence of the inspections, the reception of a technical instruction related to non-compliance with the safety study due to the storage of radioactive waste in unauthorised areas, and the technical instruction related to the Corrective Actions Program are highlighted.



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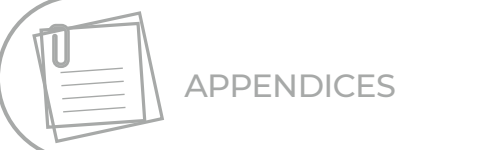
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- >> The production reached a level of 273.7 tons of uranium equivalent (2.7 tU over the established target), after having confronted successfully relevant challenges such as: guaranteeing the supply chain in view of the permanent possibility of the United Kingdom leaving the European Union, the loss of the only regular transport line of uranium from SFL (Springfields Fuels Limited), the significant increase of the BWR fabrication after three years of PWR predominance and the introduction of the fabrication of the new ATF product.
- >> The investment level in the plant during 2019 has reached 2.038 million euros (M€), an amount lower than that planned due to delays in different projects. It can be highlighted that orders made and not invoiced amount to 1.340 M€.
- >> With respect to the safety systems, the start-up of new units 14 and 15 of the ventilation system has been finalised and the assets of the radioactive liquid effluent system and the electric panels of the critical alarm system have been updated.
- >> The implementation of a new maintenance management system for the improved control of the surveillance requirements can be cited.
- >> A pilot digitalisation project of the operational dosimetry control of the workers of the ceramic area has been implemented.
- >> The program of sending waste to El Cabril continues its course. In this year, 40 drums have been sent to ENRESA. In addition, advances have been made in the implementation of a process of decommissioning waste.

- >> With respect to the relevant innovations in the manufacturing area in 2019, the commissioning of the new passive scanner in its definitive location can be stressed, and the old active scanner has been moved to another location as backup. In addition, a collaborative robot has been put into operation to polish fuel nozzles. Several improvements have been made in processing and inspection equipment to guarantee availability and improvement in safety.
- >> With respect to the actions planned for 2020, the modifications of the connection of the prepresses to granulators to improve their operation and reduce the noise level in the area, as well as the updating of the inspection equipment of canals and the area of the PWR elements to integrate them in a single inspection device can be highlighted. With this, the measuring equipment will be updated, since the last modification was made 15 years ago. With the experience of the new ultrasound inspection equipment of welding in tubes, the electronic part of signal acquisition and software of the ultrasound equipment of rods will be updated. This will allow having the updated inspection equipment on the same platform and it will have the old equipment as backup. In addition, after the experience acquired following the start-up of the modification of the feeding of the rectifier of Line 3, a similar feeder will be installed for Line 2. This will increase the availability of the line when there is a breakdown caused by wear of the components.
- > In the service area of the plant, the year 2019 has signified an important increase in the provision of fresh and irradiated fuel services and the management of spent fuel, expanding the natural markets of action to the BWR technology in Europe and to the Chinese plant of Ling Ao in PWR technology.



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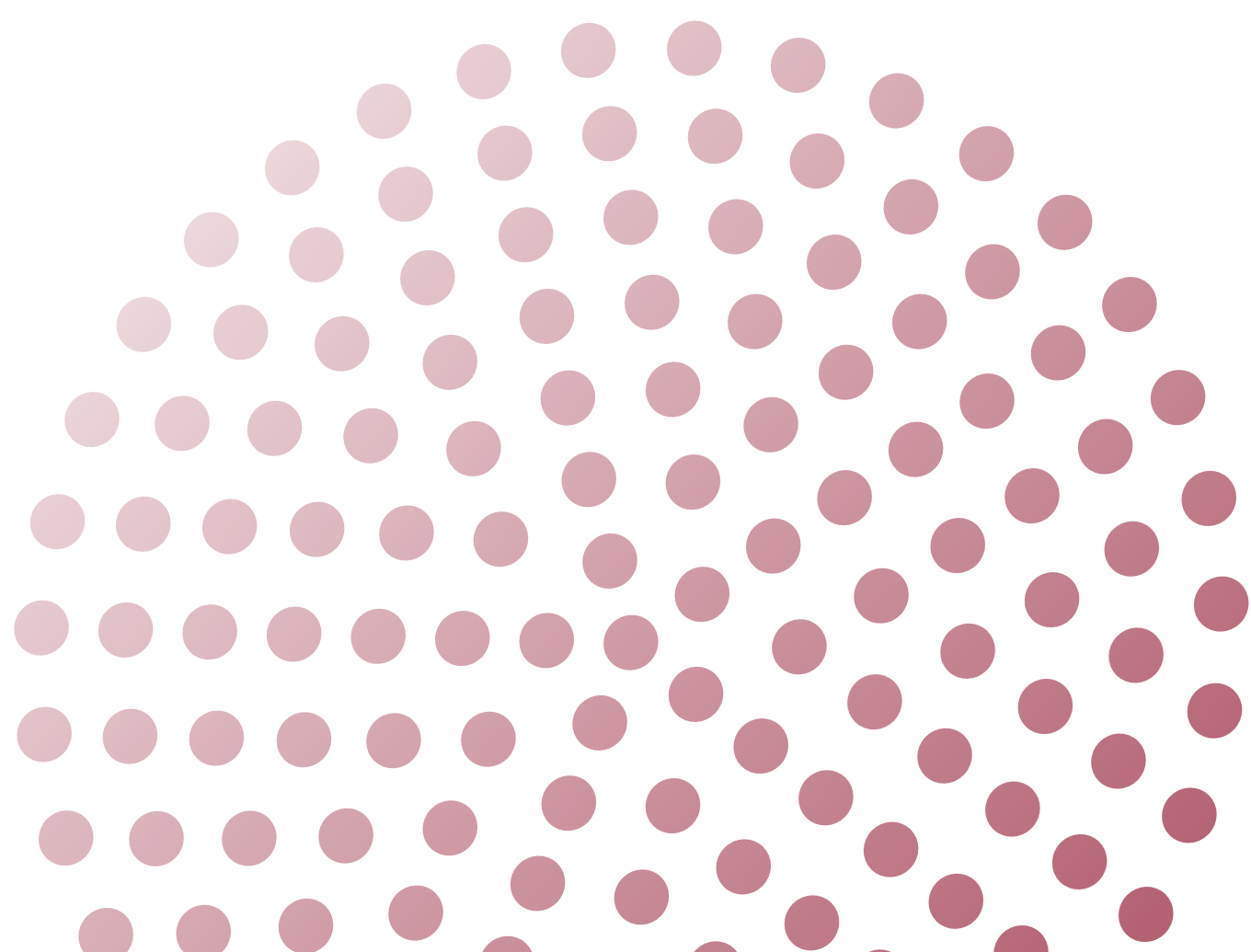
- > Similarly, it should be mentioned that the sales of the AIE-ENUSA/ ENSA has been at a figure very close to 10M€ and that its capacities have been broadened to the container engineering work of the family ENUN of ENSA and the design of a capsule for dry spent fuel storage for ENRESA.
- > In the strategic line of internationalising the fuel business, the most relevant has been the delivery of automatic pellet inspection equipment for the Yibin factory, the signing of collaboration agreements with the company Emirates Nuclear Energy Corporation (ENEC) and the Chinese companies Suzhou Nuclear Power Research Institute (SNPI) of the China General Nuclear Power Group (CGN) and the factory of Yibin of the China National Nuclear Corporation (CNNC) group.

Throughout the year, an enormous activity has been deployed to develop new business opportunities in the emerging markets of China, South America and the Near East that in upcoming years can materialise in new supply contracts for products, equipment and services for these markets.

In order to confront these challenges, ENUSA continues committed to technology and innovation as engines of the growth strategy and internationalisation of the company. A Digitalisation Plan has been implemented at the business as well as the corporate level that is going to allow taking on the digital transformation of ENUSA. A new plan for the year 2020 is also being drawn up.

The annual investment in R&D&I programs has been slightly over 6M€ in the year 2019, focussed mainly on the development of equipment for fuel fabrication and for the provision of in-plant services, the development of codes and design methodology and the development of the advanced ATF fuel with Westinghouse.

At the end of 2019, the main shareholder SEPI proposed the incorporation of eight new projects for the year 2020 in the areas of advanced ATF fuel, manufacturing equipment, irradiated fuel inspection equipment, and new methodologies.



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Nuclear business-related investments

Express Truck, S.A.U., S.M.E.

Express Truck, S.A.U., S.M.E. (ETSA) was founded for an indefinite period of time on 23 April 1996. The sole shareholder in the Company is ENUSA Industrias Avanzadas, S.A., S.M.E., so by virtue of the content of Legislative Royal Decree 1/2010, of 2 July, which approved the revised text of the Capital Companies Act, the company is a sole proprietorship. The company forms part of the SEPI Group, which is headed by the Sociedad Estatal de Participaciones Industriales (SEPI) as the ultimate controlling company.

ETSA is a global, multi-modal (land, sea and air) transport company for hazardous goods of all kinds, specialising in radioactive, nuclear and chemical goods in tanks.

ETSA offers all necessary and complementary services for the transport of this type of materials:

- > Chartering of ships and airplanes.
- > Physical and radiological protection.
- > Specific studies related to logistics.
- > Supply of packaging, homologation and validation of packages.
- > Preparation of shipment procedures and document preparation.
- > Etc.

All of the above is in strict compliance with applicable national and international standards in accordance with an internal quality management, environmental, physical and radiological protection; because its goods are not only transported within Spain but also abroad, namely to the European Union and the United States.

The main customers of ETSA can be divided into three groups, among which the following stand out:

- > Nuclear medicine: Curium Pharma Spain, GE Healthcare Bioscience, Advance Accelerator Applications (AAA-Novartis) and PerkinElmer.
- > Nuclear and radioactive: ENUSA, ENRESA and Tecnatom.
- > Chemicals in tanks: Vertex Group and Maxam Group.

The situation of ETSA on 31/12/2019 is considered satisfactory, having achieved all its set targets.

The turnover has increased by 18.42% with respect to the previous year due to increased business in the nuclear medicine and tank lines. ETSA's net margin has risen significantly (14.24%) compared to the previous year (11.11%).

The operating result was 1,990,438 euros, which represents 14.24% of the turnover.

Of note is ETSA's strong position in radioactive product logistics in general, nuclear medicine, radioactive waste and nuclear material.



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2.3. ENVIRONMENTAL BUSINESS UNIT

Saelices el Chico Centre

In 2018, the decommissioning activities at the Centre have continued, which are very conditioned by the existence of acid drainage in the mine, due to the presence of pyrite in rocks of the site, which pollutes the water. For this reason the collection, storage and prior processing (chemical treatment in a neutralisation plant, mainly with lime) of this water is necessary before it can be returned to the public water domain, in accordance with the current authorisation granted by the Duero Hydrographic Confederation and the demands of the CSN. In 2019 a total of 479,000 m³ of polluted water have been treated by chemical means.

During the year, it was necessary to undertake work to update the electrical and control infrastructure that gives support to the Mine Water Treatment Plant (TAC), whose origin is associated with the operation of the former Elefante plant of uranium concentrates, which dates to 1975. These necessary updates, along with the installation of a computerised control, supervision and recording system of the industrial process (SCADA), planned to be done in 2020, will guarantee the good future operation of the water treatment plant with the scalability that it may need.



A double network of data transfer was installed in the centre in 2019, formed, on the one hand, by laying optical fibre that communicates the TAC control room with the Quercus/TAD (Barrier Water Treatment) control room and with the offices and, on the other hand, an industrial WiFi network, based on emitting and receiving antennas that make up a ring telecommunication network, in addition to the fibre and with possibility of intercommunication between both. This installation will allow, in the future, in addition to controlling the entire water treatment process, making another with the surveillance and control systems distributed throughout the mining area.

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With respect to the elimination of polluted water by means of the use of passive systems, based on the application of artificial soil (*technosols*), after the good results obtained in the initial pilot tests, it was decided to increase the scale of the research through the development of an R&D project, generically called the TEKURA project, which was approved and co-financed by the Industrial Technological Development Centre (CDTI) in February 2017. In this project ENUSA appears as owner and person responsible for it, with the companies EMGRISA, CIEMAT and the University of Santiago de Compostela (USC) participating in its implementation and development.

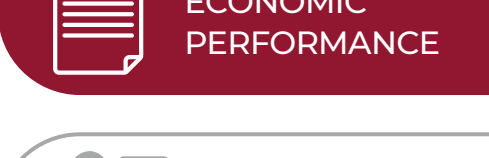
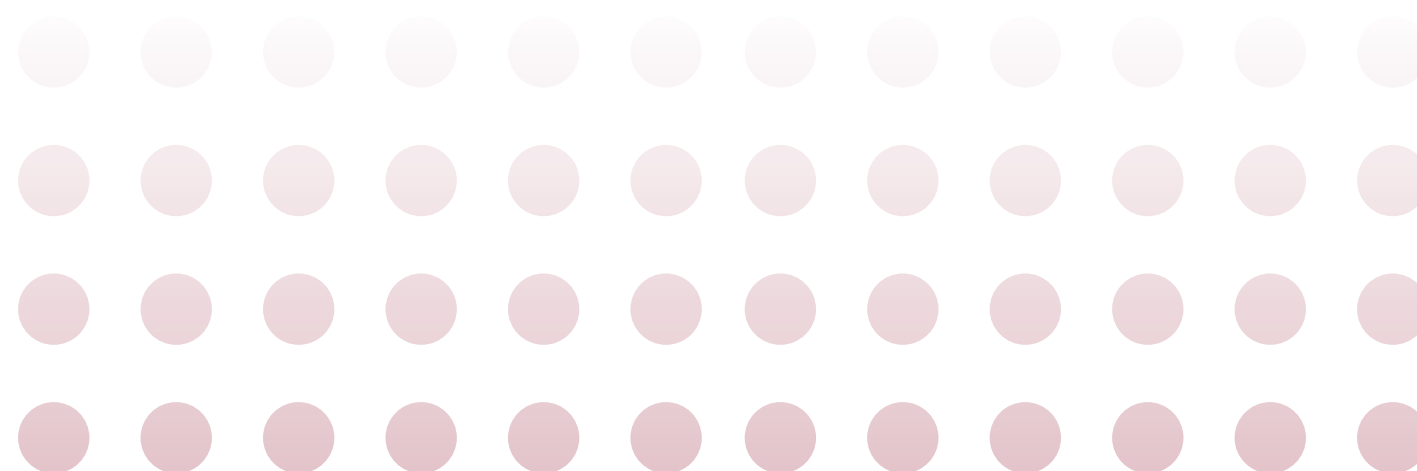
In summarised form, the project poses the fabrication *in situ* of the *technosols* that are intended to be applied on the surface of 52 hectares, located on restored land from the old F3-1 mine, for which a pilot fabrication plant was constructed, which began its productive activity in March 2018, after getting the mandatory authorisation from the bodies competent in the subject (Government of Castilla y León). During 2019 the fabrication and spreading of *technosols* on the area envisaged in the project was continued, reaching an annual production of 27,142 tons of *technosol* and a spreading area of 30 hectares. Improvements have been implemented in the execution of the work and the maintenance of the area of application, and it will continue with the sampling and analysis program of the components such as the *technosols*, as well as their interrelation with the water in the area of application.

The possibility of a new R&D program has begun to be studied which considers the extension of the use of *technosols* on the landfills and land with steep slopes, in clearly different conditions to those of the TEKURA project but with an identical objective of constituting a passive system to remediate the generation of acid waters.

Parallel to these actions, the development of the different environmental, structural and radiological programs of the site continued being carried out, which are required by the competent bodies (Ministry of Ecological Transition -current the Ministry of Ecological Transition and Demographic Challenge-, Government of Castilla y León, Confederación Hidrográfica del Duero and CSN, mainly).

Regarding the authorisation for the dismantling of the first phase of the Quercus plant, in April 2019 a new Request for Additional Information (PIA V) was received. For the most part, it deals with modifications of little importance, but in the case of the Environmental Radiological Impact Study (EIRA) and the Site Restoration Plan (PRE), they are requiring holding some meetings with technicians of the corresponding area of the CSN in order to discuss and clarify some details. The preparation of a new proposal for documentation that updates all the execution characteristics of the dismantling is planned to be presented in the first half of 2020.

As regards collaboration with ENRESA on shared decommissioning costs, the framework agreement, valid until 31 December 2019, continues being valid, and is extended by means of an addendum signed in December 2019 for the years 2020-2022. This framework agreement includes financing details of the dismantling, restoration and monitoring of the uranium mining sites and facilities owned by ENUSA and co-financed by ENRESA.



As regards the restored location of the Lobo-G plant (La Haba, Badajoz), closed since 2004, the Long-Term Vigilance Program in collaboration with the Technical Environmental Office and EMGRISA will continue. In October 2019, a request for release and return of the control to the owners of part of the terrain of the decommissioned site was presented to the Directorate General of Energy Policy and Mines (Deputy Directorate General of Nuclear Energy; Ministry for Ecological Transition, currently the Ministry for Ecological Transition and Demographic Challenge), in which an exclusively mining action was carried out, and for which in its day a restriction of use of the land for pasture and forest was established. This request is pending the corresponding compulsory report that the CSN must prepare.

Finally, in collaboration with ENUSA's Environmental Technical Office, the work continues to be carried out that is included in the Vigilance and Maintenance Programs of the former uranium mines of Castilla y León of Casillas de Flores and Valdemascaño, which have been expanded by the CSN without a clear date for their finalisation.



Technical Environmental Office

The Technical Environmental Office is no longer a business unit and has been reducing its human resources to focus on support work for other activities within ENUSA. These include the Saelices el Chico Centre and the biogas generation plant; the latter sells electrical power and supplies the nuclear fuel factory of Juzbado with hot water.

Within the close cooperation that it maintains with the Saelices el Chico Centre, three main lines of action can be highlighted: first, there is the collaboration with the Centre's technical staff in reviewing the documents required by the CSN for the dismantling and closure of the Quercus Plant; second, the justification and monitoring of the TEKURA Project of using *technosols* to treat acid mine waters, carried out all through 2019; and finally, the conception of a new R&D project, MINETRA, that allows experimenting with activated *technosols* in the FE-3.1 landfill.

Two developments stand out as the most significant in the TEKURA project in 2019: first of all, the objective of manufacturing 27,000 tons of *technosol* defined at the beginning of the year has been fulfilled; second, the first benefits of their application have been observed, such as their high capacity of water adsorption and the neutral pH values in the adjacent soil. These promising results along with the lack of regional regulations, have led to starting the first contacts with the Industrial Technological Development centre (CDTI) to develop the MINETRA R&D project in the next three years.

Within its own projects, the operation of ENUSA's biogas plant in Juzbado (Salamanca) of agro-animal and agro-industrial waste has continued, which has been operating uninterruptedly since early 2012. In this plant, anaerobic digestion of the wastes is used to produce biogas which supplies a cogeneration motor and/or boilers, producing electric and thermal power, while the pollution load of the wastes is reduced. The effluents generated in the biogas plant have been used as agronomic products in the fields near the plant. In the year 2019, the plant treated a total of 9,173 tons of wastes of agro-animal and agro-industrial origin, (65% purines and 35% residue from beet and cereal powder and tobacco plants), supplying the electrical distribution network a total of 1,050,395 kWhe, so that at the end of 2019 an accumulated value of 14,915,994 kWhe has been dispatched to the grid.



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Furthermore, since the new boiler system went into operation, in the year 2016, which works on the basis of biogas and natural gas, the biogas plant has supplied a total of 6,348,188 thermal kWh to the Juzbado factory to meet this facility's HVAC and sanitary hot water (ACS) needs, with 1,511,271 kWh being generated in 2019.

As regards the plant, during this year the tender process was initiated for the sale of the industrial assets due to the samples of interest received by various companies that have the intention of continuing with the business, thereby generating after their sale a capital gain for ENUSA.

In collaboration with the fuel assembly factory of Juzbado and, in relation to the replacement of the fuel-oil boilers used in the Air Conditioning and Hot Sanitary Water (ACS) of the installations, it has continued with the usual operation of the new boiler room.

Likewise, close contact has been maintained with EMGRISA. This year two benchmarks stand out in the cooperation with the environmental subsidiary: on the one hand, the collaboration in the TEKURA project with the location and supply of waste; and on the other, the cooperation in the assignment of the management to operate and supervise the biogas plant.

As regards the LIFE Ammonia Trapping Project for recovering the ammonia from liquid (purines and digestates) and gaseous effluents, in which the Technical Office has been directly taking part, this year the required tests of the prototype of liquids in the Juzbado biogas plant have been conducted successfully. It should be noted that the workshop held in October had the

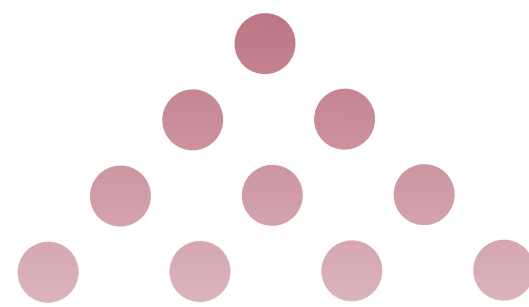
participation of more than 85 persons from agricultural and livestock farming of the province. This project, which is now on its last year of duration, is carried out with the participation of the Agrarian Technology Institute of Castilla y León (ITACYL), Valladolid University and three companies in the agro-livestock sector.

Castellón UTE RSU

The temporary joint venture (UTE in Spanish) ENUSA-FOBESA VALORIZACIÓN DE RESIDUOS-A2A AMBIENTE handles the municipal waste from 49 municipalities in the north of the province of Castellón, referred to as Zone C1 in the Integrated Waste Plan of the Region of Valencia (PIRCV), using four facilities located in the province: the Treatment and Recovery Plant for Solid Urban Waste (RSU) and Large Waste, and the Reject Repository, in the municipality of Cervera del Maestre, and two RSU Transfer Plants in the towns of Benlloch and Villafranca del Cid.

A total of 75,888 tons of waste were handled in 2019, of which 73,233 tons came from Zone C1 and 2,456 tons from Zone C2.

In accordance with these data, this year has produced a 12.03% decrease in the tons managed with respect to the last year, with the majority of this decrease due to the cessation of the input of wastes coming from C2 in the month of April. If only the waste coming from Consortium C1 is taken into account, this would have supposed a decrease of 3.28%. In the total input, only the tons corresponding to the remaining fraction plus the selectively collected organic fraction, the decrease of the year would be 10.87%, to which only a decrease of 0.08% would correspond to those coming from C1, that is to say, that the generation of wastes



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in the towns of the 49 municipalities of C1 has remained practically the same as the past year.

As for the types of wastes received, there was an increase in the large wastes of 15.06%, a decrease in the pruning waste of 9.55% and of the large waste contaminated with construction and demolition waste of 3%, although the greatest percentage decrease was produced in the road and beach cleaning waste, which was 92.2%, as a consequence of the denial of the authorisation by the Regional Ministry of Agriculture, Rural Development, Climate Emergency and Ecological Transition of the input to the landfill of the algae coming from the cleaning of beaches if a drying treatment and sand separation is not applied to them first.

During the year 2019, 200 tons of large waste coming from the Alto Mijares was received, which belongs to the C2 Zone, which is invoiced directly to the Provincial Government of Castellón, a requirement of the Consortium C1, for which a minor contract with this organisation was signed.

Of all the waste managed, certain materials have been recovered to achieve the objectives set by the Integral Waste Plan of the Region of Valencia (PIRCV) concerning recovery and recycling. A total of 11,045 tons have been recovered and 8,698 tons have been sold. In the year 2019 fewer tons were sold than in 2018. However, the income from these sales has been practically the same as that of the previous year (€1,900 more in 2019), due to the fluctuation of the prices of the materials in the secondary market.

Environmental investments

Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA)

The Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) was founded in 1990 as an instrument of the Ministry of the Environment (currently the Ministry for Ecological Transition and Demographic Challenge) to achieve the objectives of the national plans for industrial waste and soil decontamination. Today it forms part of ENUSA Industrias Avanzadas, S.A., S.M.E., included in the SEPI Holding, and its business activities fall entirely within the area of environmental services.

EMGRISA is an instrumental resource and technical service of the General State Administration and of other public-sector entities such as SEPI, ENUSA, CIEMAT, Aena/Enaire, Puertos del Estado, Renfe, ADIF and Abra Industrial. Since 2010 its condition as an instrumental resource of the entire public state sector has increased, being maintained in 2019.



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The management activities of industrial waste and management of contaminated soil, in both characterisation and recovery, as well as the technical assistance to the administrations and the environmental consulting constitute to a great extent the company purpose of EMGRISA.

The Company carries out its activity according to its integrated management system, which is audited and certified by SGS ICS IBERIA, S.A. in compliance with the standards ISO 9001:2015 (certificate ES10/9160), ISO 14001:2015 (certificate ES05/0947) and the health and safety system in accordance with ISO standard 45001:2018, formerly OHSAS 18001.2007 (certificate ES11/9314) for its activities of the Madrid centre related to:

- > environmental consulting,
- > engineering,
- > intermediation in waste management,
- > recovery of contaminated areas,
- > environmental inspection,

and for its transfer centres of Alcázar de San Juan (Castilla-La Mancha) and Mérida (Extremadura) in the activities of waste collection, transport, storage and management.

Additionally, as added value to its work in inspection, EMGRISA is qualified by the National Accreditation Agency (ENAC) as an inspection organisation with accreditation number 71/EIO76, in accordance with the criteria included under standard UNE-EN-ISO/IEC 17020:2012 for making

inspections in environmental issues, and more specifically in the field of potentially contaminated soils and the groundwater associated with them.

The following should be mentioned as significant events in 2019:

- > Extension of the accredited scope of the inspection organisation ISO 17020:2012 in the field of potentially contaminated soils and groundwater associated with the field of quantitative risk analysis.
- > Approval of the external audit on the part of the certifying body (SGS Tecnos) for management systems:
 - >> Quality, in accordance with the ISO 9001:2015 standard
 - >> Environment, in accordance with the ISO 14001:2015 standard
 - >> Health and Safety, in accordance with the ISO 45001:2018 standard

In the year 2019 work was carried out in the following action lines:

- > Realisation of 119 projects: 55 on environmental management of soils, 25 on waste management, 18 on environmental consultations and technical assistance, 6 on development and innovation and 15 international projects.



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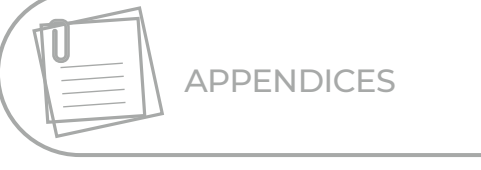
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- > Adaptation to the Public Sector Contracting Law and consolidation as instrumental resource of the General State Administration and public sector with new assignments (more than 60 assignments).
- > Improvement of its internationalisation process with new projects in Chile and Peru (15 projects, approximately 1M euros).
- > Expansion of its business with new assignments and contracts on the subject of planning and management of water for the Directorate General of Water and the Ministry of Agriculture (currently the Ministry of Agriculture, Fisheries and Food).
- > Improvement in its billing and operating result in comparison with 2018, fulfilling its strategic plan.

The actions in 2019 in the field of waste management and innovation and development have been the following:

- > Business participation in the waste management of the Autonomous City of Melilla via REMESA.
- > Industrial waste management via its shareholding in CETRANSA, an integral hazardous waste treatment centre.
- > Management of its hazardous waste treatment and transfer centres in Extremadura and Castilla-La Mancha.
- > Provision of its hazardous waste handling services to a number of public bodies and entities. Especially with the National Technical Aerospace Institute (INTA) of the Ministry of Defence, the network of ADIF train stations, the Fábrica Nacional de Moneda y Timbre and IMBISA, the money printing plant for the Bank of Spain.

- > Management assignment for the Ministry of Justice for handling and/or destruction of seized assets.
- > Assignments of ENUSA in relation with the TEKURA project and technical soil management for the reduction of pH in waters of the Saelices mine.
- > Service provision to private enterprise and entities throughout Spain.
- > In 2019, the company handled 24,646.49 tons of waste, 7,876 MT of which derived from the work of EMGRISA and 16,770 MT were due to the work with *technosols*. This means that an additional 5,226 MT were handled than in 2018.

Regarding soil characterisation and decontamination and engineering activities, the following can be highlighted:

- > Technical support and management assignments for agencies of the General State Administration, in addition to those already existing (Ministry of Defence, Ministry of Agriculture, Fisheries and Food, Ministry for the Environment -currently the Ministry for Ecological Transition and Demographic Challenge-), thus securing its position in the public sector market and of the instrumental resource.
- > Development and execution of remediation projects for ADIF, Renfe and Aena, as well as the subsoil in Sabiñánigo (Huesca) for the Government of Aragón. Contract renewal for 2019 and provision for a new award by tender of the contract for 2020, for two years and extendable.
- > Contract with the Region of Castilla-La Mancha for preparation of a hydraulic fracturing management plan.



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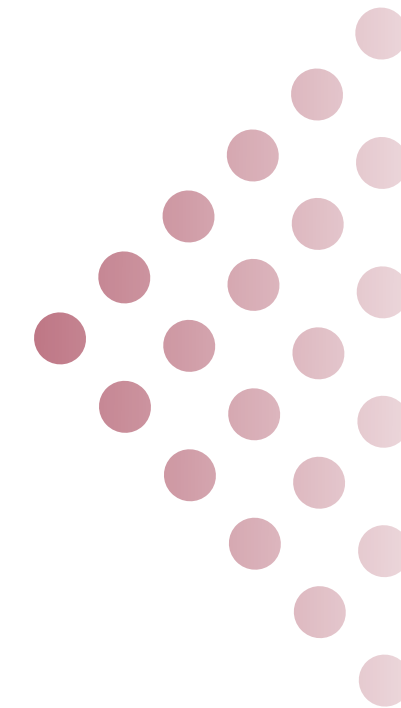
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- > Actions for the Hydrographic Confederation of the Ebro River in Bailin, Huesca.
- > Execution of technical projects and training activities in environmental risk assessment for public agencies and corporations of the oil sector.
- > Undertaking of various actions for the public enterprises and/or of the SEPI Group: Enagás, Cofivacasa, Sepides, Aquamed and Navantia.
- > Support to ENUSA for its environmental activities in the Juzbado factory and the Saelices mine. Assignment of the management of the biogas plant and technical assistance in the dismantling of facilities in Saelices.

- > Realisation of 15 international projects: 6 in Chile, 7 in Peru and 2 for UNIDO of the United Nations. Those of most interest were:
 - >> Management, along with Ingeniería Poch, of the contract for characterisation of contaminated areas in the region of Antofagasta.
 - >> Contract for the characterisation of contaminated ponds for Empresa Nacional del Petróleo (ENAP) in Chile.
 - >> Work for multilateral organisations such as UNIDO in Trinidad and Tobago and Macedonia.
 - >> Contract for the airport of Lima for environmental control of the new international terminal Jorge Chávez.

The actions on the subject of internationalisation in 2019 were:

- > Initiation of the management of the new branch in Chile, created at the end of 2018.



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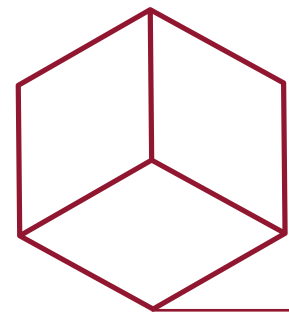
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3. ECONOMIC-FINANCIAL MANAGEMENT OF THE GROUP

The operating result amounted to 5.5 million euros in 2019

3.1. ANALYSIS OF THE CONTROLLING COMPANY'S RESULTS

ENUSA's turnover in 2019 amounted to 305.2 million euros, which is an increase of 30% with respect to the previous year. This increase was centred on the sales of enriched uranium, with those corresponding to fuel manufacture and services being lower than those of the previous year.

The operating result amounted to 5.5 million euros in 2019, compared to 3.9 million euros in 2018.

Pre-tax earnings in 2019 have amounted to 4.7 million euros, compared to 2.8 million euros of the previous year.

The increase in the result with respect to 2018 (1.9 million euros) broken down by business area is the following:

- > Procurement: -0.3 million euros, due basically to greater assumption of structural costs.
- > Fuel: -1.8 million euros, due mainly to a fewer number of refuelings sold and lower margins (different refueling mix).

- > Environment: +0.1 million euros.
- > Mining centres being decommissioned: +5.5 million euros, due mainly to the extraordinary allocation made in 2018 to the provision for closure, not made this year.
- > Remainder of activities: -1.6 million euros, due basically to the income obtained in 2018 for default interest related to the lawsuit with the City Council of Jerez.

The pre-tax profit included in the Company's Budget (Annual Operating Plan, AOP 2019), approved by the SEPI Management Committee on 5 June 2019, reached the figure of 3.1 million euros, by which it can be considered as very satisfactory having obtained a real pre-tax profit of 1.6 million euros higher than planned. This increase, also broken down by business area, is the following:



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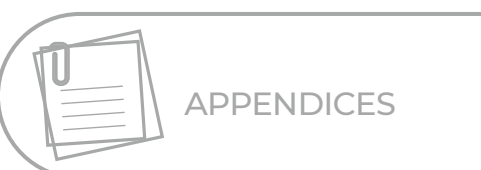
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3.2. CONTROLLING COMPANY'S FINANCING AND INVESTMENT

The net change in cash and other cash equivalents with respect to the previous year was +34.3 million euros, generating a cash flow that is described below:

- > from operating activities: +24.5 million euros
- > from investment activities: +34.3 million euros
- > from financing activities: -24.5 million euros

The short- and long-term financial debt at year's end amounted to 180.9 million euros, compared to 202.7 million euros in 2018. This debt corresponds primarily to the financing of stocks as part of the procurement activity.

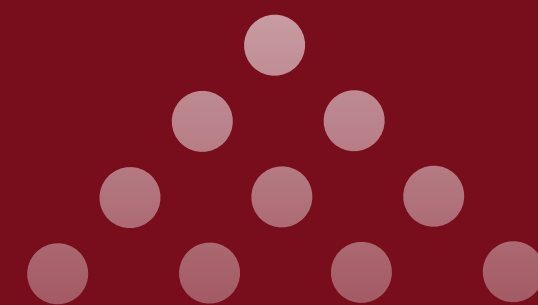
The controlling Company has not undertaken any operations with own shares in fiscal year 2019.

3.3. PAYMENT TO SUPPLIERS

The information regarding the average period of payments to suppliers during 2019 is provided in Note 24 of the Consolidated Annual Report.

- > Procurement: +0.2 million euros, due mainly to having reached 100% of variable remuneration by our customers (Spanish electrical utility companies) compared to the expected 90%.
- > Combustible: +0,6 million euros. In this case due to different reasons: the operating result of each segment is similar to that planned in the AOP, offsetting the positive differences of some (in-plant services) with the negative ones of others (manufacturing, with a delay to 2020 of some planned deliveries); the exceptional result is -0.5 million euros with respect to that planned, mainly due to the allocation not foreseen in the AOP of the assets concerning the "active scanner", offset in part by an extraordinary compensation collected from the supply of the equipment that substitutes it (passive scanner); and lastly, the financial result improved the forecast of the AOP thanks to the collection of additional dividends from the invested company ETSA.
- > Environment: +0.3 million euros, due mainly to the reversion of the impairment of the assets of the biogas plant, not budgeted.
- > Mining centres being decommissioned: -0.2 million euros.
- > Remainder of activities: +0.7 million euros, due to lesser costs, positive adjustment in the estimates of provisions for litigations, etc.

The financial profitability in 2019 (after-tax profits over equity, before results of the year) was 4.5% compared to the 4.1% achieved in 2018.



3.4. REPRESENTATIVE CONSOLIDATED DATA OF THE GROUP

The ENUSA Group has obtained consolidated earnings of 3.8 million euros in 2019, compared to 4.4 million euros in 2018. The net increase of cash or cash equivalents amounted to 34.8 million euros, compared to a 3.5 million euros of 2018.

As regards the consolidated turnover, it reached 323.9 million euros in 2019, compared to 251.1 million euros in the previous year, with a return on equity (consolidated after-tax profit and discontinued operations over equity funds prior to the consolidated results for the year) of 3.5% (4.1% in 2018).

3.5. EVENTS SUBSEQUENT TO CLOSING

On the date of preparing this Consolidated Management Report, no events subsequent to the end of the financial year 2019 have occurred that required being broken down.



3.6. ANALYSIS OF THE BUSINESS EVOLUTION

The estimated business evolution of ENUSA for the upcoming years is the following:

CONTROLLING COMPANY URANIUM SUPPLY

The sales prices of the enriched uranium that ENUSA supplies to its electric utility customers that own the Spanish nuclear power plants will continue the downward trend that started in 2013. This reduction has been due both to the management of the contracts maintained with the supplier companies, which has made it possible to reflect the lower prices on the international uranium component market, and to the renegotiation of some contracts, which has served to take advantage of the moment of low prices in the market and reflecting it in the selling prices of ENUSA.

In the immediate future, ENUSA will maintain its supply policy, according to which it has medium- and long-term contracts with the world's leading suppliers, but it also takes advantage of the opportunities that arise in the market.

As regards the commitment to customers, the company will continue to make efforts to comply scrupulously with the obligations related to the uranium supply in order to properly supply it on time and, on the other hand, it will continue to try to provide quality services that add value to management and in this way keep the customers' trust.



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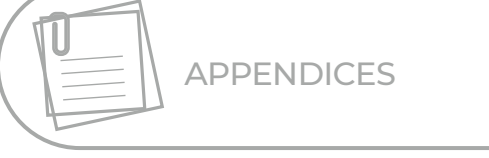
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CONTROLLING COMPANY'S NUCLEAR FUEL

The forecasts for the fuel business in the coming years will continue being conditioned by the evolution of the European market and the positioning of our technological and strategic partners Westinghouse and GEH to confront the significant reduction of the offer mainly in the BWR technology. In this regard, the negotiations with Westinghouse to distribute the workload in France are key when establishing the production of the Juzbado factory in the 2021-2024 period and the terms and conditions of our strategic alliance with EFG for Europe. According to the agreement reached, which must take place in the first half of 2020, ENUSA will have to evaluate the possibility of seeking another technological partner that can offset in that period of time the predicted loss in production in the Juzbado factory. *A priori* the partners with more options for developing collaboration agreements in the area of fuel are the Russian company TVEL, mainly in the design of the VVER type fuel, and the French company Framatome, with which ENUSA could collaborate in the closing of its fuel factory of Lingen and in the fabrication of the fuel that is currently carried out therein.

ENUSA must continue reinforcing its internationalisation strategy of the fuel business, carrying out the cooperation agreements recently signed with the Chinese companies of the China National Nuclear Corporation (CNNC) and of the China General Nuclear Power Group (CGN), with the Emirates Nuclear Energy Corporation (ENEC) and with the Russian TVEL.

The main area of collaboration is the support of the companies of China and the Emirates in the development of their future fuel factories, in the supply of equipment and in the development of fuel products and services adapted to the needs of the mentioned markets.



In the Spanish market the forecasts are to initiate the planning of the operation of the fleet of Spanish reactors to adapt to the plan to the decommissioning plan agreed between the electrical companies and the Government. The issue of the VII Radioactive Waste Management Plan by ENRESA is being expected, for which a first draft must be issued during the year 2020 and which is going to establish the strategy in relation to waste management in Spain and specifically on the spent fuel management and the future of the Temporary Storage Facility (ATC).

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In this sense, the growth expectations and diversification of the nuclear business of ENUSA is aimed towards the second part of the spent fuel, and the management of radioactive waste, and the dismantling of nuclear and radioactive installations.

ENUSA is taking the appropriate steps to create a dismantling business line integrating capacities with the company ENSA to manage them initially through the AIE that both companies have established and that in the future will be the origin of a State company dedicated to dismantling and to waste management.

Agreements are being established with national and international companies to integrate solutions and capacities and to be able to provide services in the international market.

The European and international market offers enormous opportunities of growth in the immediate future and the public companies ENSA and ENUSA have decided to take on jointly the development of capacities mainly of the technological field that allow us in coming years to provide waste management and dismantling services. One of the first activities to carry out will be the dismantling of the Quercus plant located in the former Saelices mine of ENUSA.

CONTROLLING COMPANY'S SAELICES EL CHICO CENTRE

Until the second half of 2021 it will be difficult to obtain the authorisation for the dismantling and closure of the Quercus Plant, so the start of this work has been delayed until then.

The dismantling will be carried out in phases because it is necessary to maintain the tailings dam and other storage structures, as well as the treatment plant of water polluted by the mine's acid drainage, until the quality required for direct discharge to public waterways is obtained.

Meanwhile, the Programs for Vigilance and Control of groundwater and structure stability will remain in force, both for the Elefante Plant and the mining operations, with the performance of the corresponding inspections, controls, sampling, analysis and reports required by these programs. These activities are co-financed by ENUSA and ENRESA in the proportions contained in the current framework contract. In December 2019 an addendum to this framework contract was signed, which updates the financing amounts for the time horizon of 2020-2022.

In contrast, the Vigilance and Maintenance Program for the Quercus plant and its associated structures, which needs to be implemented during the present period while activity is stopped and before the planned dismantling work begins, is financed solely and exclusively by ENUSA.

In the middle of the year 2020 the development of the R&D project of applying *technosols* (TEKURA project) will end, at which time the results of the interaction between the *technosols* applied and the waters generated in its area will be evaluated.



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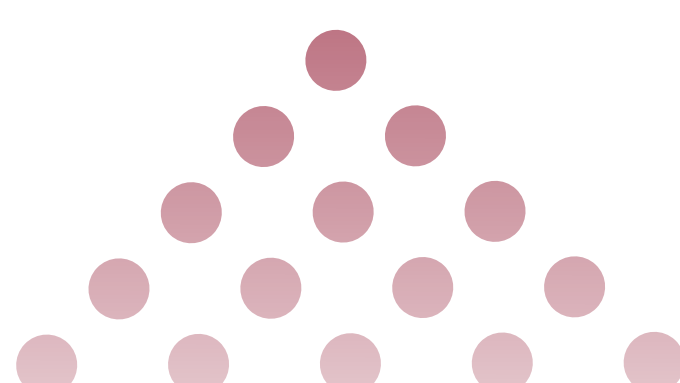
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With these results, which are deemed encouraging, a new R&D projects is posed that expands the field of action of the *technosols* towards other types of land morphologically different and with other problems (landfills, lands with steep slopes, etc.), with the added intervention of bioactive components. This project poses a timeframe between the years 2020 and 2022, depending on its date of authorisation.

In parallel, with the collaboration of EMGRISA, the elaboration of an Integrated Environmental Authorisation from the Environmental Service (Government of Castilla y León) is being undertaken which will allow continuing with the treatment and evaluation of non-hazardous wastes through the manufacturing of *technosols*, and eventually, lead to an increase their annual nominal manufacturing capacity. This authorisation will mean having installations and supplies that allow extending the application of this product to the rest of the surface area affected by the mining activity (around 250 additional hectares). With this, the reclamation of the natural space affected by the mining activities will be completed.

These planned research projects suppose taking actions on the surface and subsurface waters (those that circulate through the different multi-layers of protection-waterproofing of structures), while the solution for the deep waters is more complex and will require longer periods of action, although it must be taken into account that this solution is not immediately effective and requires time for maturation, planting of vegetation and development of some years. Meanwhile, it will be necessary to continue with the chemical treatment of the acid waters.

Around 450,000 m³ are planned to be neutralised during 2020 and gradually decrease the volume in the following years, as the extended *technosols* are doing their work of improving the chemical characteristics of the surface waters.

To achieve this treatment capacity and, in case it is required, to shut down the water treatment section of the Quercus plant (Barrier Water Treatment Plant, TAD) in the context of the development of the Phase I of dismantling this plant, it will be necessary to reinforce, maintain or increase the equipment of the Mine Water Treatment Plant (TAC) that remains in operation.

As for the site of the Lobo-G Plant (La Haba, Badajoz), it will continue to run the Long-Term Vigilance Program in collaboration with the Technical Environmental Office and EMGRISA. ENUSA and ENRESA will continue financing it proportionally, according to their responsibilities, as specified in the framework agreement signed between the two companies.

Furthermore, the work included in the Vigilance and Maintenance Programs for the old uranium mines of Casillas de Flores and Valdemascaño in Castilla y León will continue to be carried out in collaboration with ENUSA's Technical Environmental Office. This work will be financed entirely by ENRESA.



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TECHNICAL ENVIRONMENTAL OFFICE

In accordance with the Strategic Plan of the Environmental Unit of the ENUSA Group, whereby the decision was made to use the EMGRISA brand for commercialising the environmental activities of the Group, the activities that the Office has been carrying out will be incorporated into the EMGRISA services portfolio for 2020 and following years.

Nevertheless, until this incorporation takes place, the Office will continue to carry out its activities, on the one hand in training and advising EMGRISA for the operation and monitoring of the biogas plant in Juzbado (Salamanca) and, on the other hand, in maintaining its environmental radiological monitoring programs.

In coming years, the human resources of the Technical Environmental Office will focus on three interventions in Saelices el Chico: firstly, to continue cooperating with the TEKURA project; secondly, to try to materialise the concept of the MINETRA project with the CDTI; and thirdly, to collaborate with the Centre's technical staff to revise and provide support for the documents required by the CSN for the dismantling and closure of the Quercus Plant.

During the next year the LIFE Ammonia Trapping Project will issue the reports required by the European Commission, as well as the activities of dissemination necessary to finalise the project and receive the last payment that entails a 60% subsidy.

CASTELLÓN UTE RSU

As for the Castellón UTE-RSU (joint venture), during this year it continued to receive treatment rejections from the RSU management plant at Onda, which offers its services to the city councils in the centre of the province of Castellón (Zone C2) as a result of the agreement signed by the C1 and C2 consortiums, but only up to the month of March, since the agreement ended in the month of February 2019 and although the C1 Consortium requested that it continue with the reception of the waste coming from C2, the lack of guarantees by it on the characteristics that the rejections must comply with to be sent, as well as the problems that they caused in the installations of the UTE, the entry of these wastes were suspended from 1 April 2019. Therefore, during the year 2019 only 2,456 tons were received for this item.

The management of all the waste, both that deriving from the C1 city councils and the rejections from C2, was handled in accordance with the contract signed by the UTE and the C1 Consortium, although some details and nuances referring to invoicing were settled in the previously mentioned inter-consortia agreement.

Moreover, the agreement allows the UTE to return to C2, when its landfill is again operational, the same amount of wastes that it has received during the three years of agreement validity, which will be of help so as to not overfill the UTE landfill with wastes from the other consortium. However, it is of concern that as of today the C2 still does not have authorisation for the new landfill and the delay in having it available can cause the landfill of the UTE to become full before being able to send any amount of rejections to the C2.

Once the firm ruling of the High Court of Justice of the Region of Valencia (TSJCV) is declared, which annulled the second modification of the contract with the C1 Consortium, negotiations were initiated for a modification of this contract that substitutes the annulled one. These negotiations have continued in the year 2019, with the presentation of legal reports and different proposals.

The decisions that the TSJCV could make are also being awaited. An appeal was filed before this court, after a sentence of the Contentious-Administrative Court no. 1 of Castellón, which rejected the legal action brought by the UTE against the C1 Consortium for the non-payment of the invoices due to the interest rate.

COMPANIES COMPRISING THE GROUP

Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA)

The evolution of the company's environmental business is established by its attachment to the figure of instrumental resource and to the new regulation of this figure in the recently approved Law 9/2017, of 8 November, on Public Sector Contracts, to which it has been adapting throughout 2019. The main challenge for the company remains its adaptation to the changing markets of recent times, for which a Strategic Marketing Plan was designed, approved in 2018 to adapt its commercial and business functions to the public and private sectors. Compliance with the requirements set out in the 2017 regulations on instrumental resources and company sustainability over time are factors that EMGRISA has to resolve in the coming years. The company must work to expand its public markets, mainly, and private markets in other countries, improve its brand, develop a sales model, new business lines,

internationalise the company and develop the final management of the type or types of waste in projects for the administrations, all aligned with the new approved plan.

The year 2020 is presented at first with an important portfolio of work and a set of opportunities, basically in the public sector, that require special monitoring.

It will carry on with the project integration with the ENUSA environmental area to become the controlling company's environmental brand. For the time that was established, it will continue with the biogas plant projects, as well as the dismantling of industrial or nuclear activities in the framework of the consortium that ENUSA is promoting.

It will continue to carry out the management assignments for various general directorates of the Ministry of Ecological Transition and Demographic Challenge, with a strong boost to the areas of hydrological planning and technical assistance to the administrations. In addition, it aims to renew the contract with the Government of Aragón for two more years and will expand the activities for other Autonomous Communities, with the possibility of being an instrumental resource for some of them. It will continue working for state-run public entities and corporations. There are also important future assignments for 2020 from ADIF, with a signed contract of more than seven million, and that of Renfe that is already being prepared, as well as important assignments from the Ministry of Defence.

In 2020 it will continue developing for ENUSA the establishment of pertinent actions and for the time that it is established for the execution of the *technosols* project and other actions on the dismantling of the Quercus plant, both in the Saelices mine.



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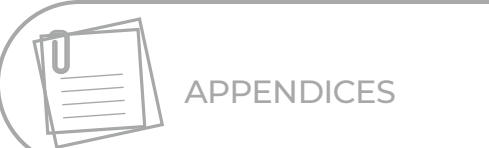
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The internationalisation process will continue through the execution of the proposals submitted and its presence via the branch office in Peru, and the new agency in Chile, and also with the award of new contracts for multilateral organisations and collaborations with Spanish companies that require collaboration.

Express Truck, S.A.U., S.M.E. (ETSA)

For the 2020-2024 period a continuous and slight growth is expected in the nuclear medicine logistics line. The strategy of ETSA is to focus on maintaining its market share in the transport activity related to the nuclear industry, because it deals with a market without growth.

In the tanker business line, the growth strategy continues with a limited risk exposure approach.



3.7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Based on the risk positions, the controlling Company actively manages the exchange rate risk and the interest rate risk. The instruments it uses always rely on safety and prudence, with the aim of limiting the risks and avoiding any concentration of these at the same time. They are never used to take up speculative positions.

At 31 December 2019 there are hedging instruments for the exchange rate amounting to 87 million USD and 7 million GBP which will be used to meet payments arising from purchasing contracts signed by ENUSA.

Up to this year, ENUSA has hedged the interest rate risk for part of its debts through contracting interest rate swaps. However, at the expiry of these contracts, it has opted not to renew them, for which reason the only hedging of the interest rate risk in effect is that contracted for the debt of the UTE RSU (integrated at its percentage of investment in it) for 15.5 million euros.

The Group's exposure to different risks is explained in detail in point 12.2 of the Consolidated Annual Report.



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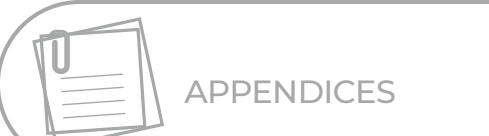
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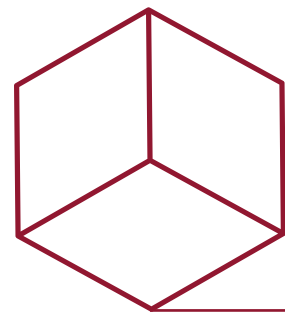
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4. HUMAN RESOURCES

During 2019, the workforce at ENUSA increased by 0.59% with respect to the previous year, as shown in the following table.

| | at 31/12/2018 | at 31/12/2019 |
|-----------------------|---------------|---------------|
| Madrid | 215 | 222 |
| Juzbado | 413 | 415 |
| Saelices el Chico | 31 | 27 |
| UTE RSU Castellón (*) | 14 | 13 |
| TOTAL | 673 | 677 |

(*) The information referring to the Castellón UTE RSU is reflected only for accounting consolidation, since its personnel is contracted directly by the UTE and not by ENUSA.

By type of contract, the distribution of the ENUSA workforce is as follows:

| WORKFORCE | at 31/12/2018 | at 31/12/2019 |
|---------------------|---------------|---------------|
| Permanent personnel | 509 | 515 |
| Temporary personnel | 164 | 162 |
| TOTAL | 673 | 677 |
| Average workforce | 591.91 | 608.54 |



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By employment category, the distribution of the ENUSA workforce is as follows:

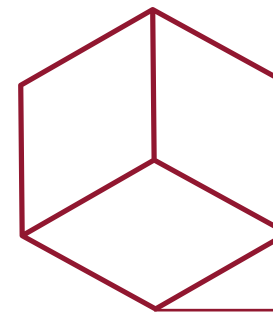
| EMPLOYMENT CATEGORY | at 31/12/2018 | | at 31/12/2019 | |
|--------------------------------|---------------|------------|---------------|------------|
| | Number | % | Number | % |
| Directors | 8 | 1.2 | 8 | 1.2 |
| Post Graduates | 259 | 38.4 | 269 | 39.7 |
| Graduates | 43 | 6.4 | 41 | 6.1 |
| Technicians and Administration | 189 | 28.1 | 180 | 26.6 |
| Workers and Junior Staff | 174 | 25.9 | 179 | 26.4 |
| TOTAL | 673 | 100 | 677 | 100 |

The evolution of the workforce of the subsidiaries in which ENUSA has invested is as follows:

| SUBSIDIARY | at 31/12/2018 | at 31/12/2019 |
|--------------|---------------|---------------|
| ETSA | 46 | 49 |
| EMGRISA | 61 | 71 |
| TOTAL | 107 | 120 |

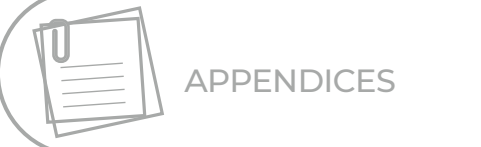
Important Events:

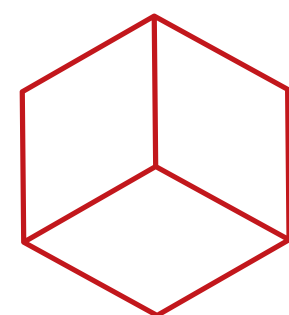
The measures taken to reduce the public deficit and the budgetary control measures provided in the State's General Budget Act and the implementing legislation for state-run public corporations, that has been applied from 2012 to 2019, inclusive, continue to have a major impact on the company.



5. STATEMENT OF CONSOLIDATED NON-FINANCIAL INFORMATION

The statement of consolidated financial information is incorporated as a separate report, in accordance with the specifications of Law 11/2018, of 28 December, which modifies the Code of Commerce, the revised text of the Capital Companies Act approved by Legislative Royal Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Account Auditing, on the subject of non-financial information and diversity.





6. ANNUAL ACCOUNTS FOR THE YEAR 2019

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

BALANCE SHEET - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. (thousands of euros)

| ASSETS | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|---|-------------------|---------------|---------------|
| A) NON-CURRENT ASSETS | | 96,027 | 98,974 |
| I. Intangible fixed assets | 6 | 34,140 | 34,671 |
| 3. Patents, licences, trademarks and similar | | 507 | - |
| 5. Software | | 444 | 408 |
| 6. Other intangible fixed assets | | 33,189 | 34,263 |
| II. Tangible fixed assets | 5 | 36,741 | 41,760 |
| 1. Land and buildings | | 16,502 | 17,632 |
| 2. Technical installations, machinery, tools, furnishings and other tangible fixed assets | | 19,812 | 20,899 |
| 3. Fixed assets in progress and advances | | 427 | 3,229 |
| IV. Long-term investments in companies of the group and associated companies | 8 | 5,353 | 5,353 |
| 1. Equity instruments | | 5,353 | 5,353 |
| V. Long-term financial investments | 8 | 5,677 | 3,001 |
| 1. Equity instruments | | 268 | 268 |
| 2. Financial derivatives | | 2,699 | 104 |
| 5. Other financial assets | | 2,710 | 2,629 |
| VI. Deferred tax assets | 11 | 14,116 | 14,189 |

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| ASSETS | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| B) CURRENT ASSETS | | 324,254 | 344,620 |
| I. Non-current assets held for sale | 5, 18 | 1,609 | - |
| II. Inventories | 9 | 255,639 | 279,496 |
| 2. Raw materials and other supplies | | 227,813 | 263,847 |
| 3. Products in progress | | 7,651 | 7,154 |
| 4. Finished products | | 14,848 | 6,413 |
| 6. Advances to suppliers | | 5,327 | 2,082 |
| III. Trade debtors and other accounts receivable | | 24,663 | 19,376 |
| 1. Customers for sales and services | 8 | 19,643 | 11,121 |
| 2. Customers, companies of the group and associated companies | 8, 20 | 1,163 | 2,331 |
| 3. Sundry debtors | 8 | 136 | 162 |
| 4. Debtors, companies of the group and associated companies | 8, 20 | 2,583 | 1,413 |
| 5. Personnel | 8 | 206 | 170 |
| 6. Current tax assets | 11 | 394 | 3,857 |
| 7. Other credits with the Public Administrations | | 538 | 322 |
| IV. Short-term investments in companies of the group and associated companies | 8, 20 | - | 39,001 |
| 2. Loans to companies of the group and associated companies | | - | 39,001 |
| V. Short-term financial investments | 8 | 1,998 | 819 |
| 4. Derivatives | | 1,456 | 365 |
| 3. Loans to third parties | | 512 | 424 |
| 5. Other financial assets | | 30 | 30 |
| VI. Short-term accruals | | 284 | 138 |
| VII. Cash and other equivalent liquid assets | 8 | 40,061 | 5,790 |
| 1. Cash and bank | | 40,061 | 5,790 |
| TOTAL ASSETS (A + B) | | 420,281 | 443,594 |

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| EQUITY AND LIABILITIES | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| A) EQUITY | | 96,514 | 93,116 |
| A.1) Capital and Reserves | 8.3 | 95,859 | 95,431 |
| I. Capital | | 60,102 | 60,102 |
| 1. Stated capital | | 60,102 | 60,102 |
| III. Reserves | | 31,562 | 31,562 |
| 1. Legal and statutory | | 12,020 | 12,020 |
| 2. Other reserves | | 19,542 | 19,542 |
| VI. Other contributions from partners | | 33 | 33 |
| VII. Profit/Loss of the year | | 4,162 | 3,734 |
| A.2) Adjustments for value changes | 8 | 570 | (2,495) |
| II. Hedging operations | | 570 | (2,495) |
| A.3) Subsidies, donations and bequests received | 16 | 85 | 180 |
| B) NON-CURRENT LIABILITIES | | 171,246 | 82,969 |
| I. Long-term provisions | 13 | 55,347 | 56,526 |
| 2. Environmental actions | 14 | 40,503 | 42,084 |
| 3. Provisions for restructuring | | 374 | 338 |
| 4. Other provisions | | 14,470 | 14,104 |
| II. Long-term debts | 8 | 111,028 | 23,121 |
| 2. Debts with credit institutions | | 107,346 | 18,993 |
| 4. Derivatives | | 2,821 | 3,141 |
| 5. Other financial liabilities | | 861 | 987 |
| III. Long-term debts with companies of the group and associated companies | 8, 20 | 3,277 | 2,483 |
| IV. Deferred tax liabilities | 11 | 1,594 | 839 |

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| EQUITY AND LIABILITIES | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| C) CURRENT LIABILITIES | | 152,521 | 267,509 |
| II. Short-term provisions | 13, 14 | 6,019 | 6,336 |
| III. Short-term debts | 8 | 76,668 | 186,825 |
| 2. Debts with credit institutions | | 73,532 | 183,708 |
| 4. Derivatives | | 853 | 948 |
| 5. Other financial liabilities | | 2,283 | 2,169 |
| IV. Short-term debts with companies of the group and associated companies | 20 | 549 | 552 |
| V. Trade creditors and other accounts payable | | 69,202 | 73,316 |
| 1. Suppliers | 8 | 19,647 | 9,588 |
| 2. Suppliers, companies of the group and associated companies | 8, 20 | 2,108 | 4,753 |
| 3. Sundry creditors | 8 | 10,700 | 11,272 |
| 4. Personnel (remunerations pending payment) | | 1,699 | 1,916 |
| 6. Other debts with the Public Administrations | | 2,278 | 2,077 |
| 7. Customer advances | 8 | 32,770 | 43,710 |
| VI. Short-term accruals | | 83 | 480 |
| TOTAL EQUITY AND LIABILITIES (A + B + C) | | 420,281 | 443,594 |

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INCOME STATEMENT - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

(thousands of euros)

| | Annual Rep.Notes | 31/12/2019 | 31/12/2018 |
|---|------------------|------------------|------------------|
| A) CONTINUING OPERATIONS | | | |
| 1. Net turnover | 12 | 305,249 | 235,396 |
| a) Sales | | 273,971 | 203,895 |
| b) Provision of services | | 31,278 | 31,501 |
| 2. Variations in inventories of finished products and those in progress of manufacture | | 8,932 | (7,577) |
| 4. Procurements | | (253,066) | (163,946) |
| b) Consumption of raw materials and other consumable materials | 12 | (228,157) | (139,091) |
| c) Work performed by other companies | | (24,909) | (24,855) |
| 5. Other operating income | | 3,548 | 3,661 |
| a) Ancillary revenue and others of current management | | 3,439 | 3,388 |
| b) Operational subsidies incorporated to the profit/loss of the year | 16 | 109 | 273 |
| 6. Personnel expenses | | (34,814) | (33,167) |
| a) Wages, salary and similar | | (26,251) | (24,897) |
| b) Social security contributions | 12 | (8,563) | (8,270) |
| 7. Other operating expenses | | (18,807) | (23,775) |
| a) Outsourced services | 12 | (16,584) | (21,568) |
| b) Taxes | | (1,425) | (1,429) |
| c) Losses, impairment and changes in provisions due to trade operations | 8, 1, 1 | (714) | (691) |
| d) Other current management expenses | | (84) | (87) |
| 8. Amortisation/depreciation of fixed assets | 5, 6 | (7,121) | (7,106) |
| 10. Excess provisions | 13 | 532 | 429 |
| 11. Impairment and result due to disposal of fixed assets | | (1,597) | (56) |
| a) Impairment and losses of fixed assets | 5 | (1,582) | - |
| b) Results for disposals and others | | (15) | (56) |
| 12. Other operating profit/loss | 12 | 2,614 | 83 |
| a) Exceptional expenses | | (261) | (101) |
| b) Exceptional income | | 2,875 | 184 |
| A.1) OPERATING PROFIT/LOSS (1+2+4+5+6+7+8+10+11+12) | | 5,470 | 3,942 |



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| | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| 13. Financial income | | 2,758 | 2,635 |
| a) From share in equity instruments | 8 | 2,262 | 739 |
| a.1. In companies of the group and associated companies | | 2,262 | 739 |
| b) From negotiable securities and other financial instruments | | 496 | 1,896 |
| b.1. From companies of the group and associated companies | | 324 | 144 |
| b.2. From third parties | | 172 | 1,752 |
| 14. Financial expenses | | (3,523) | (4,373) |
| a) For debts with companies of the group and associated companies | | (26) | (17) |
| b) For debts with third parties | | (2,784) | (3,687) |
| c) For restatement of provisions | | (713) | (669) |
| 15. Exchange rate differences | 10 | (476) | (66) |
| 16. Impairment and results from disposal of financial instruments | 8 | - | - |
| b) Results from disposals and others | | - | - |
| 17. Incorporation of financial expenses to assets | 6 | 515 | 655 |
| A.2) FINANCIAL PROFIT/LOSS (13+14+15+16+17) | | (726) | (1,149) |
| A.3) BEFORE-TAX PROFIT/LOSS (A.1. + A.2.) | | 4,744 | 2,793 |
| 18. Corporate income tax | 11 | (582) | 941 |
| A.4) PROFIT/LOSS OF THE YEAR COMING FROM CONTINUING OPERATIONS (A.3. + 18.) | | 4,162 | 3,734 |
| 19. Result of the year coming from discontinued operations net of taxes | | - | - |
| A.5) PROFIT/LOSS OF THE FINANCIAL YEAR (A.4. + 19.) | | 4,162 | 3,734 |



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STATEMENT OF CHANGES IN EQUITY - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES (thousands of euros)

| | Annual Rep. Notes | 2019 | 2018 |
|--|-------------------|--------------|--------------|
| A) RESULT OF THE PROFIT AND LOSS ACCOUNT | | 4,162 | 3,734 |
| INCOME AND EXPENDITURES CHARGED DIRECTLY TO EQUITY | | | |
| II. For cash flow hedges | 8 | 4,433 | 1,688 |
| III. Subsidies, donations and bequests received | 16 | (74) | 0 |
| V. Tax effect | 11 | (1,090) | (422) |
| B) TOTAL INCOME AND EXPENDITURES CHARGED DIRECTLY TO EQUITY (II+III+IV+V) | | 3,269 | 1,266 |
| TRANSFERS TO PROFIT AND LOSS ACCOUNT | | | |
| VII. For cash flow hedges | 8 | (346) | 695 |
| VIII. Subsidies, donations and bequests received | 16 | (53) | (234) |
| IX. Tax effect | 11 | 100 | (115) |
| C) TOTAL TRANSFERS TO CONSOLIDATED PROFIT AND LOSS ACCOUNT (VII+VIII+IX) | | (299) | 346 |
| TOTAL RECOGNISED INCOME AND EXPENDITURES (A+B+C) | | 7,132 | 5,346 |



STATEMENT OF CHANGES IN EQUITY - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

B) COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY (thousands of euros)

| | Stated Capital | Reserves | | Other contributions from partners | Profit/Loss of the year | Adjustments for value changes | Subsidies | Total |
|---|----------------|---------------|---------------|-----------------------------------|-------------------------|-------------------------------|--------------|-----------------|
| | | Legal | Voluntary | | | | | |
| A. Balances at 31 December 2017 | 60,102 | 12,020 | 19,542 | - | 12,450 | (4,283) | 356 | 100,187 |
| I. Total recognised income and expenses | - | - | - | - | 3,734 | 1,788 | (176) | 5,346 |
| II. Operations with partners or owners | - | - | - | 33 | (12,450) | - | - | (12,417) |
| 4. Distribution of dividends | - | - | - | - | (12,450) | - | - | (12,450) |
| 7. Other operations with partners or owners | - | - | - | 33 | - | - | - | 33 |
| B. Balances at 31 December 2018 | 60,102 | 12,020 | 19,542 | 33 | 3,734 | (2,495) | 180 | 93,116 |
| I. Total recognised income and expenses | - | - | - | - | 4,162 | 3,065 | (95) | 7,132 |
| II. Operations with partners or owners | - | - | - | - | (3,734) | - | - | (3,734) |
| 4. Distribution of dividends | - | - | - | - | (3,734) | - | - | (3,734) |
| C. Balances at 31 December 2019 | 60,102 | 12,020 | 19,542 | 33 | 4,162 | 570 | 85 | 96,514 |

CASH FLOW STATEMENT - ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. (thousands of euros)

| | Annual Rep. Notes | 2019 | 2018 |
|--|-------------------|---------|----------|
| A) CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. Pre-Tax Year-End Profit/Loss | | 4,744 | 2,793 |
| 2. Adjustments to Profit/Loss | | 10,472 | 15,185 |
| a) Fixed asset amortisation/depreciation | 5,6 | 7,121 | 7,106 |
| b) Value adjustments due to impairment | | 2,187 | 804 |
| c) Variation in provisions | | 1,161 | 6,973 |
| d) Allocations to subsidiaries | | (54) | (234) |
| e) Fixed asset removal or disposal results | | 15 | 56 |
| g) Financial income | | (2,758) | (2,635) |
| h) Financial expenses | | 2,295 | 3,038 |
| i) Exchange rate differences | 10 | 476 | 66 |
| j) Other income and expenses | | 29 | 11 |
| 3. Changes in Working Capital | | 10,481 | 31,292 |
| a) Inventories | | 23,949 | 46,014 |
| b) Debtors and other accounts receivable | | (9,549) | 6,421 |
| c) Other current assets | | (29) | 456 |
| d) Creditors and other accounts payable | | (3,493) | (21,799) |
| e) Other current liabilities | | (397) | 200 |
| 4. Other Cash Flows from Operating Activities | | (1,196) | (5,924) |
| a) Interest payments | | (3,046) | (3,872) |
| b) Dividends received | 8 | 2,261 | 739 |
| c) Interest income | | 416 | 2,501 |
| d) Corporate income tax payments (refunds) | | 2,718 | (1,783) |
| e) Other payments (receipts) | 13 | (3,545) | (3,509) |
| 5. Cash Flows from Operating Activities | | 24,501 | 43,346 |

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| | Annual Rep. Notes | 2019 | 2018 |
|--|-------------------|------------------|-----------------|
| B) CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| 6. Payments for Investments | | (4,882) | (44,220) |
| a) Companies of the group and associated companies | | - | (39,000) |
| b) Intangible fixed assets | | (887) | (446) |
| c) Tangible fixed assets | | (3,768) | (4,532) |
| e) Other financial assets | | (227) | (242) |
| 7. Income for Divestments | | 39,140 | 42,088 |
| a) Companies of the group and associated companies | 8 | 39,000 | 42,000 |
| b) Intangible fixed assets | | 1 | - |
| e) Other financial assets | | 139 | 88 |
| 8. Cash Flows from Investment Activities | | 34,258 | (2,132) |
| C) CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 9. Collections and Payments for Equity Instruments | | - | 257 |
| g) Subsidies, donations and bequests received | | - | 224 |
| i) Contributions from partners | | - | 33 |
| 10. Collections and Payments for Financial Liability Instruments | | (20,754) | (26,458) |
| a) Issue | | 162,922 | 72,493 |
| 2. Debts with credit institutions | | 161,559 | 71,616 |
| 3. Debts with companies of the group and associated companies | | 1,337 | 465 |
| 4. Loans from the public sector | | - | 375 |
| 5. Other debts | | 26 | 37 |
| b) Repayments and Amortisation | | (183,676) | (98,951) |
| 2. Debts with credit institutions | | (183,074) | (98,331) |
| 3. Debts with companies of the group and associated companies | | (552) | (555) |
| 4. Other debts | | (50) | (65) |
| 11. Payments for Dividends and Remuneration on Other Equity Instruments | | (3,734) | (12,450) |
| a) Dividends | | (3,734) | (12,450) |
| 12. Cash Flows from Financing Activities | | (24,488) | (38,651) |
| E) NET INCREASE / DECREASE OF CASH OR CASH EQUIVALENTS | | | |
| Cash or Cash Equivalents at Beginning of Year | | 5,790 | 3,226 |
| Cash or Cash Equivalents at End of Year | | 40,061 | 5,790 |



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17. JOINT VENTURES
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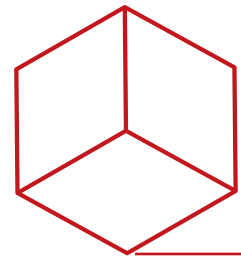
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1. COMPANY ACTIVITY

ENUSA Industrias Avanzadas, S.A. S.M.E. (hereinafter ENUSA or the Company) was incorporated in Spain in 1972 for an indefinite period of time. Its registered office is located on Calle Santiago Rusiñol, nº 12 in Madrid.

The shareholders at 31 December 2019 are the Sociedad Estatal de Participaciones Industriales (SEPI), holding 60% of the capital, and the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), holding the remaining 40%.

The Company's aim is as follows:

1. Mineral research and exploitation, production of uranium concentrates and other by-products, uranium enrichment, engineering and manufacture of nuclear fuel assemblies and other components, products, equipment and processes for electric power generation, and the use, distribution and marketing of the products resulting from each of the aforesaid industrial phases and provision of services related to these products or to radioactive materials.
2. Provision of chemical, physicochemical and radiological analysis services, and issue of reports and advice on environment-, energy- and technology-related matters.

3. Execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as land reclamation, including land affected by radioactive materials.
4. Preparation of all kinds of technical studies and reports, including those regarding radioactive materials; execution of all kinds of projects, and technical oversight and management of works of any sort, including nuclear or radioactive installations.
5. Collection and treatment of urban and industrial wastes, and water treatment.

The main activities carried out by ENUSA are as follows:

1. Industrial Activities

- > Engineering and manufacture of nuclear fuel assemblies and other components. To conduct its manufacturing business, ENUSA has signed licensing contracts since 1974 with the technology owners, to which it pays the appropriate royalties. The license contract for the BWR reactors, of boiling water technology, with the companies Global Nuclear Fuel - Americas, General Electric Hitachi and GE Infrastructure Technology International, were extended on 28 December 2018, extending its term until the end of December 2024. As for the license contract with the



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companies Westinghouse Technology Licensing Company LLC and with Westinghouse Electric Company LLC for the supply of products and services to the reactors of pressurised water technology (PWR reactors) was renewed in November 2017, effective 1 January 2017, also valid until 31 December 2024.

- > Product distribution and marketing in each of the aforesaid industrial phases, and provision of services related to these products or to radioactive materials.

2. Uranium Supply Activities

- > Uranium procurement, as well as isotopic enrichment and conversion services, for the supply of enriched uranium to the Spanish nuclear reactors.
- > Natural and enriched uranium stock management

3. Other Activities

- > Provision of chemical, physicochemical and radiological analysis services, as well as reporting on environmental, energy and technological issues.
- > Land, slag heap and old mine reclamation, water treatment, and execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations.
- > Studies, technical reports and projects related to its areas of operation.

- > Provision, through its subsidiaries, of fuel assembly inspection and repair services, radioactive material and explosives transportation, radioactive isotope manufacture and marketing, land reclamation, execution and maintenance of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as management, recycling, reutilisation and treatment of industrial and hazardous wastes and recovery and decontamination of contaminated areas and soils.

- > The execution of works and service management corresponding to the “Project for urban solid waste management of the Zonal Waste Plan of Zone I of Castellón” through its investment as partner in the joint venture (UTE) “ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.A.U. and A2A Ambiente, S.p.A. Unión Temporal de Empresas” (hereinafter UTE RSU).

The industrial activities have been carried out in the fuel assembly factory located in the town of Juzbado, in the province of Salamanca, since 1985.

The manufacturing process of the PWR fuel assemblies (for pressurised water nuclear power plants) and BWR fuel assemblies (for boiling water nuclear power plants) takes place in this industrial centre.



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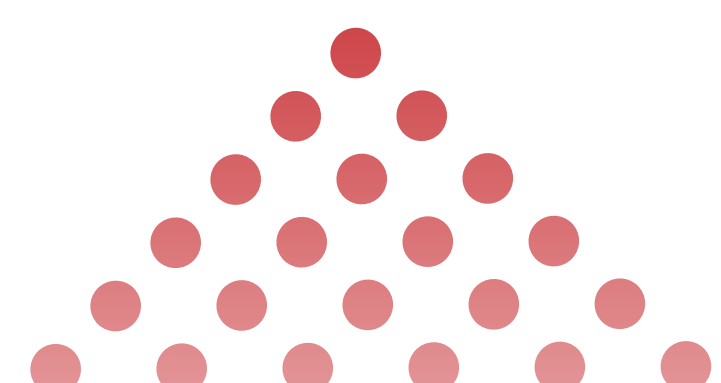
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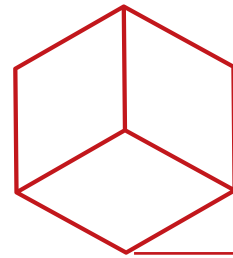
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2. BASES FOR PRESENTATION OF THE ANNUAL STATEMENTS

2.1. TRUE AND FAIR REFLECTION

The annual statements, composed of the balance sheet, the income statement, the statement of changes in the equity, the statement of cash flows and the annual report comprised by Notes 1 to 23, were prepared on the basis of the accounting records of ENUSA and the integrated Temporary Joint Ventures (UTEs). The 2019 annual statements have been prepared in accordance with current commercial legislation and with the rules provided in the General Accounting Plan, which was modified in 2016 by Royal Decree 602/2016, of 2 December, and in Order EHA/3362/2010, of 23 December, which approved the rules for Adapting the General Accounting Plan to the concessionaire companies of public infrastructures, in order to show a true and fair reflection of the Company's state of affairs and financial position at 31 December 2019 and the results of its operations and changes in the net worth and cash flows corresponding to the financial year ending on that date.

The 2019 annual accounts, which have been prepared on 6 March 2020, are expected to be approved by the General Shareholders' Meeting without any modifications.

ENUSA also leads pioneering environmental reclamation projects in the areas where it operates or in which it has conducted its mining and industrial business in the past (uranium concentrate mines of La Haba in Badajoz and Saelices el Chico in Salamanca), for the ultimate purpose of returning these areas to the geological and environmental conditions they had before their exploitation began.

ENUSA belongs to the consolidated group of the Sociedad Estatal de Participaciones Industriales (SEPI). In accordance with the provisions of article 136.3 of General Budget Act 47/2003 of November 26, SEPI is not required to deposit its accounts in the Business Registry because it is not a commercial enterprise.

As described in note 8, the Company holds shares in subsidiary, multi-group and associated companies. As a result, the Company is the controlling entity of a Group of companies in accordance with current legislation. The presentation of consolidated annual accounts is required, in accordance with generally accepted accounting principles and rules, in order to give a true and fair reflection of the financial position, the operating results, and the changes in the Group's equity and cash flows.

On 6 March 2020, the Administrators have prepared the 2019 consolidated annual accounts of ENUSA Industrias Avanzadas, S.A., S.M.E. and subsidiary companies, which show a consolidated profit attributable to the controlling Company of 3,818 thousand euros and a consolidated net worth of 118,136 thousand euros. These consolidated annual accounts will be deposited in the Companies' Registry once they are approved, according to current legislation.

2.2. INFORMATION COMPARISON

The Annual Statements present, for purposes of comparison with each of the items in the balance sheet, profit and loss account, statement of changes in net worth, statement of cash flows and annual report, in addition to the figures for 2019, the figures from the previous year which formed part of the 2018 annual statements approved by the General Shareholders' Meeting of 24 June 2019.

2.3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The annual accounts are presented in thousands of Euros, rounded off to the nearest thousand, which is the Company's functional and presentation currency.

2.4. CLASSIFICATION OF CURRENT AND NON-CURRENT ITEMS

For the classification of current items, the maximum period of one year has been considered, from the date of these annual statements.

2.5. GROUPING OF ITEMS

Certain items of the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows are presented grouped to facilitate their understanding, although, whenever it is significant, the disaggregated information is included in the corresponding notes of the annual report.

2.6. CRITICAL ISSUES OF VALUATION AND ESTIMATION OF UNCERTAINTY

In the preparation of the Company's annual accounts estimates have been used to determine the accounting value of some of the assets, liabilities, income and expenses and on the breakdown of the contingent liabilities. These estimates made have been made on the basis of the best information available at the closing of the financial year. However, given their inherent uncertainty, future events may arise that require modifying them in upcoming years, which will be done, where applicable, on a prospective basis.

The key suppositions about the future, as well as other relevant data on the estimate of the uncertainty on the closing date of the financial year, which are associated to an important risk of causing significant changes in the value of the assets or liabilities in the upcoming financial year are the following:

Impairment of the value of non-current assets (Notes 5 and 6)

The assessment of non-current assets, other than financial assets, requires making estimates with the aim of determining their recoverable value, for the purpose of evaluating possible impairment. In order to determine this recoverable value, the future cash flows expected from the assets or from the cash generating units of which they form part are estimated and an appropriate discount rate is used to calculate the current value of these cash flows. The future cash flows depend on working within the budgets of the next five years, while the discount rates depend on the interest rate and the risk premium associated with each cash generating unit.



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Valuation of financial instruments (Note 8)

The Company uses financial derivatives as part of its strategy to decrease its exposure to the exchange rate and interest rate risks.

The hedging operations carried out by the Company are classified as cash flow hedges and cover the exposure to the variation of the cash flows attributed to:

- > Risks related to exchange rates, in the purchases or procurements and in the sales made in foreign currencies, by means of purchase/sale foreign exchange forward transactions, thereby setting an exchange rate known on a specific date (which can, in addition, be subject to subsequent updating for its exact adjustment and application to the cash flows of the hedged item).
- > Interest rate risks, through contracting financial swaps that allow transforming part of the financial costs of the Company referenced to a variable rate, into a fixed rate.

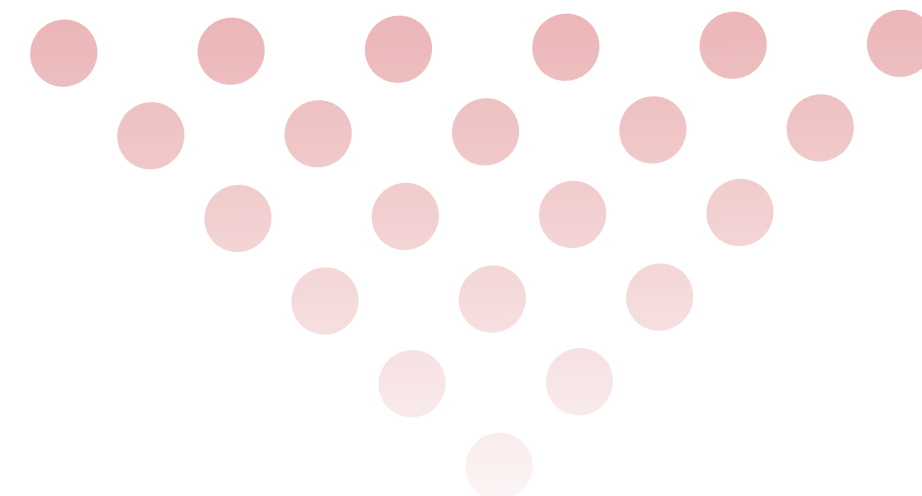
Deferred tax assets (Note 11)

Deferred tax assets are recorded for all the temporary deductible differences and deductions pending application, for which it is probable that the Company will have future tax earnings that permit the application of these assets. For this reason, significant estimates have to be made to determine the amount of the deferred tax assets that can be recorded, taking into account the amounts and the dates in which the future tax earnings will be obtained, the reversion period of the temporary tax differences, and application period of the deductions.

Provisions and contingencies (Note 13)

The Company allocates provisions to cover future liabilities, for which it is required to make different hypotheses and estimates. In general, for all the allocated provisions, the principal estimates refer to the greater or lesser certainty that future disbursements directly related to the provision are going to take place, to the amounts provided for them, as well as to the dates in which it is forecast that they will be realised. In the specific case of the provisions derived from litigations in progress, the Company also counts on outside advisers regarding the probability of the occurrence of disbursements, in order to classify the events as a provision or a future contingency.

Lastly, there is no awareness of any major uncertainties relative to events or conditions that could cast significant doubts on the ability of the Company to continue business as usual.



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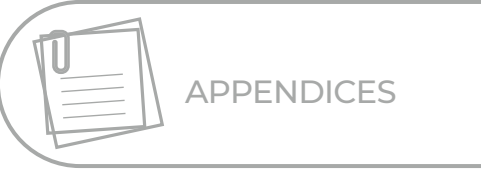
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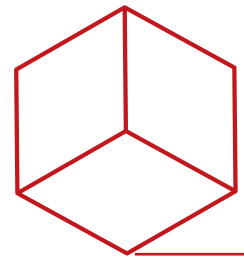
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3. DISTRIBUTION OF EARNINGS

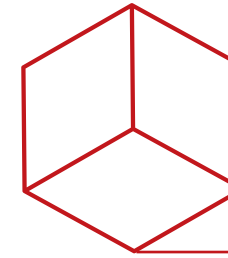
The Board of Directors will propose to the General Shareholders' Meeting that it approve the following distribution of 2019 earnings:

| | EUROS |
|------------------------|---------------------|
| Basis for Distribution | 2019 |
| P&L account balance | 4,161,725.34 |
| TOTAL | 4,161,725.34 |
| | |
| Distribution | |
| To dividends | 4,161,725.34 |
| TOTAL | 4,161,725.34 |

The General Shareholders' Meeting of 24 June 2019 approved the distribution of 2018 earnings amounting to 3,733,910.49 euros, consisting of their complete allocation to dividends.

Limitations for the distribution of results and dividends

According to Article 274 of the Capital Companies Act, approved by the Legislative Royal Decree 1/2010, of 2 July, the companies are required to dedicate 10% of the profits of each financial year to the constitution of the Legal Reserve until it amounts to, at least, 20% of the share capital. This reserve is not distributable to the shareholders, and it can only be used to cover, in case there are no other reserves available, the debtor balance of the income statement.



4. RECORDING AND VALUATION RULES

The main principles applied are as follows:

4.1. INTANGIBLE FIXED ASSETS

Intangible fixed assets are appraised at the acquisition price or production cost, and they are presented in the balance sheet at cost price, minus the accrued amortisation and the accrued amount of known valuation adjustments, if any, for impairment.

Research-related costs are recorded as expenditure in the profit and loss account as they are incurred. Development costs have been considered in full as part of the year's expenditure, as the conditions for their capitalisation have not been met.

The fixed assets related to the industrial property include the amount paid by the owner for the usage right or for the concession of the use of the different manifestations of the industrial property, in the cases in which, due to the stipulations of the contract, they must be inventoried by the Company, being amortised in a period not over 5 years.

Intangible fixed assets in computer applications are those acquired from third parties, and they are amortised using the straight-line method over a period of no more than four years. The maintenance costs of computer applications are carried over to expenses at the time they are incurred.



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The Intangible Fixed Assets include the asset subject to concession comprised by the Company's investment in the UTE RSU, applying the provisions of Order EHA/3362/2010 of 23 December, which approved the Rules for adapting the General Accounting Plan to the concessionaires of public infrastructures. The most significant aspects of this application are the following:

 Consideration received for the construction or improvement services.

The consideration received by the concessionaire is recorded at the fair value of the service provided, in principle, equivalent to the cost plus the construction margin, with this concession agreement having been classified as an Intangible Fixed Asset. This Intangible Fixed Asset is amortised over the entire concession period (20 years), being finalised on the date of December 2031.

 Deferred financing costs for financing concession elements.

By having classified concession agreements as Intangible Fixed Assets, from the time at which the infrastructure covered by the agreements is in operating conditions, the financing costs incurred are capitalised, and charged to results in proportion to the expected income indicated in the Financial Economic Plan of the concession. This proportion is applied to the total financing costs envisaged during the concession period.

 Actions on the infrastructure during the term of the agreement.

Certain future actions on the infrastructure covered by the agreements generate the allocation of certain provisions, some of which are made with the matching entry being the higher value of the intangible fixed assets subject to the concession, as they are similar to the provisions for dismantling or retirement costs.

4.2. TANGIBLE FIXED ASSETS

Tangible fixed assets are shown at acquisition price or production cost and include the value of the legal revaluation carried out in accordance with the provisions of Royal Decree-Law 7/1996 of June 7 (see Note 5), and they are presented in the balance sheet at cost price, minus the accrued amortisation and the accrued amount of known valuation adjustments, if any, for depreciation.

The cost of tangible fixed assets includes the estimated costs of dismantling or retiring the Juzbado factory, as well as rehabilitation of the site on which it is located, which is planned as of the year 2027, as obligations are incurred as a result of their use and for purposes other than production of inventories.

Advances and fixed assets under construction correspond to monetary payments prior to the total commissioning for the Company of the fixed asset to which they refer. They are appraised by the amount of the monetary payment made up to the time of reception and total commissioning of the fixed asset in question, at which time they are reclassified to the appropriate tangible fixed asset account.

The cost of those assets acquired or produced after 1 January 2008 and that need more than one year to be in a condition for use includes the financing costs accrued before the fixed asset is fit for operation which meet the requirements for capitalisation thereof.

The depreciation of fixed assets is calculated on the basis of book values in order to linearly amortise these values in full over annual periods within the estimated useful life of the assets.



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The Company depreciates the tangible fixed assets, following the straight-line method according to the following years of estimated useful life, as shown below:

| | |
|--|-----------------------|
| Constructions | 33 to 50 years |
| Technical installations, machinery & tools | 4 to 15 years |
| Other installations | 8 to 10 years |
| Data processing equipment and furniture | 3 to 10 years |
| Other tangible fixed assets | 10 years |

The costs of upgrading, expanding or enhancing tangible fixed assets, when this does not involve increased capacity or productivity or an extension of their useful life, are charged to results of the year in which they are incurred.

Likewise, the enhancements of tangible fixed asset items that represent increased capacity or efficiency, or an extension of their useful life, are included in the acquisition cost.

The fixed asset revaluation carried out in 1996 was calculated by applying certain rates, depending on the year of purchase and amortisation of the items, to the acquisition values or production cost and to the corresponding annual amortisation provisions that were considered as a deductible expense for tax purposes, in accordance with the rule that regulates these revaluation operations. The resulting net revaluation was reduced by 40% for purposes of considering the financing circumstances of the items, as established by this rule.

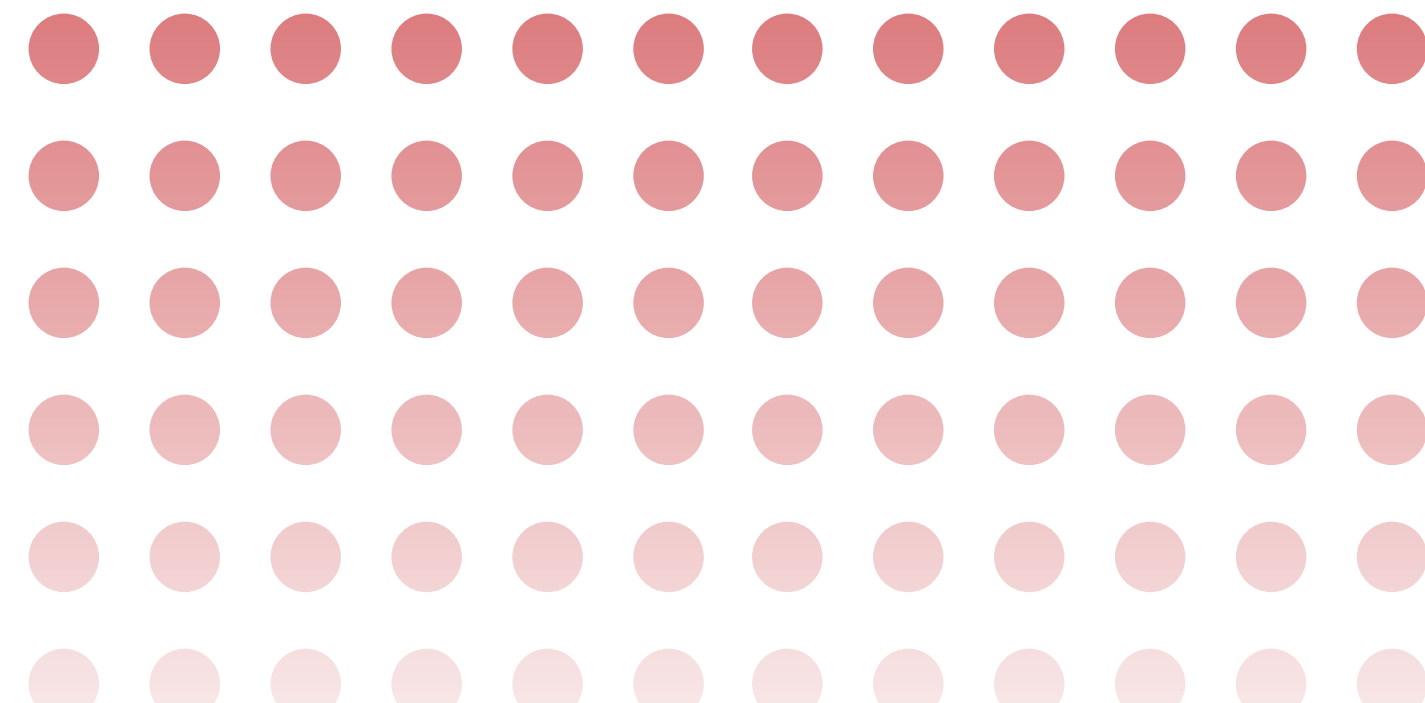
Valuation adjustments for depreciation correspond to the estimated amounts of reversible losses of the tangible fixed assets at year's end.

4.3. IMPAIRMENT OF VALUE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

A loss due to impairment of value of an element of the tangible or intangible fixed assets is generated when its accounting value exceeds its recoverable value, considering the latter as either the fair value less selling costs or its value in use, whichever is higher.

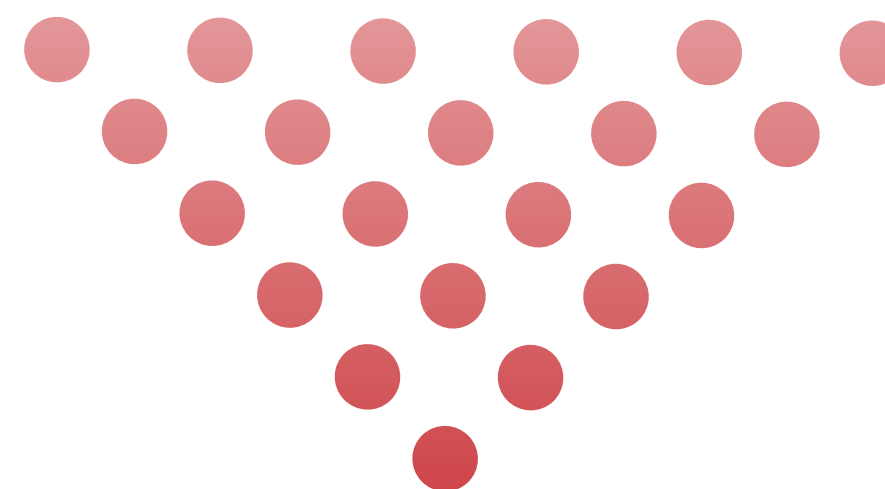
Therefore, at least at the closing of the financial year, the Company evaluates, by means of the so-called "impairment test", whether there are indications that any tangible or intangible fixed asset, with an indefinite useful life, or, where applicable, a cash generating unit, may be impaired, in which case its recoverable value is estimated, making the corresponding value corrections.

The impairment calculations of the tangible fixed asset elements are made individually. Nonetheless, when it is not possible to determine the recoverable amount of each individual element, the recoverable amount will be determined of the cash generating unit to which each element of the fixed asset belongs.



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In case that a loss must be recognised due to impairment of a cash generating unit to which all or part of goodwill has been assigned, in the first place, the accounting value of the goodwill corresponding to this unit is reduced. If the impairment exceeds that amount, in second place the rest of the assets of the cash generating unit will be reduced, in proportion to their accounting value, up to one of the following limits, whichever is higher: its fair value less selling costs, its value in use, or zero. The loss due to impairment must be recorded with a charge to the profit/loss of the financial year.

When a loss due to impairment of value is subsequently reverted (a circumstance not permitted in the specific case of goodwill), the book amount of the asset or of the cash generating unit is increased by the revised estimate of its recoverable amount, but in such a way that the increased book amount does not exceed the amount in the books that would have been determined if no loss due to impairment had been recognised. It will be recorded as income in the income statement.

4.4. FINANCIAL INSTRUMENTS

4.4.1. CRITERIA OF CLASSIFICATION AND VALUATION OF THE DIFFERENT FINANCIAL INSTRUMENTS

Financial instruments are classified at the time of their initial recording as a financial asset, a financial liability or a financial investment, in accordance with the economic essence of the contractual agreement and with the definitions of financial asset, financial liability and financial investment.

The Company classifies the financial instruments in the different categories in keeping with the characteristics and the intentions of the Management at the time of their initial recognition.

A financial asset and a financial liability are subject to compensation only when the Company has the right to demand compensation for the recorded amounts and intends to liquidate the net amount or simultaneously realise the asset and cancel the liability.

Based on their valuation criteria, financial instruments are classified in the following categories:

Financial assets

Loans and accounts receivable

These correspond to loans for trade and non-trade operations, provided the latter are not considered as financial derivatives and cannot be traded on an active market. This group includes the balance sheet items relative to trade debtors and other accounts receivable (including balances in favour of the Company with personnel), loans to companies of the group and other financial assets (deposits and guarantees), both long and short term.

These assets are initially recorded at their fair value, including the transaction costs incurred, and they are subsequently appraised at the amortised cost by using the effective interest rate method.

At year's end, the Company makes the appropriate value adjustment in its financial assets when a decrease in the fair value of realisation of these assets becomes evident. Specifically, the Company records an impairment of value in the trade debtor accounts and other accounts receivable when there is objective evidence that it will not be able to collect all the amounts it is owed, in accordance with the original terms of those accounts.

The loss due to impairment is recorded and charged to results and is reversible in subsequent years if the decrease can be objectively related to an event following its recognition.

Available-for-sale financial assets

These correspond to financial investments in companies that are not considered as group, multi-group or associated companies and which the Company does not plan to dispose of in the short term.

The available-for-sale financial assets are initially recorded at the fair value plus the transaction costs directly attributable to the purchase.

After the initial recognition, if the fair value of the financial assets classified in this category cannot be reliably determined, they are appraised at cost minus, if any, the accrued amount of the valuation adjustments for impairment of the item in question. The dividends are recorded in results according to the criteria provided in section 4.4.3.

Losses due to value impairment that correspond to financial investments are not reversible. Subsequent increases in the fair value, once the loss due to impairment has been recognised, are recorded in equity.

Investments in group, multi-group and associated company equity

Companies of the group are considered to be those over which the Company directly, or indirectly through subsidiaries, exercises control, as provided in Art. 42 of Code of Commerce, or companies that are controlled through any means by one or more natural persons or legal entities that act jointly or report to a single Management based on statutory clauses or agreements.



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Control is the power to direct a company's financial and operating policies for the purpose of earning profits from its businesses, considering as such any potential voting rights held by the Company or third parties that are exercisable or convertible at the end of the accounting year. The Company considers that it has control when ENUSA's direct or indirect share in the capital of the company in question exceeds 50% and it has majority voting rights.

Associated companies are considered to be those on which the Company directly, or indirectly through subsidiaries, exerts significant influence. Significant influence is the power to intervene in the decisions concerning a company's financial and operating policies, without entailing the existence of control or joint control over that company. The assessment of the existence of significant influence considers the potential voting rights exercisable or convertible at the end of each financial year, and also considers the potential voting rights held by the Company or by another company. The Company considers that it exerts significant influence when the share that ENUSA holds in the capital of the company in question is greater than 20% but less than 50%.

Multi-group companies are considered to be those that are jointly managed by the Company or one or more of the companies of the group, including the dominant entities or natural persons, and one or more third parties outside the group.

The investments in group, associated and multi-group companies are initially recorded at cost, which is equal to the fair value of the compensation paid. In the case of investments in associated and multi-group companies, the transaction costs incurred are also included and they are appraised at cost, minus the accrued amount of the valuation adjustments for impairment. The investments in companies of the group acquired before 1 January 2010 include the incurred transaction costs in the acquisition cost.

Impairment is calculated as the result of comparing the investment book value to its recoverable value, understood as the value in use or fair value, whichever is greater, minus the sale costs. In this respect, the value in use is calculated on the basis of the Company's share in the current value of the estimated cash flows from ordinary activities and from final disposal, or of the estimated flows that are expected to be received from the distribution of dividends and final disposal of the investment.

Nevertheless, in certain cases and unless there is better evidence of the recoverable amount of the investment, the estimation of the impairment of this class of assets takes into consideration the net worth of the invested company, adjusting it, if appropriate, to the generally accepted accounting principles and rules in Spanish legislation that are applicable and corrected by the net tacit capital gains existing on the date of valuation.

In subsequent years, the reversions of the value impairment are recorded, if there is an increase in the recoverable value, with the book value limit that the investment would have if the value impairment had not been recognised.

The valuation adjustment for value impairment of the investment is limited to the value thereof, except in those cases in which the Company has assumed contractual, legal or implicit obligations, or else has made payments on behalf of the companies. In the latter case, a provision is recorded in accordance with the criteria provided in section 4.11.

The valuation adjustments for impairment and their reversion, if any, are recorded as expenditure or income, respectively, in the profit and loss account.



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 **Financial liabilities**

Debts and Accounts Payable

These correspond to debts from trade and non-trade operations, provided the latter are not considered as financial derivatives. Specifically, this section includes all the balance sheet items relative to trade creditors and other accounts payable (including outstanding remunerations to personnel and advances received from customers, the latter with short-term maturity), long- and short-term bank loans, and other unpaid long-term and short-term debts.

They are initially recorded by their fair value, minus transaction costs, if any, that are directly attributable to their issue. After the initial recognition, the liabilities classified under this category are appraised at amortised cost by using the effective interest rate method.

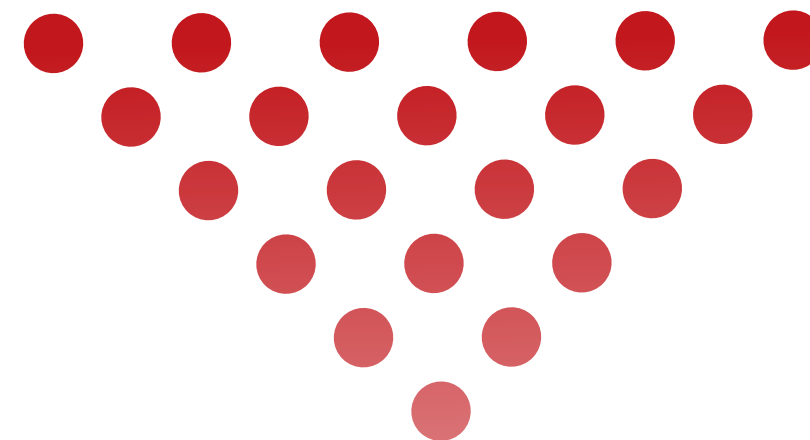
4.4.2. CRITERIA USED TO RECORD THE WRITE-OFF OF FINANCIAL INSTRUMENTS

Financial assets are written off the books when the rights to receive cash flows related to them have expired or have been transferred and the Company has substantially transferred the risks and benefits derived from their ownership.

The Company writes off a financial liability or part of it when it has fulfilled the obligation contained in the liability or else it is legally exempted from the fundamental responsibility contained in the liability, whether by virtue of legal proceedings or by the creditor.

4.4.3. INTEREST AND DIVIDENDS

Interest income and expenditure are recorded by applying the effective interest rate method. On the other hand, the dividends from financial investments are recorded when the Company obtains the rights to receive them. If the distributed dividends come unequivocally from results generated prior to the date of acquisition because amounts greater than the profits yielded by the invested company since the acquisition have been distributed, they decrease the book value of the investment.



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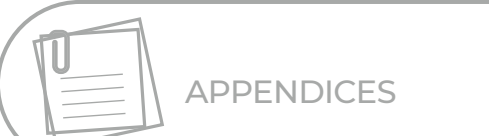
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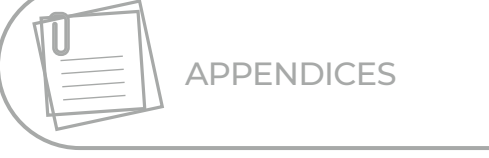
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4.5. HEDGE ACCOUNTING

The Company uses financial derivatives as part of its strategy to reduce its exposure to exchange rate and interest rate risks.

The hedging operations carried out by the Company are classified as cash flow hedges and they cover the exposure to the variation in future cash flows attributed to:

- > Risks in relation to exchange rates, in purchases or supplies and in sales made in foreign currencies, by foreign currency purchase/sales operations on credit, thereby fixing a known exchange rate on a specific date (which furthermore may be restated later for exact adaptation and application to the cash flows of the hedged item).
- > Interest rate risks, by contracting financial swaps that allow the Company to convert part of the financing costs referenced at a variable rate into a fixed rate.

The derivative financial instruments that meet the hedge accounting criteria are initially recorded at their fair value, plus the transaction costs, if any, that are directly attributable to the contracting thereof, or minus the transaction costs, if any, that are directly attributable to the issue thereof. However, the transaction costs are subsequently recorded in results if they do not form part of the effective variation of the hedge.

At the beginning of the hedge, the Company formally designates and documents the hedge ratios, as well as the goal and strategy it plans with respect thereto.

Entering the hedge operations in the books is only useful when it is expected that the hedge will be highly effective at the beginning of the hedge and in the following years to succeed in offsetting the changes in the fair value or in the cash flows attributable to the hedged risk, during the period for which it has been designated (prospective analysis), and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

The part of the gain or loss of the derivative financial instrument that has been determined as effective hedging is temporarily recorded in net worth, using as balancing entry the corresponding asset account (financial investments) or liability account (financial debt) and charging it to the profit and loss account in the financial year or years in which the planned hedge operation affects the results.

The Company prospectively discontinues the accounting of fair value hedges in the cases in which the derivative financial instrument expires or is sold, resolved or exercised, the hedge no longer meets the conditions for hedge accounting, or the Company revokes the designation. The successive renewal or replacement of a derivative financial instrument with another is not an expiration or resolution, whenever it forms part of the documented hedging strategy. In these cases, the amount accrued in net worth is not recorded in results until the planned transaction takes place. Notwithstanding the above, the amounts accrued in net worth are reclassified to the item for fair value variation in financial instruments of the profit and loss account at the time when the Company no longer expects that the planned transaction will take place.

4.6. INVENTORIES

Inventories are initially appraised by the acquisition or production cost.

The acquisition cost includes the amount billed by the vendor after deducting any discount or other similar items, and also the interest charged at the nominal debt rate, and adding the additional costs incurred until the goods are placed for sale and any others directly attributable to the acquisition, as well as the financing costs according to the following provisions and the indirect, non-recoverable Public Treasury taxes.

The Company includes in the cost of the supply management inventories, which require more than one year to be in a condition to sell, the financing costs related to the specific or generic financing directly attributable to their acquisition.

If the financing has been specifically obtained, the amount of the interest to be capitalised is determined on the basis of the accrued financing costs. The amount of the interest to be capitalised for generic, non-commercial financing is determined by applying an average weighted interest rate to the current investment, deducting the specifically financed part and the part financed with total equity, with the limit of the accrued financing costs in the profit and loss account.

The production cost of inventories includes the acquisition price of the raw materials and other consumables, and the costs directly related to the produced units and a systematically calculated part of the variable or fixed indirect costs incurred during the transformation process. The fixed indirect costs are distributed on the basis of the normal production capacity or actual production, whichever is lower.

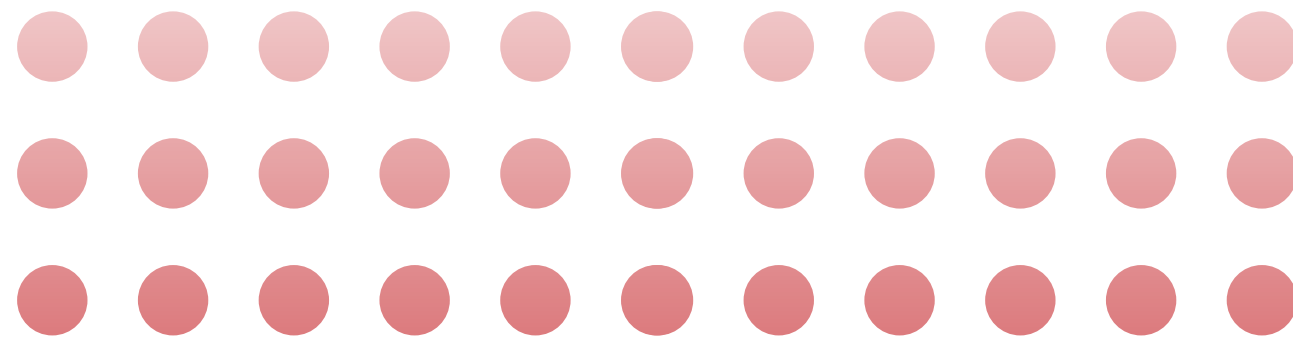
Specifically, the costs of the main headings are determined as follows:

- > Raw and auxiliary materials corresponding to the supply management stock: include the material acquisition price and the financial burden associated with financing them, as determined in the uranium supply contract.
- > Finished products and products in progress: include the cost of materials and assemblies that are incorporable into their acquisition cost, plus direct and indirect personnel costs based on the number of hours charged, plus the amortisation of productive items and other manufacturing process costs.

Advances to suppliers, delivered on account of purchase orders, are appraised by the nominal amount or by the equivalent value in Euros, as appropriate, in view of the scant financial effect.

The cost of raw materials and other supplies, the cost of commodities and the cost of transformation are allocated to the different units in inventories by applying the average weighted price method (for the stock of raw materials) or FIFO (for the remainder of the stocks).

Part of the inventories, and fundamentally some of the supply management inventories, have a turnover of more than 12 months. However, the Company has been keeping all of its inventories in Current Assets, in keeping with their productive cycle.



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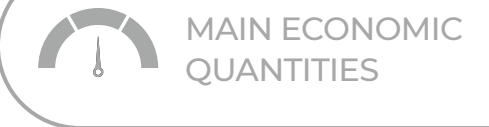
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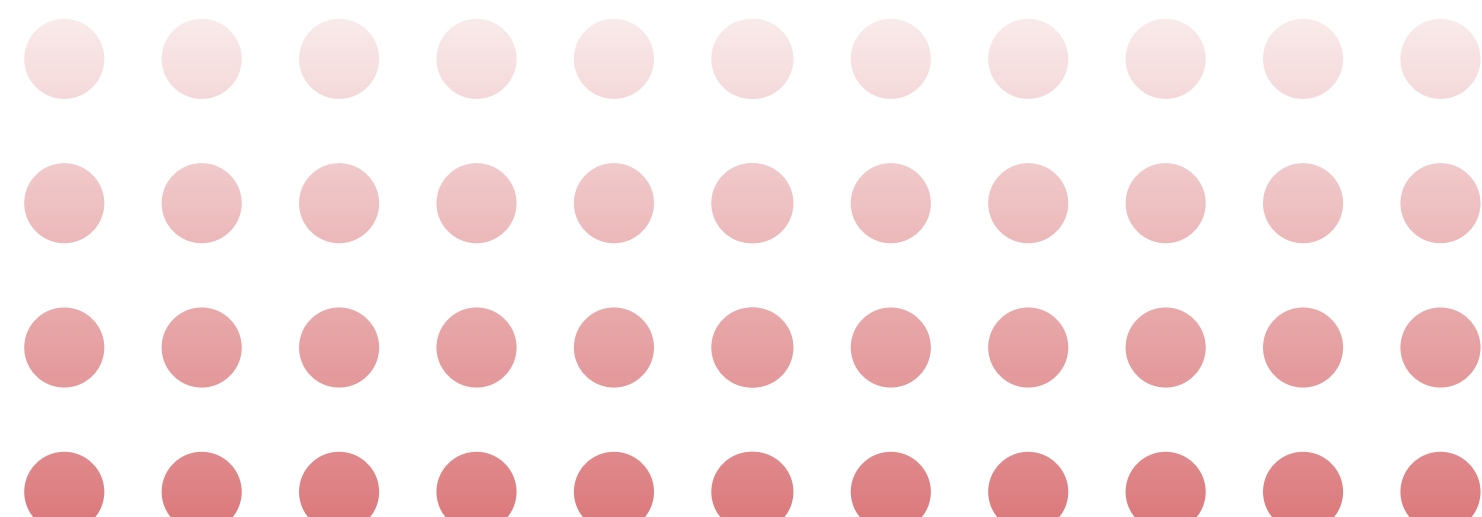


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The cost price of inventories is subject to valuation adjustments in those cases in which their cost exceeds their net realisable value. For these purposes, net realisable value is understood to be:

- > For raw materials and other supplies, their replenishment price. The Company does not recognise the valuation adjustment in those cases in which it expects that the finished products into which the raw materials and other supplies are incorporated are going to be disposed of for a value greater than or equal to their production cost.
- > For commodities and finished products, their estimated sales price, minus the necessary sale costs.
- > For products in progress, the estimated sales price of the corresponding finished products, minus the estimated costs required to complete their production and the sales-related costs.

The previously recorded valuation adjustment reverts against results, if the circumstances that caused the diminished value no longer exist or when there is clear evidence of an increase in the net realisable value as a result of a change in the economic circumstances. The limit of the reversion of the valuation adjustment is lower of the cost and the new net realisable value of the inventories.



4.7. CASH AND CASH EQUIVALENTS

This heading includes cash in hand, current bank accounts and temporary deposits and acquisitions of assets that meet all the following requirements:

- > They are convertible into cash.
- > Their maturity was not more than three months at the time of acquisition.
- > They are not subject to a significant change of value risk.
- > They form part of the normal treasury management policy of the Company.

For purposes of the cash flow statement, the occasional overdrafts resulting from the Company's cash flow management are included as less cash and cash equivalents.

This heading does not include the so-called "Intersepi" investments (see Note 20).

4.8. TRANSACTIONS IN FOREIGN CURRENCY

The foreign currency transactions undertaken by the Company mostly correspond to capital resources defined as monetary items. These are initially appraised at the exchange rate on the date on which the transactions are made. The balance sheet balances corresponding to these items are adjusted at year's end on the basis of the current exchange on that date.

Both the foreign currency exchange profits and losses originating in this process, as well as those resulting from liquidation of these capital resources, will be recorded in the profit and loss account of the year in which they occur.

4.9. INCOME TAX

The year's income tax expense is calculated with the sum of the current tax, which results from applying the corresponding tax rate to the year's taxable income minus the existing deductions and allowances, and the variations occurring during that year in the recorded deferred tax assets and liabilities. It is recorded in the profit and loss account, except when it corresponds to transactions that are directly recorded in the net worth, in which case the corresponding tax is also recorded in net worth.

Deferred taxes are recorded for the temporary differences existing on the balance sheet date between the tax base of the assets and liabilities and their book values. The tax base of a capital resource is considered to be the amount attributed to it for tax purposes.

The tax effect of the temporary differences is included in the corresponding balance sheet headings "Deferred Tax Assets" and "Deferred Tax Liabilities".

The Company records a deferred tax liability for all the taxable temporary differences, subject to the exceptions, if any, provided in current legislation.

The Company records deferred tax assets for all the deductible temporary differences, unused tax credits and negative taxable bases still to be compensated, if it is likely that the Company is going to obtain future tax gains that enable the application of these assets, subject to the exceptions, if any, provided in current legislation.

On each year's closure date, the Company reviews the recorded deferred tax assets and those that have not been previously recognised. Based on this review, the Company proceeds to write off a previously recorded asset if its recovery is no longer likely, or if the recovery is forecast in a period over ten years, or if it proceeds to record any previously unrecognised deferred tax asset, provided it is likely that the Company is going to obtain future tax gains that enable its application.

Deferred tax assets and liabilities are appraised at the tax rates expected at the time of their reversion, according to current legislation and in accordance with the way in which it is rationally expected that the deferred tax asset or liability will be recovered or paid.

Deferred tax assets and liabilities are not deducted and they are classified as non-current assets and liabilities, regardless of the expected date of realisation or liquidation.



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4.10. INCOME FROM SALES OF GOODS AND SERVICES RENDERED

Income from the sale of goods or services is recorded at the fair value of the compensation received or to be received from them. Discounts for upfront payment, volume or others are recorded as a reduction thereof.

Sales income

Income from the sale of goods is recorded when the Company:

- > Has transferred to the buyer the significant risks and benefits inherent in ownership of the goods;
- > Is no longer involved in the current management of the sold goods to the degree usually associated with ownership, nor does it retain effective control over them;
- > The amount of the income and the costs incurred or to be incurred can be reliably appraised;
- > It is probable that the financial profits associated with the sale will be received.

Provision of Services

Income earned from services rendered is recorded at the time the service is provided. If the service has still not been provided on the closure date, the amount of the costs incurred up to the date of book closure is recorded as current inventories (work in progress), as is the provision for value impairment, if any, if the costs incurred up to the date of book closure are greater than the expected amount of income.

In the case of service provisions whose end result cannot be reliably estimated, the income is only recognised up to the limit of the recorded expenses that are recoverable.

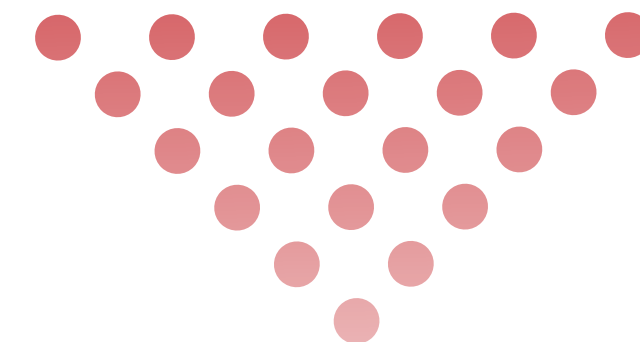
4.11. PROVISIONS AND CONTINGENCIES

Provisions are recognised when the Company has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event, it is likely that resources incorporating future financial profits will be used to cancel such obligation, and a reliable estimate of the amount of the obligation can be made.

The amounts recorded in the balance sheet correspond to the best estimate on the closure date of the disbursements required to cancel the current obligation, once the risks and uncertainties related to the provision and, when significant, the financial effect caused by the discount have been considered, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined before taxes, considering the temporary monetary value, as well as the specific risks that have not been considered in the future flows related to the provision.

The financial effect of the provisions is recorded as financing costs in the profit and loss account.

Provisions revert against results when it is not likely that resources will be used to cancel such obligation.



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Restructuring provisions

The provisions related to restructuring processes are recorded at the time that a formal detailed plan exists and there are valid expectations among the affected personnel that a rescission of the labour relation will occur, either because execution of the plan has begun or else because its main features have been announced.

The restructuring provisions only include the disbursements directly related to the restructuring that are not associated with the Company's going concerns.

Dismantling, reclamation and similar provisions

The provisions referred to in this section are recorded in keeping with the general criteria for recognising provisions, and they are recorded as the greater cost price of the tangible fixed asset items to which they are related when they arise from the acquisition or construction thereof, provided the asset on which they are recorded has not reached the end of its useful life (see section 4.2.).

Variations in the provision stemming from changes in the amount, in the time structure of disbursements, or in the discount rate used to determine its current value, increase or decrease the cost of the fixed assets, with the limit of their book value, and the excess is recorded in the profit and loss account.

Changes in the amount of the provision that become apparent at the end of the useful life of the fixed asset are recorded in the profit and loss account as they occur.

The Company has been making the necessary provisions to cover the costs of reclaiming the natural space around mining operations, in accordance with the provisions of Royal Decree 2994/1982 of October 15, as well as to cover the costs of cessation of business and closure of the industrial installations in Juzbado and mining installations in Saelices el Chico.

The provisions for mining installation reclamation include the estimate of the income from ENRESA for its contribution to these reclamation projects, according to the agreements reached between the parties.

Also included are other provisions to meet probable or certain liabilities originating in risks and expenses stemming from execution of the activity, and which are certain or likely to occur but are indeterminate in terms of their exact amount or the date on which they will occur.



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4.12. CAPITAL RESOURCES OF AN ENVIRONMENTAL NATURE

The Company undertakes operations whose main purpose is to prevent, reduce or repair any damages to the environment that may result from its activities. These activities currently focus on the reclamation and closure of the Saelices mining installations and the future costs of dismantling the Juzbado fuel assembly factory.

The costs resulting from environmental activities are recorded as “Other operating expenses” under the item “environmental expenses” in the year they are incurred.

Those items that are likely to be incorporated into the Company’s equity for use in its business on a long-lasting basis and whose primary purpose is to minimise the environmental impact and protect and improve the environment, including the reduction or elimination of future contamination by Company operations, are entered as tangible fixed assets, in keeping with the valuation rules indicated in note 4.2 of this annual report.

The Company also sets up provisions to pay for environmental activities. These provisions are established on the basis of the best estimate of the expenditure required to fulfil the obligation, restating the flow of future payments at year’s end. Those compensations to be collected by the Company, if any, in relation to the origin of the environmental obligation are recorded as rights to payment in the balance sheet Assets, provided there are no doubts that this reimbursement will be received, without exceeding the amount of the recorded obligation.

4.13. PERSONNEL COSTS

In accordance with the current labour legislation, the Company is required to pay compensations to those employees with whom, under certain conditions, it rescinds their labour relations. The compensations for dismissal susceptible to reasonable quantification are recorded as an expense of the year in which there is a valid expectation created by the Company towards the affected third parties.

The Company records the expected cost of short-term remunerations in the form of paid leaves, the rights to which are accrued by the employees as they provide the services that entitle them to such leaves. In addition, the Company records the expected cost of variable remunerations for workers when there is a current, legal or implicit obligation resulting from past events and the value of the obligation can be reliably estimated.

4.14. SUBSIDIES

Subsidies, donations and legacies are entered as income and expenditure in net worth when the official grant, if necessary, is obtained and the conditions for granting them have been met, and there are no reasonable doubts about the reception thereof.

Subsidies received to finance specific expenses are charged to results in the year in which they are granted, as these correspond to costs incurred in the same year.



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4.15. BUSINESS MERGERS

The operations of merger, spin-off and non-monetary contribution of a business between companies of the group are recorded as established for the transactions between related parties.

4.16. JOINT VENTURES

Joint ventures are considered to be those in which there is a statutory or contractual agreement to share control over an economic activity, such that both financial and operating strategic decisions concerning the activity require the unanimous consent of the Company and the rest of the partners.

For jointly controlled operations and assets, the Company records in the annual accounts the assets that are under its control, the liabilities it has incurred and the proportional part based on its percent share in the jointly controlled assets and jointly incurred liabilities, as well as the portion of income earned from the sale of goods or provision of services and the costs incurred by the joint venture. Likewise, the statement of changes in equity and the statement of cash flows also include the proportional part that pertains to the Company by virtue of the agreements reached.

The Company undertakes certain projects on a joint basis with other companies by setting up Temporary Joint Ventures (UTES). The information on these UTES is provided in Note 17.

4.17. OPERATIONS WITH COMPANIES OF THE GROUP

Transactions between companies of the group are recognised by the fair value of the compensation made or received. The difference between this value and the agreed amount is recorded in accordance with the underlying financial asset.

4.18. NON-CURRENT ASSETS HELD FOR SALE

The heading “Non-Current Assets Held for Sale” of the balance sheet includes the assets whose book value is going to be essentially recovered through a sales transaction instead of by continued use. To classify non-current assets or disposable groups of items as held for sale, they must be available, in their current condition, for immediate disposal, subject exclusively to the usual and regular terms of a sales transaction, and write-off of the asset must also be considered as highly probable.

Non-current assets or disposable groups of items classified as held for sale are not amortised, and they are appraised by the lower of their book value and fair value, minus the sale costs.

There is no liability associated with “Non-Current Assets Held for Sale”.



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4.19. LEASES

The Company has been granted the right to use certain assets under leasing contracts.

Leasing contracts that, at the beginning thereof, substantially transfer to the Company all the risks and benefits inherent in ownership of the assets are classified as financial leases, and they are otherwise classified as operating leases.

Fees stemming from operating leases, net of the incentives received, are linearly recorded as an expense during the term of the lease, except when another systematic basis for distribution is more representative because it more adequately reflects the timeframe of the lease profits.

4.20. CLASSIFICATION OF ASSETS AND LIABILITIES IN CURRENT AND NON-CURRENT

The Company presents the balance sheet with assets and liabilities classified as current and non-current. To this end, current assets and liabilities are those that meet the following criteria:

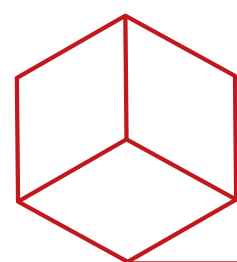
> Assets are classified as current when they are expected to be realised or they are intended to be sold or consumed in the course of the Company's normal operating cycle, they are held primarily for trading purposes, they are expected to be realised within a period of twelve months following the closure date, or the assets are cash or cash equivalents, except in those cases in which they cannot be exchanged or used to cancel a liability, at least during the twelve months following the closure date.

- > Liabilities are classified as current when they are expected to be liquidated in the course of the Company's normal operating cycle, they are held primarily for trading purposes, they must be liquidated within a period of twelve months following the closure date, or the Company does not have the unconditional right to defer cancellation of the liabilities during the twelve months following the closure date.
- > Financial liabilities are classified as current when they should be liquidated within the twelve months following the closure date, even though the original term is a period greater than twelve months, and there is a long-term payment refinancing or restructuring agreement that has concluded after the closure date and before the annual accounts are prepared.

4.21. CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method, and the following expressions are used in it with the meaning that is indicated below:

- > **Operating activities:** activities that constitute the company's ordinary income, as well as other activities that cannot be classified as being an investment or financing.
- > **Investment activities:** activities of acquisition, sale or disposal by other means of long-term assets and other investments not included in the cash and cash equivalents.
- > **Financing activities:** activities that produce changes in the size and composition of the equity and of the liabilities that are not part of the operating activities.



5. TANGIBLE FIXED ASSETS

The analysis and breakdown of the balance sheet items included in this heading in 2019 and 2018 are as follows:

| FINANCIAL YEAR 2019 | Thousands of euros | | | | | Balance at 31/12/2019 |
|--|-----------------------|----------------|-------------|--------------|----------------|-----------------------|
| | Balance at 31/12/2018 | Inflows | Outflows | Others | Transfers | |
| Item | | | | | | |
| COST | | | | | | |
| Property and natural assets | 3,377 | - | - | - | - | 3,377 |
| Constructions | 66,234 | 36 | - | - | (1,018) | 65,252 |
| Technical installations, machinery and tools | 70,699 | 662 | (7) | - | 1,574 | 72,928 |
| Other installations | 26,882 | 499 | | - | (194) | 27,187 |
| Data processing equipment & furniture | 9,432 | 194 | (19) | - | 1 | 9,608 |
| Other tangible fixed assets | 13,566 | 644 | (2) | - | 87 | 14,295 |
| Advances & fixed assets in progress | 3,229 | 905 | (2) | (117) | (3,588) | 427 |
| TOTAL | 193,419 | 2,940 | (30) | (117) | (3,138) | 193,074 |
| DEPRECIATION | | | | | | |
| Constructions | (50,997) | (488) | - | - | 207 | (51,278) |
| Technical installations, machinery and tools | (60,528) | (1,967) | 7 | - | 1,124 | (61,364) |
| Other installations | (19,872) | (1,433) | - | - | 198 | (21,107) |
| Data processing equipment & furniture | (8,516) | (251) | 18 | - | - | (8,749) |
| Other tangible fixed assets | (10,538) | (509) | 2 | - | - | (11,045) |
| TOTAL | (150,451) | (4,648) | 27 | - | 1,529 | (153,543) |
| VALUATION CORRECTIONS FOR IMPAIRMENT | | | | | | |
| Property and constructions | (982) | 134 | - | - | - | (848) |
| Tech. installations & other tangible FA | (226) | (1,716) | - | - | - | (1,942) |
| TOTAL | (1,208) | (1,582) | - | - | - | (2,790) |
| TANGIBLE FIXED ASSETS | 41,760 | (3,290) | (3) | (117) | (1,609) | 36,741 |



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| FINANCIAL YEAR 2018 | Thousands of euros | | | | Balance at 31/12/2018 |
|--|-----------------------|----------------|--------------|-----------|-----------------------|
| | Balance at 31/12/2017 | Inflows | Outflows | Transfers | |
| Item | | | | | |
| COST | | | | | |
| Property and natural assets | 3,377 | - | - | - | 3,377 |
| Constructions | 65,751 | 1 | - | 482 | 66,234 |
| Technical installations, machinery and tools | 66,964 | 1,375 | (51) | 2,411 | 70,699 |
| Other installations | 25,774 | 862 | | 246 | 26,882 |
| Data processing equipment & furniture | 9,297 | 148 | (6) | (7) | 9,432 |
| Other tangible fixed assets | 12,550 | 132 | (1) | 885 | 13,566 |
| Advances & fixed assets in progress | 5,602 | 1,691 | (47) | (4,017) | 3,229 |
| TOTAL | 189,315 | 4,209 | (105) | - | 193,419 |
| DEPRECIATION | | | | | |
| Constructions | (50,076) | (921) | - | - | (50,997) |
| Technical installations, machinery and tools | (58,832) | (1,747) | 51 | - | (60,528) |
| Other installations | (18,531) | (1,341) | - | - | (19,872) |
| Data processing equipment & furniture | (8,247) | (275) | 6 | - | (8,516) |
| Other tangible fixed assets | (10,046) | (493) | 1 | - | (10,538) |
| TOTAL | (145,732) | (4,777) | 58 | - | (150,451) |
| VALUATION CORRECTIONS FOR IMPAIRMENT | | | | | |
| Property and constructions | (982) | - | - | - | (982) |
| Tech. installations & other tangible FA | (226) | - | - | - | (226) |
| TOTAL | (1,208) | - | - | - | (1,208) |
| TANGIBLE FIXED ASSETS | 42,375 | (568) | (47) | - | 41,760 |

During the financial year, the provision for impairment of the assets of the biogas electrical energy generation plant, existing on 31 December 2018, in the amount of 360 thousand euros was reverted, as a step prior to its reclassification to the heading of "Non-current assets available for sale" (see Note 18), deeming that the recoverable value of these assets is higher than their net accounting value (Gross Value less Accumulated Depreciation at 31 December 2019).



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Furthermore, an allocation of a Provision for impairment was made for the assets of the so-called “active scanner” of the Juzbado factory, in the amount of 1,942 thousand euros, due to having replaced this equipment with another (called “passive scanner”) at the end of the year. For the effects of the calculation of the corresponding provision, the estimate of “value in use” of the active scanner was taken into account, throughout the year 2020, in which its parallel use will be maintained as a “backup” of the new equipment.

The most relevant investments made by the company in financial year 2019, amounting to 2,940 thousand euros, were for the acquisition of the new passive scanner, the adaptation of the air system for ventilation and air conditioning, expansion of the treatment of mine water, improving the pre-oxidation furnace, acquisition of a gamma detector arch for dust containers, adaptation of assets on the subject of prevention and updating of ultrasound equipment.

The most relevant investments made in financial year 2018, amounting to 4,209 thousand euros, were for the acquisition of a californium source for the active scanner, the construction cost of the new passive scanner, the acquisition of a ventilation and air conditioning system, modification of furnaces, inspection machinery for nuclear plants and the construction of a plant for manufacturing *technosols*.

The accounting movements of the restatement of asset elements, made pursuant to RDL 7/1996 in financial years 2019 and 2018, were:

| Item | Thousands of euros | | | | | | Balance at 31/12/2019 |
|---|-----------------------|--------------|----------|-----------------------|------------|----------|-----------------------|
| | Balance at 31/12/2017 | Inflows | Outflows | Balance at 31/12/2018 | Inflows | Outflows | |
| COST | | | | | | | |
| Property and constructions | 6,120 | - | - | 6,120 | - | - | 6,120 |
| Technical installations and other tangible FA | 892 | - | - | 892 | - | - | 892 |
| TOTAL | 7,012 | - | - | 7,012 | - | - | 7,012 |
| DEPRECIATION | | | | | | | |
| Property and constructions | (5,401) | (144) | - | (5,545) | (5) | - | (5,550) |
| Technical installations and other tangible FA | (892) | - | - | (892) | - | - | (892) |
| TOTAL | (6,293) | (144) | - | (6,437) | (5) | - | (6,442) |
| TANGIBLE FIXED ASSETS | 719 | (144) | - | 575 | (5) | - | 570 |

The depreciation planned for financial year 2020 from the 1996 revaluation of the different asset items will amount to approximately 5 thousand euros.

The non-operating tangible fixed assets at 31 December 2019 and 2018 correspond to land at the Saelices Work Centre adjacent to the mining operations, whose net book value at 31 December 2019 and 2018, once the 848 thousand euro value adjustment due to impairment is considered, amounts to 1,932 thousand euros.

The amount of the assets in use of the tangible fixed assets fully depreciated at 31 December 2019 and 2018 is as follows:

| | Thousands of euros | |
|--|--------------------|----------------|
| | 2019 | 2018 |
| Constructions | 46,865 | 46,754 |
| Technical installations, machinery and tools | 53,131 | 52,494 |
| Other installations | 16,502 | 13,993 |
| Data processing equipment and furniture | 8,173 | 7,573 |
| Other tangible fixed assets | 7,719 | 7,239 |
| | 132,390 | 128,053 |

The firm investment commitments that have materialised in purchase orders amount to approximately 1,343 thousand euros at 31 December 2019 (1,087 thousand euros at 31 December 2018).

The Company has taken out insurance policies on equity risks with coverage that insures all capital assets and goods in full, as well as any possible claims that may be filed due to the conduct of its business, and the Company considers that these policies sufficiently cover the risks to which they are exposed.



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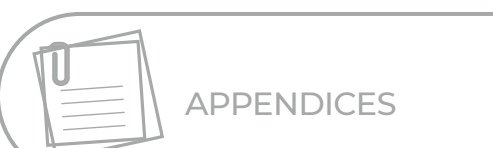
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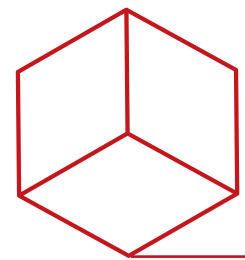
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6. INTANGIBLE FIXED ASSETS

The breakdown and activity of this heading in 2019 and 2018 are shown below:

| FINANCIAL YEAR 2019 | Thousands of euros | | | | Balance at 31/12/2019 |
|---|-----------------------|----------------|-------------|-----------|-----------------------|
| | Balance at 31/12/2018 | Inflows | Outflows | Transfers | |
| Item | | | | | |
| COST | | | | | |
| Patents, licenses, brands & similar | 2,238 | 553 | - | - | 2,791 |
| Computer applications | 6,060 | 159 | - | 123 | 6,342 |
| Advances & FA in progress | 77 | 106 | (10) | (123) | 50 |
| Concession agreements, regulated asset | 41,968 | 622 | (4) | - | 42,586 |
| Concession agreements, financial capitalisation | 6,437 | 515 | - | - | 6,952 |
| TOTAL | 56,780 | 1,955 | (14) | - | 58,721 |
| AMORTISATIONS | | | | | |
| Patents, licenses, brands & similar | (2,238) | (46) | - | - | (2,284) |
| Computer applications | (5,652) | (246) | - | - | (5,898) |
| Concession agreements, regulated asset | (14,219) | (2,181) | 1 | - | (16,399) |
| TOTAL | (22,109) | (2,473) | 1 | - | (24,581) |
| INTANGIBLE FIXED ASSETS | 34,671 | (518) | (13) | - | 34,140 |

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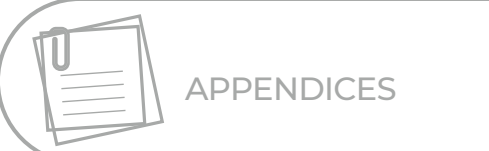
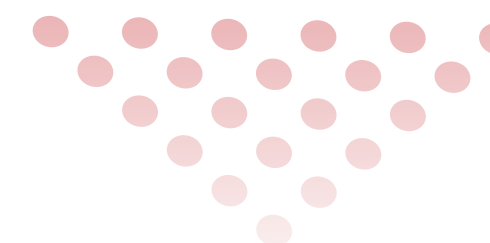
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| FINANCIAL YEAR 2018 | Thousands of euros | | | | Balance at 31/12/2018 |
|---|-----------------------|----------------|------------|-----------|-----------------------|
| | Balance at 31/12/2017 | Inflows | Outflows | Transfers | |
| Item | | | | | |
| COST | | | | | |
| Patents, licenses, brands & similar | 2,238 | - | - | - | 2,238 |
| Computer applications | 5,772 | 209 | - | 79 | 6,060 |
| Advances & FA in progress | 35 | 130 | (9) | (79) | 77 |
| Concession agreements, regulated asset | 40,607 | 1,361 | - | - | 41,968 |
| Concession agreements, financial capitalisation | 5,782 | 655 | - | - | 6,437 |
| TOTAL | 54,434 | 2,355 | (9) | - | 56,780 |
| AMORTISATIONS | | | | | |
| Patents, licenses, brands & similar | (2,238) | - | - | - | (2,238) |
| Computer applications | (5,456) | (196) | - | - | (5,652) |
| Concession agreements, regulated asset | (12,086) | (2,133) | - | - | (14,219) |
| TOTAL | (19,780) | (2,329) | - | - | (22,109) |
| INTANGIBLE FIXED ASSETS | 34,654 | 26 | (9) | - | 34,671 |

The entry included in financial year 2019 under the heading “Patents, licences, brands and similar”, in the amount of 553 thousand euros, corresponds to the agreement related to the acquisition from the company Tecnatom, S.A., of part of the technology developed by it (along with ENUSA) corresponding to passive scanner equipment. According to the cited agreement both parties undertake to carry out all the acts necessary to register the ownership of this technology and the transmission performed. This agreement allows the Company, furthermore, to participate in a significant percentage of the results to be obtained in the future for the sales to be made jointly of new equipment (with the incorporated technology) to third parties.

The total investment included in the heading “Concession agreement, regulated asset” corresponds to assets of a reversible nature that will be delivered by the UTE RSU to the granting entity at the end of the concession period, in compliance with the provisions of the concession contract. The Company does not expect to incur expenses stemming from the reversion at the end of this period other than those already considered in the Economic-Financial Plan.





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The main items of the intangible fixed assets correspond to those related to the concession agreement that comprises the activity of the UTE RSU. Specifically, they correspond to different installations for the treatment and management of the urban solid waste from the 49 municipalities that make up the Consortium for Execution of the Planned Work for the Zonal Waste Plan of Zone 1 (Castellón) and that are geographically located in the northern part of the province of Castellón.

Furthermore, these assets include estimated costs of 2,725 thousand euros at 31 December 2019 (2,291 thousand euros in 2018), which correspond to the obligation to seal and subsequently monitor the landfill of the waste treatment plant, and other costs amounting to 1,706 thousand euros at 31 December 2019 (1,556 thousand euros at 31 December 2018), which correspond to the future construction of additional disposal cells for the landfill (see Note 13). These amounts are included under the heading “Concession agreement, regulated asset”.

The amount of the financing costs incurred in the construction period and capitalised as an increased value of the fixed asset at 31 December 2019 and 2018, is 981 thousand euros, and it is included under the heading “Concession agreement, regulated asset”.

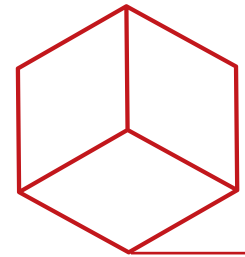
Additionally, part of the financing costs incurred in the financial year have been capitalised, after the operating period had begun, under the heading “Concession agreement, financial capitalisation”, in the amount of 515 thousand euros (655 thousand euros in 2018).

The most significant items in the financial year 2019 in the Intangible Fixed Assets (Concession agreements, regulated asset) corresponded to those derived from the allocation to Provisions for the sealing and vigilance of the landfill and for the construction of cells in it, amounting to 584 thousand euros (1,315 thousand euros in financial year 2018) (see Note 13).

All the figures related to the Intangible Fixed Assets corresponding to Concession agreements and indicated in the above paragraphs are shown by the amount incorporated into ENUSA’s accounts, in accordance with its percent share in the UTE RSU (Note 17).

The amount of the assets in use of the intangible fixed assets amortised in full at 31 December 2019 and 2018 is as follows:

| | Thousands of euros | |
|-------------------------------------|--------------------|--------------|
| | 2019 | 2018 |
| Patents, licences, brands & similar | 2,238 | 2,238 |
| Computer applications | 5,542 | 5,238 |
| | 7,780 | 7,476 |

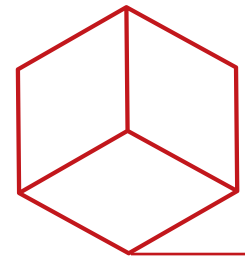


7. LEASING AND OTHER SIMILAR OPERATIONS

7.1. OPERATING LEASES

During 2019, the Company has had assets subject to operating lease arrangements, accruing an expense during the year of 109 thousand euros for this item (304 thousand euros in 2018).

There are no minimum future payments expected for non-cancellable operating leases, as all the leases are considered as annually cancellable.



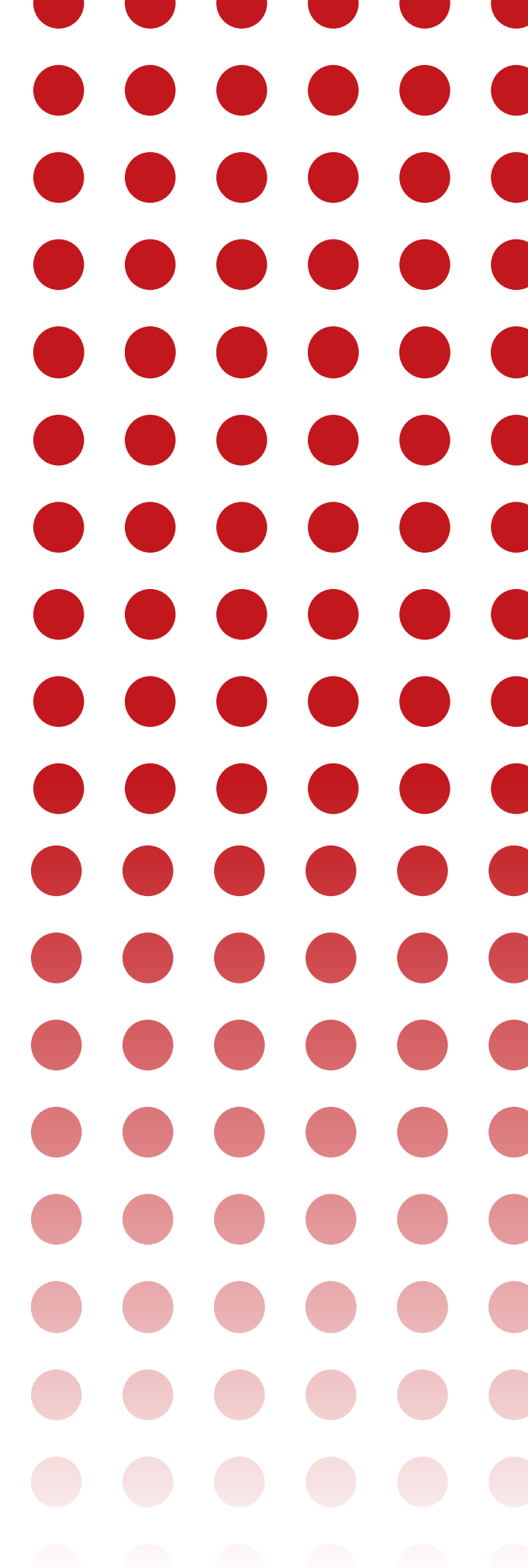
8. FINANCIAL INSTRUMENTS

8.1. INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS TO THE COMPANY'S FINANCIAL POSITION AND RESULTS

8.1.1. BALANCE SHEET-RELATED INFORMATION

a) Categories of financial assets and liabilities.

The book value of the Company's various financial assets and liabilities at 31 December 2019 and 2018, based on their qualification, is as follows:



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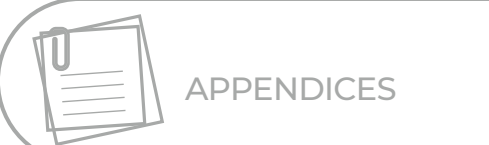
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a.1) Financial assets (except for investments in group, multi-group and associated company equity):

Thousands of euros

| CATEGORIES OF FINANCIAL ASSETS | CLASSES OF FINANCIAL ASSETS | | | | | | | | | | TOTAL | |
|--|-----------------------------|------------|-------------------------------|--------------|-----------------|-------------------------------|---------------|------------------|---------------|---------------|---------------|---------------|
| | Long-term financial assets | | | | | Short-term financial assets | | | | | | |
| | Equity Instruments | | Credits, Derivatives & Others | | Total Long-Term | Credits, Derivatives & Others | | Total Short-Term | | | | |
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Cash & cash equivalents | - | - | - | - | - | - | 40,061 | 5,790 | 40,061 | 5,790 | 40,061 | 5,790 |
| Loans & accounts receivable | - | - | 2,710 | 2,629 | 2,710 | 2,629 | 24,273 | 54,652 | 24,273 | 54,652 | 26,983 | 57,281 |
| Available-for-sale assets - Appraised at cost | 268 | 268 | - | - | 268 | 268 | - | - | - | - | 268 | 268 |
| Hedge derivatives | - | - | 2,699 | 104 | 2,699 | 104 | 1,456 | 365 | 1,456 | 365 | 4,155 | 469 |
| TOTAL | 268 | 268 | 5,409 | 2,733 | 5,677 | 3,001 | 65,790 | 60,807 | 65,790 | 60,807 | 71,467 | 63,808 |

a.2) Financial liabilities:

Thousands of euros

| CATEGORIES OF FINANCIAL LIABILITIES | CLASSES OF FINANCIAL LIABILITIES | | | | | | | | | | TOTAL | | | |
|-------------------------------------|----------------------------------|---------------|---------------------------------------|--------------|-----------------|----------------------------------|---------------|---------------------------------------|---------------|------------------|----------------|----------------|----------------|----------------|
| | Long-term financial liabilities | | | | | Short-term financial liabilities | | | | | | | | |
| | Bank loans | | Trade Creditors, Derivatives & Others | | Total Long-Term | Bank loans | | Trade Creditors, Derivatives & Others | | Total Short-Term | | | | |
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | | |
| Debits and accounts payable | 107,346 | 18,993 | 4,138 | 3,470 | 111,484 | 22,463 | 73,532 | 183,708 | 69,756 | 73,960 | 143,288 | 257,668 | 254,772 | 280,131 |
| Hedge derivatives | - | - | 2,821 | 3,141 | 2,821 | 3,141 | - | - | 853 | 948 | 853 | 948 | 3,674 | 4,089 |
| TOTAL | 107,346 | 18,993 | 6,959 | 6,611 | 114,305 | 25,604 | 73,532 | 183,708 | 70,609 | 74,908 | 144,141 | 258,616 | 258,446 | 284,220 |



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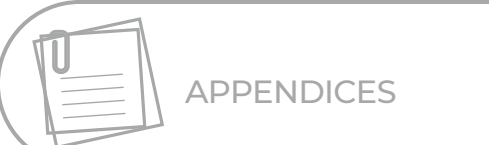
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b) Classification by maturities

The breakdown by maturity date of the financial assets and liabilities with a determined or determinable maturity at 31 December 2019 and 2018, is as follows (not including financial investments in companies of the group, multi-group and associates):

| FINANCIAL YEAR 2019 | Thousands of euros | | | | | | | |
|---|--------------------|------------|------------|------------|------------|--------------|--------------|-----------------|
| | Short-Term | Long-Term | | | | | Rest | Total Long Term |
| FINANCIAL ASSETS | 2020 | 2021 | 2022 | 2023 | 2024 | | | |
| Equity instruments (*) | - | - | - | - | - | - | 268 | 268 |
| Loans to Co. of the Group (Note 20) | - | - | - | - | - | - | - | - |
| Derivatives | 1,456 | 678 | 791 | 806 | 424 | - | - | 2,699 |
| Other credits to third parties | 512 | - | - | - | - | - | - | - |
| Other financial assets | 30 | - | - | - | - | - | 2,710 | 2,710 |
| Trade debtors and other accounts receivable | 23,731 | - | - | - | - | - | - | - |
| Cash & cash equivalents | 40,061 | - | - | - | - | - | - | - |
| TOTAL | 65,790 | 678 | 791 | 806 | 424 | 2,978 | 2,978 | 5,677 |

(*) Without specific maturity

| FINANCIAL YEAR 2019 | Thousands of euros | | | | | | | |
|---|--------------------|--------------|---------------|--------------|--------------|---------------|---------------|-----------------|
| | Short-Term | Long-Term | | | | | Rest | Total Long Term |
| FINANCIAL LIABILITIES | 2020 | 2021 | 2022 | 2023 | 2024 | | | |
| Loans with Group and Associated Co. (Note 20) | 549 | 560 | 544 | - | - | - | 2,173 | 3,277 |
| Bank loans | 73,532 | 1,705 | 91,711 | 1,886 | 2,142 | - | 9,902 | 107,346 |
| Derivatives | 853 | - | - | - | - | - | 2,821 | 2,821 |
| Other financial liabilities | 2,283 | 172 | 120 | 120 | 120 | - | 329 | 861 |
| Trade creditors and other accounts payable | 66,924 | - | - | - | - | - | - | - |
| TOTAL | 144,141 | 2,437 | 92,375 | 2,006 | 2,262 | 15,225 | 15,225 | 114,305 |



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| FINANCIAL YEAR 2018 | Thousands of euros | | | | | | |
|---|--------------------|-----------|----------|----------|-----------|--------------|--------------|
| | Short-Term | Long-Term | | | | | Rest |
| FINANCIAL ASSETS | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Equity instruments (*) | - | - | - | - | - | 268 | 268 |
| Loans to Co. of the Group (Note 20) | 39,001 | - | - | - | - | - | - |
| Derivatives | 365 | 27 | - | 7 | 41 | 29 | 104 |
| Other credits to third parties | 424 | - | - | - | - | - | - |
| Other financial assets | 30 | - | - | - | - | 2,629 | 2,629 |
| Trade debtors and other accounts receivable | 15,197 | - | - | - | - | - | - |
| Cash & cash equivalents | 5,790 | - | - | - | - | - | - |
| TOTAL | 60,807 | 27 | - | 7 | 41 | 2,926 | 3,001 |

(*) Without specific maturity

| FINANCIAL LIABILITIES | Thousands of euros | | | | | | |
|---|--------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | Short-Term | Long-Term | | | | | Rest |
| | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Loans with Group and Associated Co. (Note 20) | 552 | 556 | 547 | 544 | - | 836 | 2,483 |
| Bank loans | 183,708 | 1,638 | 1,705 | 1,716 | 1,886 | 12,048 | 18,993 |
| Derivatives | 948 | 8 | 39 | 19 | 14 | 3,061 | 3,141 |
| Other financial liabilities | 2,169 | 127 | 171 | 120 | 120 | 449 | 987 |
| Trade creditors and other accounts payable | 71,239 | - | - | - | - | - | - |
| TOTAL | 258,616 | 2,329 | 2,462 | 2,399 | 2,020 | 16,394 | 25,604 |



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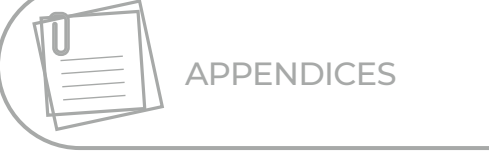
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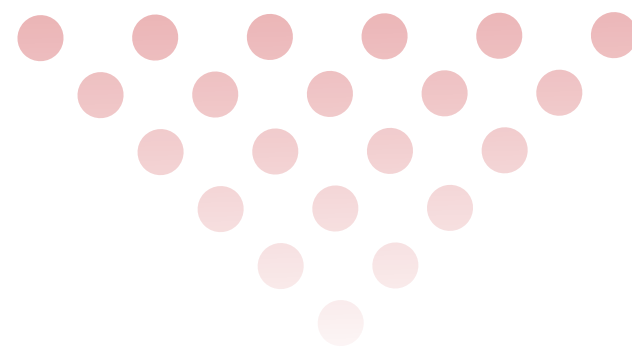


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The amount of long-term bank loans, both long- and short-term, corresponds, mainly, to loans made to the Company by various credit institutions for the purpose of financing the supply management, which includes the supply stocks.

In addition, the amount corresponding to the financing related to the execution of works and service management has been incorporated, which corresponds to the “Project for urban solid waste management for the Zonal Waste Plan of Zone 1 of Castellón”, managed by the UTE RSU. During 2010, in order to finance the project, the UTE RSU formalised with two banks a financing contract through the Project-Finance modality. Its maximum limit is 33,000 thousand euros and the balance available at 31 December 2019 (incorporated into ENUSA accounts at its percent share in the UTE RSU) is 18,989 thousand euros (20,488 thousand euros at 31 December 2018). The clauses of this financing agreement include the requirement that the borrower comply with certain financial ratios as of the beginning of the project exploitation period (2012). These ratios were being met at the end of this year and the previous year and no failure to comply with them is expected in the new twelve months.

The current interest rates are market interest rates.



c) Financial assets available for sale

These assets correspond to Equity Instruments in companies that are not considered group, multi-group or associated companies and which the Company does not plan to sell in the short term. Given that these Equity Instruments are not listed on any active market, they are assessed in the books at their cost minus the possible value impairment. The book value, at the closing of financial years 2019 and 2018, of these financial assets is the following:

| | Thousands of euros | |
|---|--------------------|------------|
| | 2019 | 2018 |
| Cetramesa (*) | 195 | 195 |
| Sociedad Agraria de Transformación (share in UTE RSU) | 73 | 73 |
| | 268 | 268 |

During the financial years 2019 and 2018, the Company has not received dividends from these instruments.

(*) Cetramesa owns an interest, in turn, directly or indirectly, in the following companies:

| | Percentage of share at 31 December | |
|---|------------------------------------|------|
| | 2019 | 2018 |
| Cetramesa Carburantes, S.L.U. | 100% | 100% |
| Zona de Actividades Logísticas de Salamanca, S.A. (ZALDESA) | 0% | 50% |
| Low Cost Carburantes, S.A. | 30% | 45% |

d) Value impairment adjustments

The analysis of the transactions of the representative adjustment accounts for losses due to impairment originating in the credit risk (mainly of customers and sundry debtors) for 2019 and 2018 is as follows:

| | Thousands of euros |
|------------------------------------|--------------------|
| Balance on 1 January 2018 | 5,912 |
| Allocations | 712 |
| Reversions and applications | - |
| Balance on 31 December 2018 | 6,624 |
| Allocations | 696 |
| Reversions and applications | - |
| Balance on 31 December 2019 | 7,320 |

The total provision made in the financial year in the amount of 696 thousand euros (712 thousand euros in 2018) comes entirely from the amount allocated in the UTE RSU (integrated in ENUSA at its investment percentage therein), corresponding to the estimate of the possible non-payment of part of the invoices accrued in these years and pending being issued at their closure (related to adjustments in the payment to receive for the management of the services, according to the financial conditions borne by the UTE RSU).

The amount recorded under the heading “Losses, impairments and variation of provisions for trade operations” in the Income Statement in the year 2019 in the amount of 714 thousand euros generated by the movement of allocation due to the cited impairment of 696 thousand euros, plus the allocation of provisions for trade operations for 18 thousand euros, (in 2018, the total of 691 thousand euros comprised by net allocations and reversions of the year, for 712 thousand euros, minus the excess of provisions for trade operations in the amount of 21 thousand euros).

8.1.2. MISCELLANEOUS INFORMATION

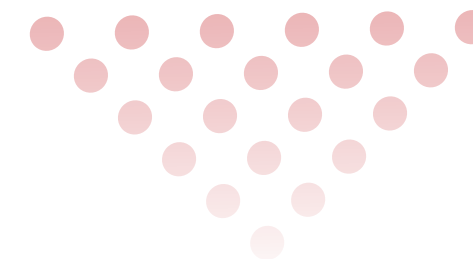
a) Hedge accounting

At 31 December 2019 and 2018, the Company had declared the following hedge derivative operations:

- > Interest rate swap operations, designated as derivative financial instrument for the interest rate risk existing on financial liabilities at amortised cost (long-term bank loans).
- > Foreign currency purchase/sale operations with various entities, designated as derivative financial instrument for the exchange rate risk existing on highly probable planned transactions (payments to trade creditors).

All the operations meet the requirements contained in the reporting and valuation rule relative to hedge accounting, as each operation is individually documented for its designation as such and they are shown to be highly effective at both the prospective level, verifying that the expected changes in the cash flows of the hedged item that are attributable to the hedged risk will be almost completely offset by the expected changes in the cash flows of the derivative financial instrument, and at the retrospective level, on verifying that the hedge results have fluctuated within a range of variation of eighty to one hundred twenty-five percent with respect to the result of the hedged item.

The fair and notional values of the derivatives designated as derivative financial instruments, separated by class of hedge and in the years in which the cash flows are expected to occur, are as follows:



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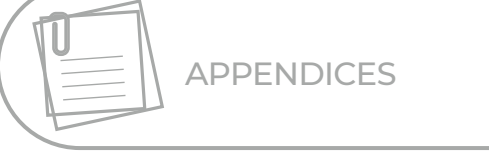
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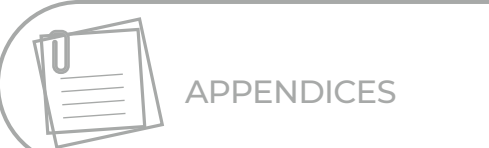
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| FINANCIAL YEAR 2019 | Thousands of euros | Foreign Currencies (in Thousands) Notional Amount | | | | |
|----------------------------------|--------------------------|---|--------|--------|--------|---------------|
| | Fair Value at 31.12.2019 | 2020 | 2021 | 2022 | Rest | Total |
| ASSETS | | | | | | |
| Exchange insurance (2) | 3,577 | 26,500 | 12,000 | 12,000 | 20,500 | 71,000 |
| Exchange insurance (3) | 578 | 1,500 | 1,500 | 2,416 | 1,500 | 6,916 |
| LIABILITIES | | | | | | |
| Fin. swaps on interest rates (1) | 3,550 | - | - | - | 15,502 | 15,502 |
| Exchange insurance (2) | 124 | 14,500 | - | - | - | 14,500 |

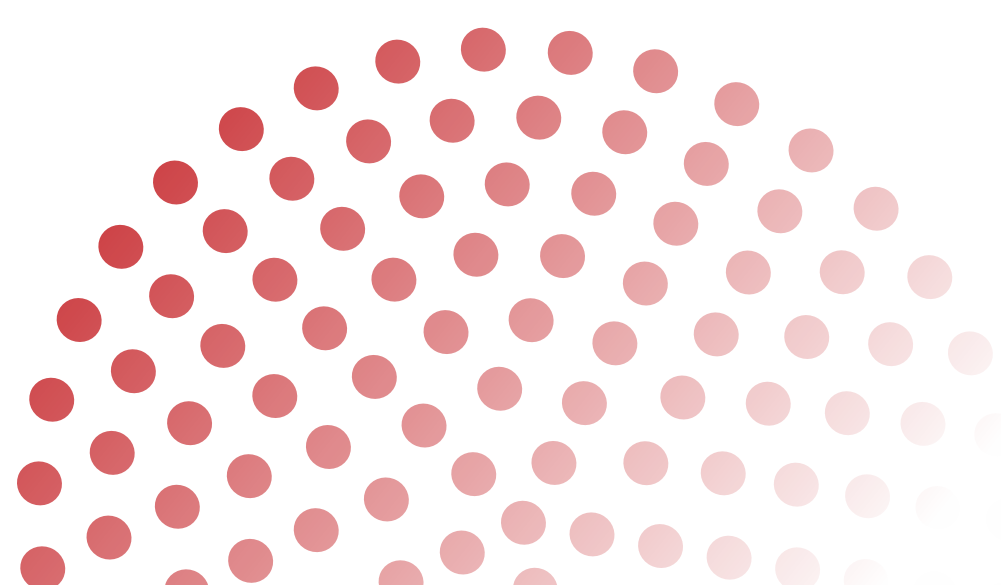
(1) Notional amount stated in thousands of Euros
 (2) Notional amount stated in thousands of US Dollars
 (3) Notional amount stated in thousands of Pounds Sterling

| FINANCIAL YEAR 2018 | Thousands of euros | Foreign Currencies (in Thousands) Notional Amount | | | | |
|----------------------------------|--------------------------|---|--------|--------|--------|---------------|
| | Fair Value at 31.12.2018 | 2019 | 2020 | 2021 | Rest | Total |
| ASSETS | | | | | | |
| Exchange insurance (2) | 469 | 17,483 | 11,000 | - | 26,000 | 54,483 |
| LIABILITIES | | | | | | |
| Fin. swaps on interest rates (1) | 3,893 | 20,000 | - | - | 16,764 | 36,764 |
| Exchange insurance (2) | 146 | 4,996 | - | 12,000 | 5,000 | 21,996 |
| Exchange insurance (3) | 50 | 1,843 | 1,500 | 1,500 | 5,000 | 9,843 |

(1) Notional amount stated in thousands of Euros
 (2) Notional amount stated in thousands of US Dollars
 (3) Notional amount stated in thousands of Pounds Sterling

The notional amount of the declared contracts does not represent the actual risk assumed by the Company in relation to these instruments. The fair value of the derivatives designated as derivative financial instruments is assimilated into the sum of the future cash flows originating in the instrument, deducted on the valuation date. In this respect, the Company uses the commonly accepted methodology and necessary market data to calculate the fair value, verifying, in addition, that the fair value calculated for each operation does not differ significantly from the market valuation provided by the entity with which the corresponding operation is contracted.

The fair value of these operations, net of taxes, has as balancing entry the heading "Equity-Valuation adjustments-Cash flow hedges", incorporated into the Company's equity.



The activity recorded under the heading “Equity-Valuation adjustments-Cash flow hedges” in 2019 and 2018 is as follows:

| | Thousands of euros | |
|--|--------------------|--------------|
| | 2019 | 2018 |
| Balance on 31 December of previous year (Profits) / Losses | 2,495 | 4,283 |
| Amounts recognised in the Equity for change in fair value of hedge operations | (4,433) | (1,688) |
| Amount attributed to the P/L account from equity | 346 | (695) |
| - Procurements | 968 | 73 |
| - Other operating expenses | 28 | 32 |
| - Financing costs | (748) | (801) |
| - Fixed assets | - | 1 |
| - Advances | 94 | - |
| - Advanced expenses | 4 | - |
| Tax effect | 1,022 | 595 |
| Balance at 31 December of current year (Profits) / Losses charged to equity | (570) | 2,495 |

b) Fair Value

The book value of the loans and accounts receivable assets, as well as debts and accounts payable, for both trade and non-trade operations is an acceptable approximation of their fair value.

c) Investments in group, multi-group and associated companies

The investments in companies of the group in 2019 and 2018 correspond to the following companies in which ENUSA has majority voting rights:

| Name | Address | Company activities |
|--|--|---|
| EXPRESS TRUCK, S.A.U., S.M.E. (ETSA) | Ctra. Salamanca-Vitigudino, km 0,7 (Cetramesa) (Salamanca) | All types of national and international transports, in any modality and with any merchandise, including hydrocarbons, chemical products, radioactive material and others |
| EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA) | Calle Santiago Rusiñol 12, 28040 (Madrid) | Undertaking of all activities required for proper management of the programs and actions of the National Industrial Waste Plan referred to in Law 20/1986 of May 14, focusing on the rationalization and coordination of the management of these wastes |



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None of the shares companies of the group is listed on the stock market.

The breakdown of the equity and the value of the ENUSA investment in the companies of the group in which the Company has a direct controlling share at 31 December 2019 and 2018, according to their individual audited accounts, is as follows:

| Thousands of euros | | | | | | | |
|--|----------------|--------------|--------------|---------------|--------------------------|--------------|--------------------------|
| FINANCIAL YEAR 2019 | | | | | | | |
| Name | % Direct Share | Capital | Reserves | After-tax P&L | Value change adjustments | Subsidies | Book value of investment |
| EXPRESS TRUCK, S.A.U. S.M.E. (ETSA) | 100.00 | 301 | 4,676 | 1,492 | - | - | 528 |
| EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA) | 99.62 | 7,813 | 3,723 | 67 | (32) | 4,836 | 4,655 |
| TOTAL | | 8,114 | 8,399 | 1,559 | (32) | 4,836 | 5,183 |

Last year audited: 2018.

| Thousands of euros | | | | | | | |
|--|----------------|--------------|--------------|---------------|--------------------------|--------------|--------------------------|
| FINANCIAL YEAR 2018 | | | | | | | |
| Name | % Direct Share | Capital | Reserves | After-tax P&L | Value change adjustments | Subsidies | Book value of investment |
| EXPRESS TRUCK, S.A.U., S.M.E. (ETSA) | 100.00 | 301 | 5,676 | 984 | - | - | 528 |
| EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA) | 99.62 | 7,813 | 3,574 | 149 | (17) | 4,837 | 4,655 |
| TOTAL | | 8,114 | 9,250 | 1,133 | (17) | 4,837 | 5,183 |

Last year audited 2017.

In 2019, the Company has received dividends from the companies of the group amounting to 1,984 thousand euros (410 thousand euros in 2018).



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The investments in multi-group and associated companies in 2019 and 2018 correspond to the following companies:

| Name | Address | % Direct Share | % Indirect Share | Company Activities |
|---|---|----------------|------------------|--|
| MULTI-GROUP COMPANIES | | | | |
| ENUSA-ENSA, A.I.E. | Santiago Rusiñol, nº 12 (Madrid) | 50.00 | | Repair of fuel assemblies for PWR light water reactors, as well as other services related to the reactor core and its components |
| ASSOCIATED COMPANIES | | | | |
| GNF ENUSA NUCLEAR FUEL, S.A. | Josefa Valcarcel, no. 35 | 49.00 | | Marketing of nuclear fuel and provision of engineering services for this fuel |
| CETRANSA, S.A. | Pol Industrial Los Barriales, Santovenia de Pisuerga (Valladolid) | | 29.89 (1) | Industrial waste management and treatment |
| REMESA, S.A. | Plaza de España, s/n (Melilla) | | 49.81 (1) | Integral urban waste treatment plant operation and management |
| SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E. | Santiago Rusiñol, nº 12 (Madrid) | 25.00 | | Commercial promotion of products and services for nuclear power plants in China and other countries of common interest to the partners |

(1) EMGRISA invested company

None of the shares of multi-group and associated companies is listed on the stock market.

The breakdown of the equity, the dividends received and the value of the investment, without including outstanding disbursements, in the multi-group and associated companies directly controlled by ENUSA at 31 December 2019 and 2018, according to their individual audited accounts, is as follows:

| FINANCIAL YEAR 2019 | | Thousands of euros | | | | | |
|---|---------|--------------------|------------|---------------|--------------------------|--------------------|--------------------------|
| Name | % Share | Stated Capital | Reserves | After-tax P&L | Value change adjustments | Dividends received | Book Value of Investment |
| MULTI-GROUP COMPANIES | | | | | | | |
| ENUSA-ENSA, A.I.E. (**) | 50.00 | 421 | 208 | 17 | 6 | 196 | 210 |
| ASSOCIATED COMPANIES | | | | | | | |
| GNF ENUSA NUCLEAR FUEL, S.A. | 49.00 | 108 | 22 | 120 | - | 81 | 53 |
| SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E. (*) | 25.00 | 24 | 67 | (36) | - | - | 42 |
| TOTALS | | 553 | 297 | 101 | 6 | 277 | 305 |

Last year audited: 2018.

(*) Not audited.

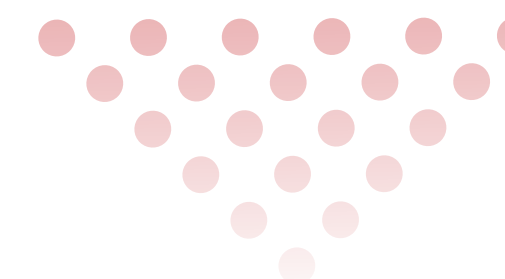
(**) Not audited in 2018. First year audited: 2019

| FINANCIAL YEAR 2018 | | Thousands of euros | | | | | |
|---|---------|--------------------|-----------|---------------|--------------------------|--------------------|--------------------------|
| Name | % Share | Stated Capital | Reserves | After-tax P&L | Value change adjustments | Dividends received | Book Value of Investment |
| MULTI-GROUP COMPANIES | | | | | | | |
| ENUSA-ENSA, A.I.E. (*) | 50.00 | 421 | 12 | 393 | 112 | 165 | 210 |
| ASSOCIATED COMPANIES | | | | | | | |
| GNF ENUSA NUCLEAR FUEL, S.A. | 49.00 | 108 | 22 | 136 | - | 164 | 53 |
| SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E. (*) | 25.00 | 24 | 52 | 15 | - | - | 42 |
| TOTALS | | 553 | 86 | 544 | 112 | 329 | 305 |

Last year audited: 2017.

(*) Not audited.

At 31 December 2019 and 2018, 135 thousand euros of ENUSA-ENSA, A.I.E. are pending disbursement.



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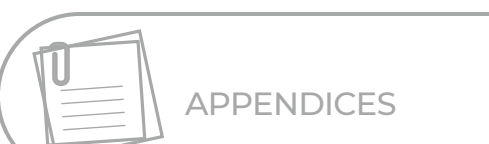
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d) Sundry Information

ENUSA has signed credit lines with short-term maturity with different financial institutions for a limit of 94,490 thousand euros (the same amount as on 31 December 2018), of which at 31 December 2019, 71,545 thousand euros (71,570 thousand euros at 31 December 2018) had been drawn down.

The current interest rates on the credit lines are market interest rates.

8.2. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

a) Credit Risk

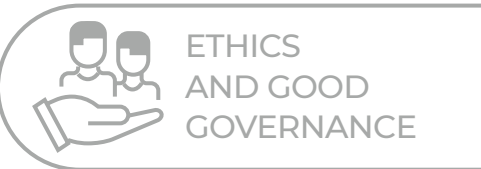
The credit risk is produced by the possible loss caused by breach of the contractual obligations of the counterparts of the Company, that is, by the possibility of not recovering the financial assets at the book value and in the established period. In this regard, the exposure to the credit risk at 31 December is concentrated, basically, in the following items:

| | Thousands of euros | |
|--|--------------------|---------------|
| | 2019 | 2018 |
| Customers for sales and services | 19,643 | 11,121 |
| Customers, companies of group & associated co. | 1,163 | 2,331 |
| Loans to co. of group and associated companies | - | 39,001 |
| TOTAL | 20,806 | 52,453 |

As regards the relative risk to accounts receivable from customers, it can be highlighted that ENUSA's main activities are based, on one hand, on the supply of enriched uranium to the Spanish electric utilities that own nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for nuclear-based electric power production. In this respect, the list of ENUSA's main customers includes a leading group of large electric utilities of recognised solvency. The fuel supply and loading contracts signed with customers are long-term contracts with exact planning of dates and volumes to enable adequate management of the sales volumes and, accordingly, of the payment periods inherent therein. Both the supply and the manufacturing contracts provide for the reception of amounts by way of advances on future sales, which constitute an element for minimising possible risk. At 31 December 2019, the balance of advances on account received from customers, to be applied in 2020, is 32,770 thousand euros (43,710 thousand euros at 31 December 2018).



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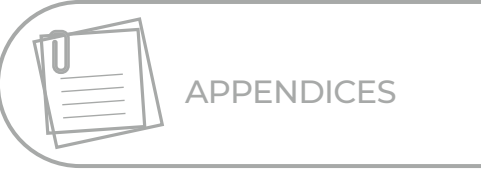
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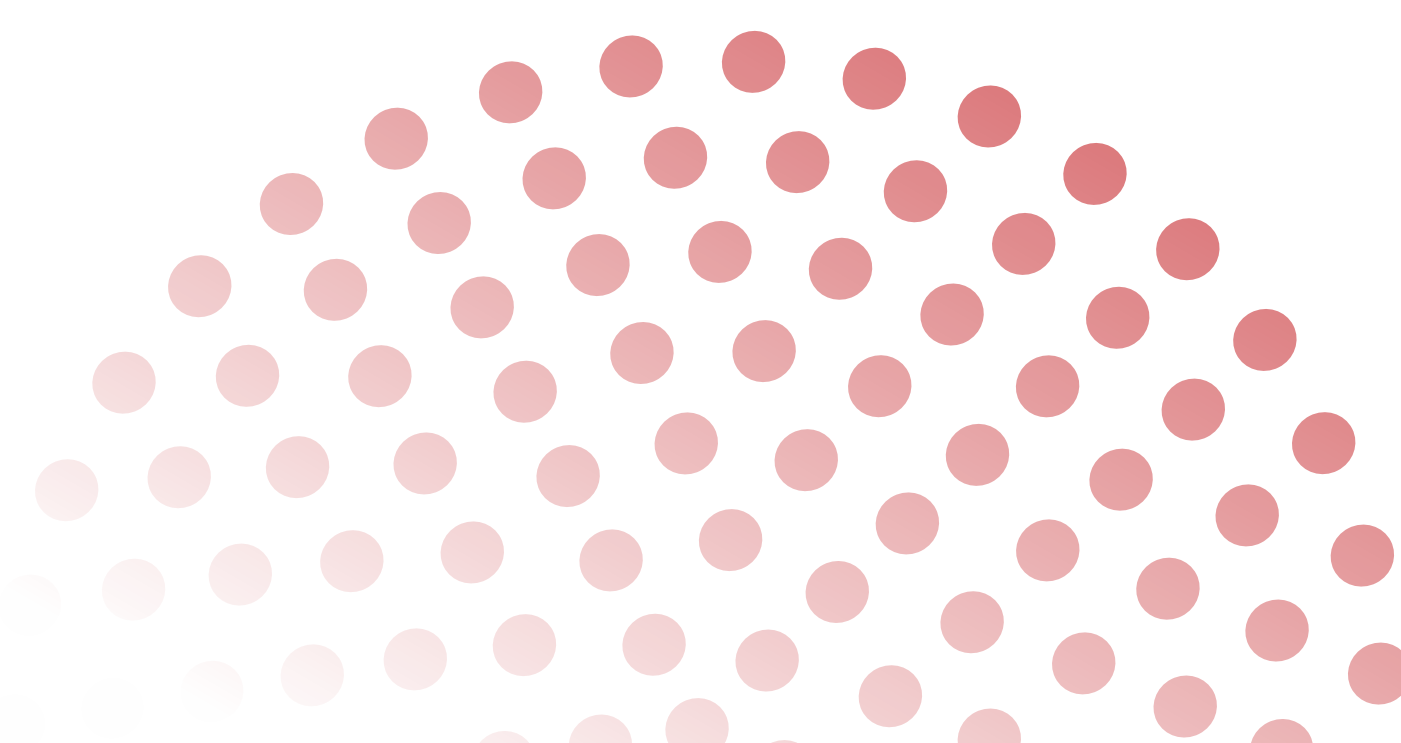
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In reference to Loans to companies of the group and associated companies, these correspond to the so-called “Intersepi deposits”, with the amount at 31 December 2019 being zero euros (39,001 thousand euros at 31 December 2018). This is an instrument created by SEPI to optimise the management of its cash and that of its group of companies, through the intermediation of the supply and demand of cash surpluses. In this SEPI system, the corresponding intermediation operations are performed, acting as counterpart of both parts (fund-taking entities/fund-depositing entities). The placement of the cash surpluses of ENUSA through this mechanism is a priority option included in the “Regulating Rules of the Authorisation and Supervision System of Acts and Operations of the SEPI Group”.

b) Liquidity Risk

Prudent management of the liquidity risk means keeping sufficient cash on hand and having funding available through a sufficient amount of credit facilities. In this respect, the ENUSA strategy is to maintain the necessary flexibility in financing through the availability of both long-term loans and short-term credit lines, such that all contingencies that directly affect the Company treasury are fully hedged.

c) Market Risk

- > Interest rate risk. In relation to the total debt of the Company that finances the supply management, which includes the procurement stocks and whose financial burden is fully transferred to the sales price of the enriched uranium, the Company has chosen to hedge the interest rate risks (in part of the cited debt) by contracting interest rate swaps. These contract have expired in 2019, therefore, there is no type of hedging of this type at the close of the financial year. Nonetheless, there are four contracts to hedge the interest rate for the long-term credit signed by the UTE RSU (see note 8.1.2).
- > Exchange rate risks. The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires ENUSA to implement an exchange rate risk management policy. The fundamental purpose is to mitigate the negative impact of fluctuating exchange rates on its P&L account, so that it can protect itself against adverse movements and take advantage of favourable evolution, as the case may be. In this respect, the Company uses the purchase/sale of foreign currencies on credit (exchange insurance) for risk management, thereby locking in a known exchange rate on a specific date for future payments; this rate can also be temporarily adjusted for adaptation and application to cash flows. The amount committed at year’s end to this type of operations is itemised in note 8.1.2.

8.3. TOTAL CAPITAL AND RESERVES

The composition and activity of the total capital and reserves are shown in the statement of changes in equity.

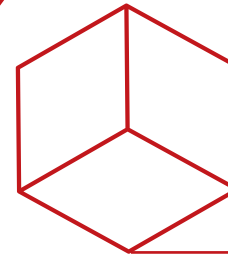
At 31 December 2019 and 2018 the ENUSA share capital is fully paid for and is composed of 200,000 common bearer shares with a nominal value of 300.51 euros each and with equal political and economic rights. The breakdown of the shareholders is as follows:

| | % Share |
|---|------------|
| - Sociedad Estatal de Participaciones Industriales (SEPI) | 60 |
| - Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT) | 40 |
| | 100 |

Provisions for the Legal Reserve have been made by applying 10% of the earnings from the different years. At 31 December 2019 and 2018, this reserve is constituted, reaching 20% of share capital. This reserve is not freely available and can only be used to offset losses, if no other reserves are available for this purpose, and to increase the share capital in the part of its balance that exceeds 10% of the already increased capital.

In 2007, in accordance with the resolution of the General Shareholders' Meeting held on 15 June 2008, the existing balance in the Revaluation Reserve (Royal Decree-Law 7/1996 of June 7), amounting to 6,937 thousand euros, was transferred to Voluntary Reserves. Of this amount, the amount corresponding to the quantities of the revalued assets still not amortised is not available to the Company (see note 5).

The rest of the Voluntary Reserves is freely available on 31 December 2019 and 2018.



9. INVENTORIES

The distribution of stocks of Raw Materials and other supplies at 31 December 2019 and 2018 is as follows:

| | Thousands of euros | |
|----------------------------------|--------------------|----------------|
| | 2019 | 2018 |
| Supply management stocks | 187,778 | 226,916 |
| Other industrial activity stocks | 24,313 | 24,723 |
| Other supplies | 15,722 | 12,208 |
| TOTAL | 227,813 | 263,847 |

The supply management stocks include, at 31 December 2019 and 2018, the amounts of 7,948 and 8,310 thousand euros, respectively, in financing costs.

Additional information on Inventories

The Finished products and Products in progress accounts, which are shown under the Inventories heading of the balance sheet assets, amounting to 14,848 and 7,651 thousand euros, respectively, at 31 December 2019 (6,413 and 7,154 thousand euros, respectively, at 31 December 2018), fundamentally include the costs of the fuel assemblies pending delivery at year's end, and they are classified into one account or the other depending on whether or not they have been completely finished.

The Advances account shown under the Inventories heading of the Balance Sheet assets for 5,327 and 2,082 thousand euros at 31 December 2019 and 2018, respectively, correspond to advances to suppliers of the industrial activities.

The Company's most important firm purchase commitments correspond to long-term contracts with foreign suppliers for the supply of Supply Management, and they vary in amount; therefore their economic quantification is also variable.

As for the most important firm sales commitments, these are long-term contracts with electric utility customers for the sale of enriched uranium and refuelings.

Most of the inventories of the Supply Management are located outside the national territory because of the conversion and enrichment processes required before sale, which take place outside Spain.

There is no limitation whatsoever on inventories by way of guarantees, pledges, deposits or other similar items.

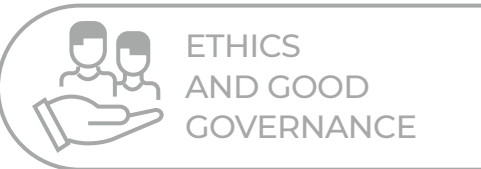
ENUSA has taken out insurance policies to cover possible damages that could occur to the uranium inventories in its warehouses, as well as all damages that could occur during transportation and shipping of concentrates and natural and enriched uranium and to the casks required for these transports by land, sea, air or a combination of these.

The breakdown of the valuation adjustments due to impairment of products in progress and finished products in 2019 and 2018, recorded in the P&L account, is as follows:

| | Thousands of euros |
|------------------------------------|--------------------|
| Balance at 1 January 2018 | - |
| Allocations | 91 |
| Reversions | - |
| Balance at 31 December 2018 | 91 |
| Allocations | - |
| Reversions | (91) |
| Balance at 31 December 2019 | - |



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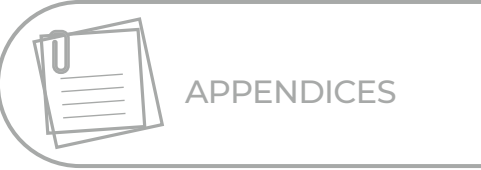
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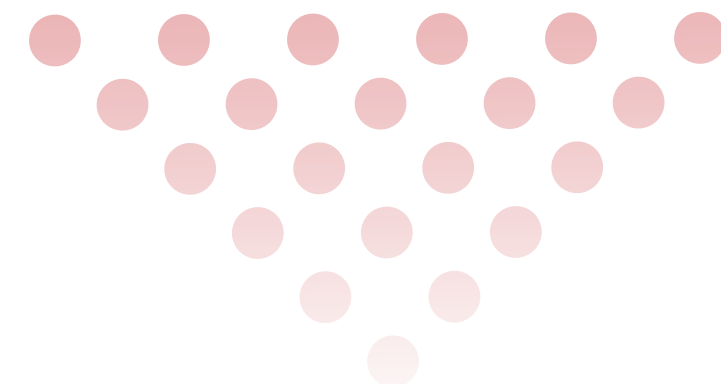
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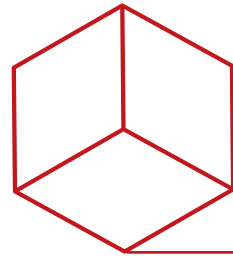


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10. FOREIGN CURRENCY



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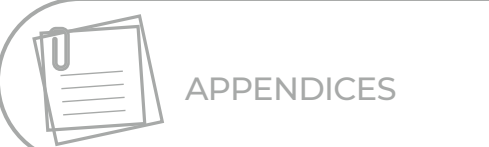
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The breakdown of the amount of the asset and liability items denominated in foreign currency at 31 December 2019 and 2018 is:

| FINANCIAL YEAR 2019 | Thousands of euros | | | |
|--|-------------------------------------|--------------------------------------|----------------------------------|---------------------------------|
| | US Dollar Equivalent Value in Euros | Pound Sterling Equiv. Value in Euros | Others Equivalent Value in Euros | Total Equivalent Value in Euros |
| ASSETS DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 3,577 | 578 | - | 4,155 |
| Trade debtors & other accounts receivable | - | - | 54 | 54 |
| Advances to suppliers | 2,060 | - | - | 2,060 |
| Other cash equivalents | 6 | 5 | 4 | 15 |
| TOTAL | 5,643 | 583 | 58 | 6,284 |
| LIABILITIES DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 124 | - | - | 124 |
| Trade creditors & other accounts payable | 2 | - | - | 2 |
| TOTAL | 126 | - | - | 126 |

| FINANCIAL YEAR 2018 | Thousands of euros | | | |
|--|-------------------------------------|--------------------------------------|----------------------------------|---------------------------------|
| | US Dollar Equivalent Value in Euros | Pound Sterling Equiv. Value in Euros | Others Equivalent Value in Euros | Total Equivalent Value in Euros |
| ASSETS DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 469 | - | - | 469 |
| Trade debtors & other accounts receivable | 54 | - | 55 | 109 |
| Advances to suppliers | 1,621 | - | - | 1,621 |
| Other cash equivalents | 6 | 5 | 3 | 14 |
| TOTAL | 2,150 | 5 | 58 | 2,213 |
| LIABILITIES DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 84 | 112 | - | 196 |
| Trade creditors & other accounts payable | 1,857 | - | - | 1,857 |
| TOTAL | 1,941 | 112 | - | 2,053 |



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The transactions carried out in foreign currency in 2019 and 2018 were:

| FINANCIAL YEAR 2019 | Thousands of euros | | | | |
|---------------------|-------------------------------------|--|-------------------------------|----------------------------------|---------------------------------|
| | US Dollar Equivalent value in Euros | Pound Sterling Equivalent value in Euros | Yen Equivalent value in Euros | Others Equivalent value in Euros | Total Equivalent value in Euros |
| Sales | 268 | - | - | - | 268 |
| TOTAL | 268 | - | - | - | 268 |
| Procurements | 92,370 | 2,744 | - | 9 | 95,123 |
| Outsourcing | 1,464 | 15 | - | - | 1,479 |
| TOTAL | 93,834 | 2,759 | - | 9 | 96,602 |

| FINANCIAL YEAR 2018 | Thousands of euros | | | | |
|---------------------|-------------------------------------|--|-------------------------------|----------------------------------|---------------------------------|
| | US Dollar Equivalent value in Euros | Pound Sterling Equivalent value in Euros | Yen Equivalent value in Euros | Others Equivalent value in Euros | Total Equivalent value in Euros |
| Services rendered | 490 | - | - | - | 490 |
| TOTAL | 490 | - | - | - | 490 |
| Procurements | 53,606 | 1,983 | 25 | 1 | 55,615 |
| Outsourcing | 1,429 | 22 | - | - | 1,451 |
| TOTAL | 55,035 | 2,005 | 25 | 1 | 57,066 |

The amount of the exchange differences recorded in the 2019 and 2018 P&L, classified by type of financial instrument, has been:

| Thousands of euros | | | |
|--|---|-------------------------------|--------------|
| Exchange differences recorded in the year's P&L (+) Profits (-) Losses | | | |
| FINANCIAL YEAR 2019 | Transactions liquidated during the year | Transactions pending maturity | Total |
| Asset Class | | | |
| Derivatives | 271 | - | 271 |
| Trade debtors & other accounts receivable | 4 | - | 4 |
| TOTAL | 275 | - | 275 |
| Liability Class | | | |
| Derivatives | 125 | - | 125 |
| Trade creditors & other accounts payable | (865) | (11) | (876) |
| TOTAL | (740) | (11) | (751) |
| NET | (465) | (11) | (476) |

| Thousands of euros | | | |
|--|---|-------------------------------|--------------|
| Exchange differences recorded in the year's P&L (+) Profits (-) Losses | | | |
| FINANCIAL YEAR 2018 | Transactions liquidated during the year | Transactions pending maturity | Total |
| Asset Class | | | |
| Derivatives | 75 | - | 75 |
| Trade debtors & other accounts receivable | 18 | (1) | 17 |
| TOTAL | 93 | (1) | 92 |
| Liability Class | | | |
| Derivatives | 122 | - | 122 |
| Trade creditors & other accounts payable | (488) | 208 | (280) |
| TOTAL | (366) | 208 | (158) |
| NET | (273) | 207 | (66) |

The balances for advances to suppliers do not generate exchange differences as they correspond to the amount effectively paid.



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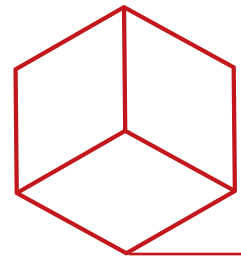
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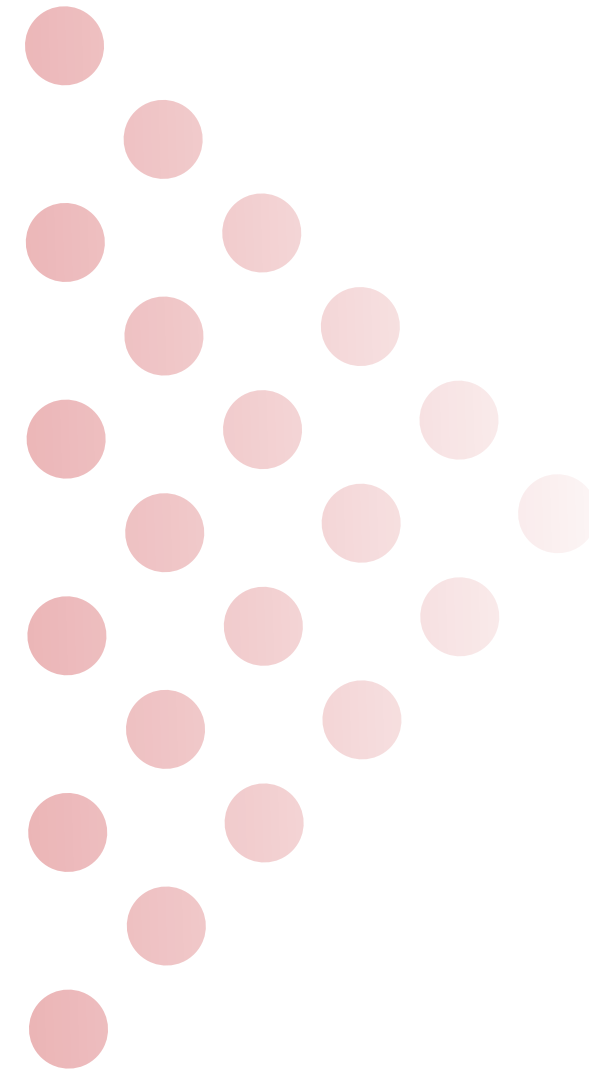
11. TAX POSITION

The calculation of the Corporate Income Tax corresponding to the financial year 2019 shows a liquid amount of 744 thousand euros (1,365 thousand euros in 2018) that, once the amount of the corresponding withholding and payments on account were discounted, generated a balance in favour of the Company with the Tax Administration of 394 thousand euros (1,346 thousand euros in 2018), included under the heading “Current Tax Assets”, of the Balance Sheet. The composition of the balance at 31 December of 2019 and 2018 of this heading is the following:

| | Thousands of euros | |
|---|--------------------|--------------|
| | 31.12.2019 | 31.12.2018 |
| Balance pending collection corresponding to the year | 394 | 1,346 |
| Balance pending collection corresponding to the previous year (1) | - | 2,511 |
| TOTAL | 394 | 3,857 |

(1) Final amount shown in the presented Form 200

In the 2019 P&L account, the Corporate Income Tax amounts to 582 thousand euros (941 thousand euros deposited in 2018, resulting in an after-tax result of 4,162 thousand euros (3,734 thousand euros in 2018).





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The following tables show the reconciliation of the net amount of the year's Income and Expenses with the taxable base of the 2019 and 2018 Corporate Income Tax:

| FINANCIAL YEAR 2019 | Thousands of euros | | | | | |
|---|--------------------|---------|--|---------|----------|----------------|
| | P&L Account | | Income and Expenses Directly Charged to Equity | | Reserves | Total |
| BALANCE OF YEAR'S INCOME AND EXPENSES | 4,162 | - | 2,970 | - | | 7,132 |
| Corporate Income Tax | 582 | | 990 | - | | 1,572 |
| Permanent differences | 297 | (2,271) | - | - | | (1,974) |
| TEMPORARY DIFFERENCES: | 4,305 | (2,899) | 1,843 | (5,803) | - | (2,554) |
| - Originating in the year | 3,765 | - | 640 | (5,000) | | (595) |
| - Originating in previous years | 540 | (2,899) | 1,203 | (803) | | (1,959) |
| Offsetting negative tax bases of previous years | | | | | | - |
| TAXABLE BASE (TAX RESULT) | | | | | | 4,176 |

| FINANCIAL YEAR 2018 | Thousands of euros | | | | | |
|---|--------------------|---------|--|---------|----------|----------------|
| | P&L Account | | Income and Expenses Directly Charged to Equity | | Reserves | Total |
| BALANCE OF YEAR'S INCOME AND EXPENSES | 3,734 | - | 1,612 | - | | 5,346 |
| Corporate Income Tax | (941) | | 537 | - | | (404) |
| Permanent differences | 249 | (742) | - | - | | (493) |
| TEMPORARY DIFFERENCES: | 8,245 | (2,885) | 2,045 | (4,194) | - | 3,211 |
| - Originating in the year | 7,609 | - | 819 | (2,507) | | 5,921 |
| - Originating in previous years | 636 | (2,885) | 1,226 | (1,687) | | (2,710) |
| Offsetting negative tax bases of previous years | | | | | | - |
| TAXABLE BASE (TAX RESULT) | | | | | | 7,660 |

The most important permanent differences correspond to:

- > **Increases:** these include, among others, the adjustment corresponding to provisions and contributions as per Law 49/2002, in the amount of 62 thousand euros, sanctions and surcharges in the amount of 26 thousand euros, and allocation of taxable bases of UTEs and AIEs, in the amount of 200 thousand euros (in 2018, the adjustment corresponded to donations and contributions of Law 49/2002, in the amount of 68 thousand euros and allocation of taxable bases of UTEs and AIEs, amounting to 174 thousand euros).
- > **Decreases:** mainly include the exemption to avoid double taxation for dividends in the amount of 2,262 thousand euros (in 2018, it included, mainly, the exemption to avoid double taxation amounting to 739 thousand euros).

The most relevant temporary differences correspond to:

- > **Increases:** provisions for reclamation and decommissioning of installations in the amount of 732 thousand euros, provision for impairment of fixed assets for 1,942 thousand euros and for impairment of accounts receivable from public entities for 696 thousand euros (in 2018, provisions for reclamation and decommissioning of installations for 6,327 thousand euros, and for impairment of accounts receivable from public organisations of 695 thousand euros).
- > **Decreases:** application of provisions that were not a fiscal expense in previous years, of which 1,749 thousand euros correspond to installation reclamation and decommissioning costs, personnel obligations and restructurings, 348 thousand euros correspond to applications and reversions of different provisions, and 360 thousand euros correspond to the reversion of provisions for impairment of fixed assets, none of them deductible at the time of their allocation (in 2018, application of provisions that were not a fiscal expense in previous years, of which 2,127 thousand euros corresponded to reclamation and decommissioning of installations, obligations with personnel and restructurings and 31 thousand euros corresponded to different reversions of provisions, non-deductible at the time of their allocation).

The income and expenses charged to net worth correspond to the profits or losses recorded during the year from valuation of the derivatives designated as derivative financial instruments, as well as changes in Subsidies received.



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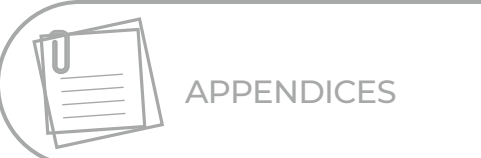
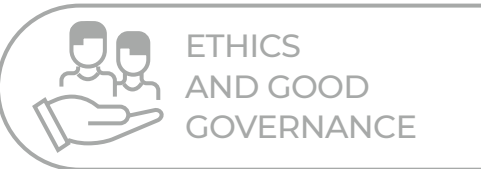
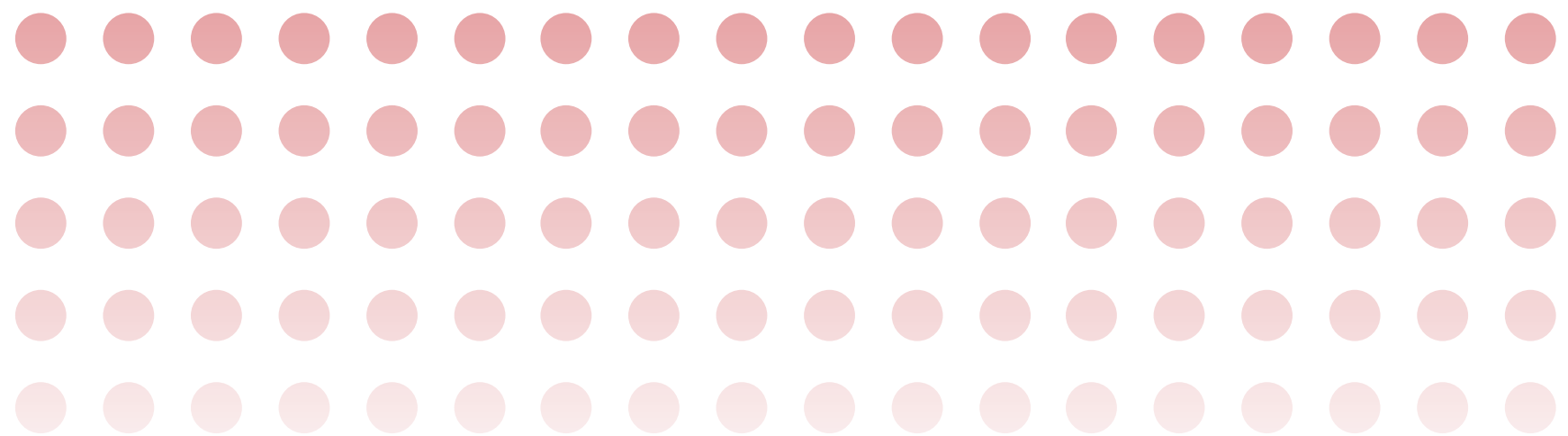
Below is the reconciliation between the income tax that would result from applying the current general taxation rate to pre-tax earnings and the expenditure recorded for this tax in the P&L Account, and the reconciliation of the latter with the net amount of the Corporate Income Tax corresponding to 2019 and 2018:

| | Thousands of euros 31.12.2019 |
|---|----------------------------------|
| Pre-tax earnings | 4,744 |
| Permanent differences | (1,974) |
| Adjusted earnings | 2,770 |
| 25.00% tax rate | 693 |
| Deductions | (300) |
| Income tax | 393 |
| Current tax expenditure in P&L account | 744 |
| Deferred tax income in P&L account | (351) |
| Income tax expenses of the year | 393 |
| Negative adjustment to the income tax | 607 |
| Positive adjustment to the income tax | (418) |
| Income tax expenses in P&L account | 582 |

| | Thousands of euros 31.12.2018 |
|---|----------------------------------|
| Pre-tax earnings | 2,793 |
| Permanent differences | (493) |
| Adjusted earnings | 2,300 |
| 25.00% tax rate | 575 |
| Deductions | (550) |
| Income tax | 25 |
| Current tax expenditure in P&L account | 1,365 |
| Deferred tax income in P&L account | (1,340) |
| Income tax expenses of the year | 25 |
| Negative adjustment to the income tax | 162 |
| Positive adjustment to the income tax | (1,128) |
| Income tax expenses in P&L account | (941) |

The tax deductions from the amount applied in 2019 and 2018 primarily correspond a deductions for research and development expenses, generated in previous years, and not applied by the tax group to which the Company belonged.

The negative adjustments in the income tax recorded in 2019, mainly, corresponded to removals of deferred tax assets for deductions not applied and on which there are doubts that they can be applied in upcoming years (in 2018 they corresponded, basically, to removals of deferred tax assets, with expiry over ten years).

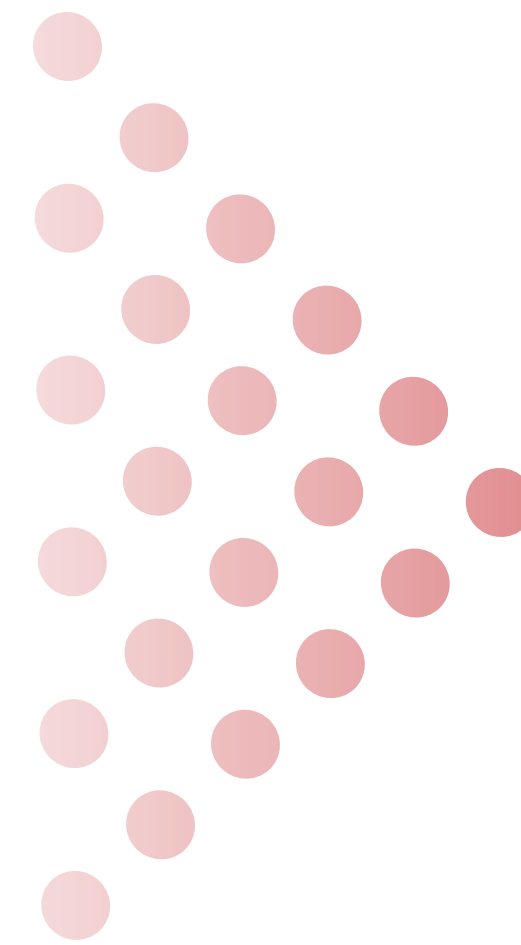


The positive adjustments in the income tax recorded in 2019 mainly correspond to the recovery of deferred tax assets generated for temporary differences and whose period planned for reversion is not over ten years. The positive adjustment in the income tax recorded in 2018 corresponded to the capitalisation of deductions pending being applied in upcoming years.

Deferred taxes are recorded in the Balance Sheet at 31 December 2019 and 2018, classified in the following accounts, according to their reversion period:

| DEFERRED TAX ASSETS | Thousands of euros | |
|---|--------------------|---------------|
| | 31.12.2019 | 31.12.2018 |
| Long-term deductible temporary differences | 11,639 | 11,656 |
| Long-term deductibles pending application | 538 | 1,128 |
| Short-term deductible temporary differences | 1,939 | 1,405 |
| TOTAL | 14,116 | 14,189 |

| DEFERRED TAX LIABILITIES | Thousands of euros | |
|--|--------------------|------------|
| | 31.12.2019 | 31.12.2018 |
| Long-term taxable temporary differences | 1,150 | 612 |
| Short-term taxable temporary differences | 444 | 227 |
| TOTAL | 1,594 | 839 |



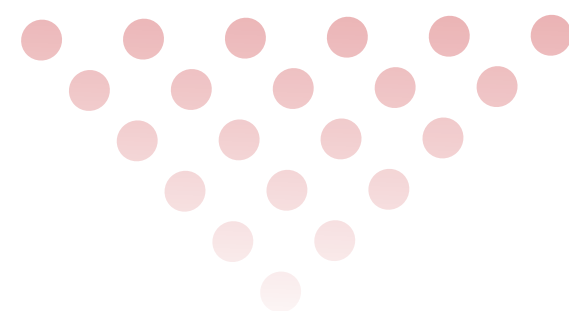
The origin of the deferred taxes recorded in the year-end balance sheets of 2019 and 2018 is as follows:

| DEFERRED TAX ASSETS ORIGINATING IN: | Thousands of euros | |
|---|--------------------|---------------|
| | 31.12.2019 | 31.12.2018 |
| Financial hedges | 849 | 949 |
| Deductions pending application | 538 | 1,128 |
| Provisions for guarantees | 2,201 | 2,288 |
| Provision for reclamation and decommissioning of mining sites | 8,010 | 8,253 |
| Provision for benefits to personnel | - | - |
| Provision for staff restructuring | 63 | 54 |
| Provision for depreciation of fixed assets | 486 | 90 |
| Provision for dismantling the Juzbado factory | 455 | - |
| Amortisation deductibility limitation | 512 | 615 |
| Non-deductible provisions of UTE RSU | 970 | 785 |
| Other provisions not deductible from income tax | 32 | 27 |
| TOTAL | 14,116 | 14,189 |

| DEFERRED TAX LIABILITIES ORIGINATING IN: | Thousands of euros | |
|--|--------------------|------------|
| | 31.12.2019 | 31.12.2018 |
| Financial hedges | 1,039 | 117 |
| Unrestricted amortisation | 527 | 662 |
| Subsidies | 28 | 60 |
| TOTAL | 1,594 | 839 |

The transactions of the Deferred Tax headings of the Balance Sheet corresponding to 31 December 2019 and 2018 are as follows:

| | Thousands of euros | |
|--|---------------------|--------------------------|
| | Deferred Tax Assets | Deferred Tax Liabilities |
| Balance at 31/12/17 | 12,581 | 1,000 |
| Generated in 2018 | 1,902 | - |
| Recovered in 2018 | (721) | (159) |
| Net variation of financial derivatives | (539) | 56 |
| Net variation of subsidies | - | (58) |
| Positive/negative adjustments (Adjust. Def. Tax Assets for deductions pending application) | 1,128 | - |
| Positive/negative adjustments (Adjust. Def. Tax Assets for reversion at more than ten years) | (162) | - |
| Balance at 31/12/18 | 14,189 | 839 |
| Generated in 2019 | 941 | - |
| Recovered in 2019 | (724) | (135) |
| Net variation of financial derivatives | (100) | 922 |
| Net variation in subsidies | - | (32) |
| Positive/negative adjustments (Adjust. Def. Tax Assets for deductions pending application) | (590) | - |
| Positive/negative adjustments (Adjust. Def. Tax Assets for reversion at more than ten years) | 400 | - |
| Balance at 31/12/19 | 14,116 | 1,594 |



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Up to the financial year 2015, for purposes of payment of the Corporate Income Tax, the Company was part of consolidated group no. 9/86, formed by the Sociedad Estatal de Participaciones Industriales and the companies based in Spanish territory that formed part of its consolidated financial group, pursuant to the provisions of Articles 42 and following of the Code of Commerce and in accordance with the provisions of Public Corporations Act 5/1996 of 10 January.

ENUSA and its subsidiary companies were excluded from the above-mentioned fiscal group since financial year 2016, due to the fact that, as from this financial year, it was no longer possible to apply the special rule of delimitation of the SEPI Tax Group set forth in Section 14.2 of the law according to which it was created (Law 5/1996, of January 10, on the creation of certain entities of public law), pursuant to which the Group shall consist of SEPI itself and the companies thereof located in Spanish territory which, in turn, are part of its financial Group pursuant to the provisions set forth in Section 42 of the Code of Commerce, as long as the debt generated by the National Institute of Industry (then SEPI) has not been fully amortised. The amortisation of the above-mentioned debt definitively took place at the end of the financial year 2015.

Therefore, from the cited tax period the rules of general delimitation were applicable, which were established in Chapter VI of Title VII of the Law 27/2014, of 27 November, the Corporate Income Tax Law (LIS), among which it is included that the controlling company shall have a direct or indirect investment of at least 75 percent of the share capital and shall own the majority of the voting rights on the first day of the tax period in which this system may be applicable.

Consequently, and since the direct investment of SEPI in the capital of ENUSA is 60%, the latter was excluded from the SEPI Tax Group, and was obliged to be taxed individually since financial year 2016.

As a result of the exclusion, and in accordance with Article 74 of the LIS, the Company assumed the right to offset the negative tax bases and apply the tax deductions generated while they formed part of the Tax Group that had not been applied by it, in the proportion in which it had contributed to their formation.

The breakdown of the tax bases and the tax deductions received and applied up to the current financial year is as follows:

| | Thousands of euros | | | | |
|---|--|-------------------------|---------------------------------|--------------------------------|---------------------------------|
| | Incorporated after leaving the tax group | Applied in 2016 to 2018 | Pending application at 31/12/18 | Applied in financial year 2019 | Pending application at 31/12/19 |
| Tax bases | 124 | 124 | - | - | - |
| DEDUCTIONS | | | | | |
| For internal double taxation | 698 | 698 | - | - | - |
| For research and development | 7,341 | 884 | 6,457 | 173 | 6,284 |
| For vocational training | 79 | 16 | 63 | 9 | 54 |
| For environmental protection | 67 | 5 | 62 | 8 | 54 |
| For exporting companies | 143 | 23 | 120 | 28 | 92 |
| For investment in navigation and location systems | 272 | 43 | 229 | 43 | 186 |
| For re-investment of extraordinary profit | 185 | 2 | 183 | - | 183 |
| For reversion of temporary measures | 7 | 7 | - | - | - |
| For contributon to non-profit entities | 343 | 343 | - | - | - |
| TOTAL DEDUCTIONS | 9,135 | 2,021 | 7,114 | 261 | 6,853 |

| | Thousands of euros | | | | |
|---|--|-----------------|-----------------|-----------------|---------------------------------|
| | Incorporated after leaving the tax group | Applied in 2016 | Applied in 2017 | Applied in 2018 | Pending application at 31/12/18 |
| Tax bases | 124 | 124 | - | - | - |
| DEDUCTIONS | | | | | |
| For internal double taxation | 698 | 698 | - | - | - |
| For research and development | 7,341 | 422 | 72 | 390 | 6,457 |
| For vocational training | 79 | - | - | 16 | 63 |
| For environmental protection | 67 | - | - | 5 | 62 |
| For exporting companies | 143 | - | - | 23 | 120 |
| For contributions to pension plans | 272 | - | - | 43 | 229 |
| For re-investment of extraordinary profit | 185 | - | - | 2 | 183 |
| For reversion of temporary measures | 7 | 7 | - | - | - |
| For contributon to non-profit entities | 343 | 334 | 9 | - | - |
| TOTAL DEDUCTIONS | 9,135 | 1,461 | 81 | 479 | 7,114 |



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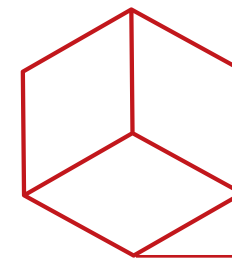
At the time of incorporating the above-mentioned rights in the financial year 2016, the existing doubts regarding the possibility of generating future tax profits which would allow the application of the cited deductions led to the non-recognition of any deferred tax assets. However, at the end of the financial year 2018, the Company, based on current forecasts of future profit tax, estimated that part of these deductions could be applied in the following years, proceeding to the corresponding recording in the books of the deferred tax asset in the amount of 1,128 thousand euros. At the closing of financial year 2019, the estimate of future application is of 538 thousand euros, for which reason the corresponding deferred tax asset in the amount of 590 thousand euros was removed.

The breakdown of the balances related to Other credits and Other debts with Public Administrations, included in the consolidated Balance Sheet, is the following:

| OTHER CREDITS WITH THE PUBLIC ADMINISTRATIONS | Thousands of euros | |
|---|--------------------|------------|
| | 31.12.2019 | 31.12.2018 |
| Value added tax | 388 | 60 |
| Subsidies | 150 | 262 |
| TOTAL | 538 | 322 |

| OTHER DEBTS WITH THE PUBLIC ADMINISTRATIONS | Thousands of euros | |
|---|--------------------|--------------|
| | 31.12.2019 | 31.12.2018 |
| Value added tax | 94 | 282 |
| Withholding | 842 | 779 |
| Social Security | 803 | 880 |
| Taxes and duties | 539 | 136 |
| TOTAL | 2,278 | 2,077 |

The years subject to inspection by the tax authorities in relation to the most significant taxes the Company and the subsidiaries must pay include the last four years. It is not expected that, in the event of an inspection, any further significant liabilities will arise.



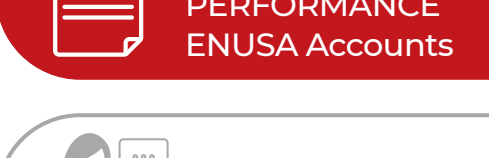
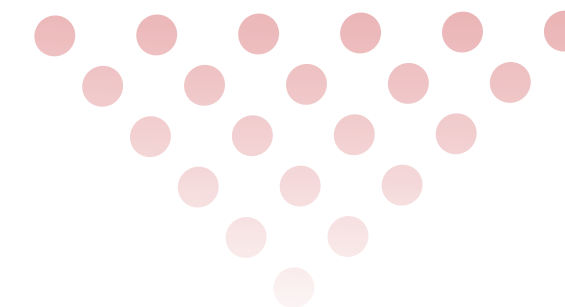
12. INCOME AND EXPENSES

The “Consumption of Merchandise and Consumption of Raw Materials and Other Consumables” item in the Profit & Loss Account for 2019 and 2018 is broken down as follows:

| | Thousands of euros | |
|--------------------------|--------------------|----------------|
| | 2019 | 2018 |
| Purchases | 192,123 | 103,335 |
| Variation in inventories | 36,034 | 35,756 |
| TOTAL | 228,157 | 139,091 |

The breakdown of purchases on the national market and of imports in 2019 and 2018 is as follows:

| | Thousands of euros | |
|---------------------------|--------------------|----------------|
| | 2019 | 2018 |
| National purchases | 3,409 | 2,915 |
| Intra-community purchases | 72,901 | 31,326 |
| Imports | 115,813 | 69,094 |
| TOTAL | 192,123 | 103,335 |



The net amounts of turnover by markets in 2019 and 2018 are as follows:

| | Thousands of euros | |
|-----------------|--------------------|----------------|
| | 2019 | 2018 |
| National Market | 269,951 | 190,400 |
| Foreign Market | 35,298 | 44,996 |
| TOTAL | 305,249 | 235,396 |

The breakdown of Social Charges in 2019 and 2018 is as follows:

| | Thousands of euros | |
|-----------------------|--------------------|--------------|
| | 2019 | 2018 |
| Social Security | 7,474 | 7,190 |
| Other social benefits | 1,089 | 1,080 |
| TOTAL | 8,563 | 8,270 |

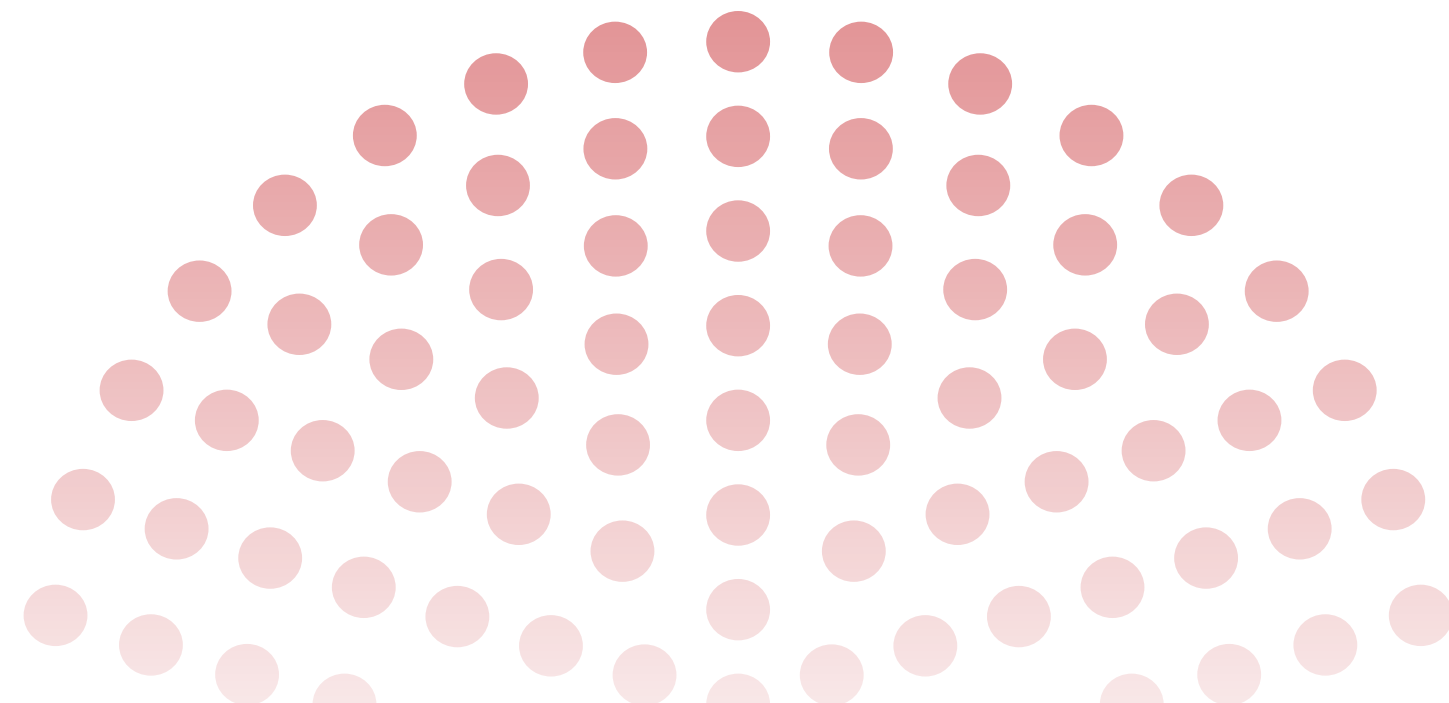
The breakdown of "Outsourced services", included in the item "Other operating expenses", in 2019 and 2018 is as follows:

| | Thousands of euros | |
|---|--------------------|---------------|
| | 2019 | 2018 |
| Year's research and development expenses | 509 | 320 |
| Leases and duties | 2,072 | 2,201 |
| Repairs and preservation | 2,248 | 8,065 |
| Independent professional services | 73 | 80 |
| Transports | 2,800 | 2,343 |
| Insurance premiums | 1,114 | 1,072 |
| Bank services and similar | 56 | 69 |
| Advertising, publicity and public relations | 339 | 364 |
| Procurements | 1,694 | 1,610 |
| Other services | 5,679 | 5,444 |
| TOTAL | 16,584 | 21,568 |

The breakdown of extraordinary results, included in the item "Other operating results", in 2019 and 2018 is as follows:

| | Thousands of euros | |
|--------------------------------------|--------------------|------------|
| | 2019 | 2018 |
| Sanctions and surcharges | 26 | - |
| Legal claims | 183 | 58 |
| Expenses caused by accidents UTE RSU | 9 | 29 |
| Other extraordinary expenses | 43 | 14 |
| TOTAL EXPENSES | 261 | 101 |

| | Thousands of euros | |
|---|--------------------|------------|
| | 2019 | 2018 |
| Refund of AEAT imposed duties | 956 | - |
| Indemnities and extraordinary refunds received from insurance companies | 189 | 146 |
| Penalties collected from suppliers | 1,381 | - |
| Income from sentences | 279 | - |
| Insurance payments RSU UTE claim | 19 | 25 |
| Other extraordinary income | 51 | 13 |
| TOTAL INCOME | 2,875 | 184 |



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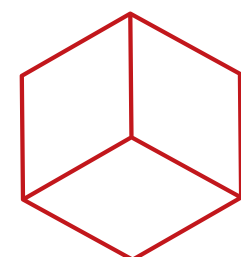
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13. PROVISIONS AND CONTINGENCIES



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The movement of the Provisions accounts during 2019 and 2018 has been as follows:

| FINANCIAL YEAR 2019 | Thousands of euros | | | | | Balance at 31/12/2019 |
|--|-----------------------|-------------------------------------|-----------------------------|----------------|----------------|-----------------------|
| | Balance at 31/12/2018 | Provisions & Financial Restatements | Applications and reversions | Others | Transfers | |
| LONG-TERM PROVISIONS | | | | | | |
| Environmental activities (Note 14 c) | 42,084 | 1,631 | - | (1,084) | (2,128) | 40,503 |
| Restructuring provisions | 338 | 36 | - | - | - | 374 |
| Fuel assembly warranties and in-plant services | 9,153 | - | (348) | - | - | 8,805 |
| Misc. provisions UTE RSU | 4,951 | 813 | (99) | - | - | 5,665 |
| TOTAL LONG-TERM PROVISIONS | 56,526 | 2,480 | (447) | (1,084) | (2,128) | 55,347 |
| SHORT-TERM PROVISIONS | | | | | | |
| Environmental activities (Note 14 c) | 4,816 | - | (1,851) | - | 2,128 | 5,093 |
| Provisions for other obligations | 1,212 | 101 | (387) | - | - | 926 |
| Misc. provision UTE RSU | 308 | - | (308) | - | - | - |
| TOTAL SHORT-TERM PROVISIONS | 6,336 | 101 | (2,546) | - | 2,128 | 6,019 |

| FINANCIAL YEAR 2018 | Thousands of euros | | | | | Balance at 31/12/2018 |
|--|-----------------------|-------------------------------------|-----------------------------|--------------|----------------|-----------------------|
| | Balance at 31/12/2017 | Provisions & Financial Restatements | Applications and reversions | Others | Transfers | |
| LONG-TERM PROVISIONS | | | | | | |
| Environmental activities (Note 14 c) | 38,043 | 6,923 | - | (521) | (2,361) | 42,084 |
| Restructuring provisions | 364 | 1 | (27) | - | - | 338 |
| Fuel assembly warranties and in-plant services | 9,229 | 276 | (352) | - | - | 9,153 |
| Misc. provisions UTE RSU | 4,079 | 1,523 | (240) | - | (411) | 4,951 |
| TOTAL LONG-TERM PROVISIONS | 51,715 | 8,723 | (619) | (521) | (2,772) | 56,526 |
| SHORT-TERM PROVISIONS | | | | | | |
| Environmental activities (Note 14 c) | 4,703 | - | (2,248) | - | 2,361 | 4,816 |
| Provisions for other obligations | 1,665 | 15 | (468) | - | - | 1,212 |
| Misc. provisions UTE RSU | - | - | (103) | - | 411 | 308 |
| TOTAL SHORT-TERM PROVISIONS | 6,368 | 15 | (2,819) | - | 2,772 | 6,336 |

The calculation of restructuring provisions is based on the expected annual payments for compositions to personnel. The movements recorded in the year correspond, basically, to the new estimate made according to the planned dismantling schedule.

As in previous years, fuel assembly warranty provisions are calculated on the basis of the useful life of refuelings and statistical data, the latter based on historical Company information and information from the technology suppliers on failure rates in the fuel assemblies. In financial year 2019 a provision excess was recorded in the amount of 263 thousand euros (276 thousand euros of allocation in 2018) as a result of the estimate made at the end of year.

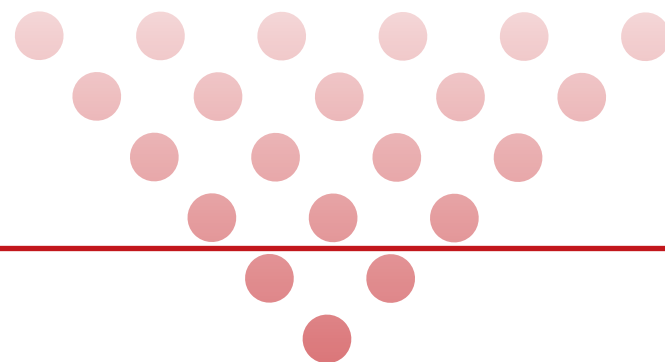
The “Provisions for other Obligations” include, basically, those derived from lawsuits in which the Company is immersed. The most significant movements produced in the year correspond to allocations for new risks, in the amount of 101 thousand euros (15 thousand euros in 2018), surpluses for risks allocated in previous years amounting to 270 thousand euros (422 thousand euros in 2018) and applications amounting to 116 thousand euros (46 thousand euros in 2018).

The Provisions of the UTE RSU correspond, basically, to provisions related to the actions foreseen on the infrastructure in exploitation (replacement of fixed assets, expansion of the landfill, its safety and surveillance, etc.).

The amount of the provisions and financial restatements corresponding to these provisions was 813 thousand euros (an amount integrated at the percentage of the Company’s participation in the UTE). Within the allocations made in the year, the amount recorded against the corresponding fixed asset (sealing and surveillance of the landfill and construction of new cells therein) was 584 thousand euros (see Note 6). The amount of the allocations and financial restatements corresponding to these provisions in 2018 was 1,523 thousand euros (an amount integrated at the percentage of participation of the Company in the UTE).

The total of applications of provisions made in the financial year 2019 was the amount of 3,545 thousand euros (3,509 thousand euros in 2018), with these payments being reflected in the Cash Flow Statement under the heading “Other Payments”, within Other Cash Flows of the operating activities.

The total of surplus provisions reaches an amount of 532 thousand euros in the financial year 2019 (429 thousand euros in 2018), corresponding mainly to reversions referring to risks for lawsuits amounting to 269 thousand euros and to guarantees in the amount of 263 thousand euros (402 thousand euros for reversion of risks for lawsuits in 2018).



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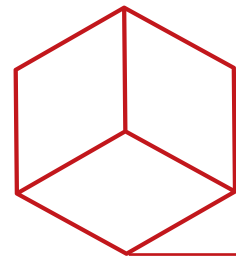
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14. ENVIRONMENTAL INFORMATION

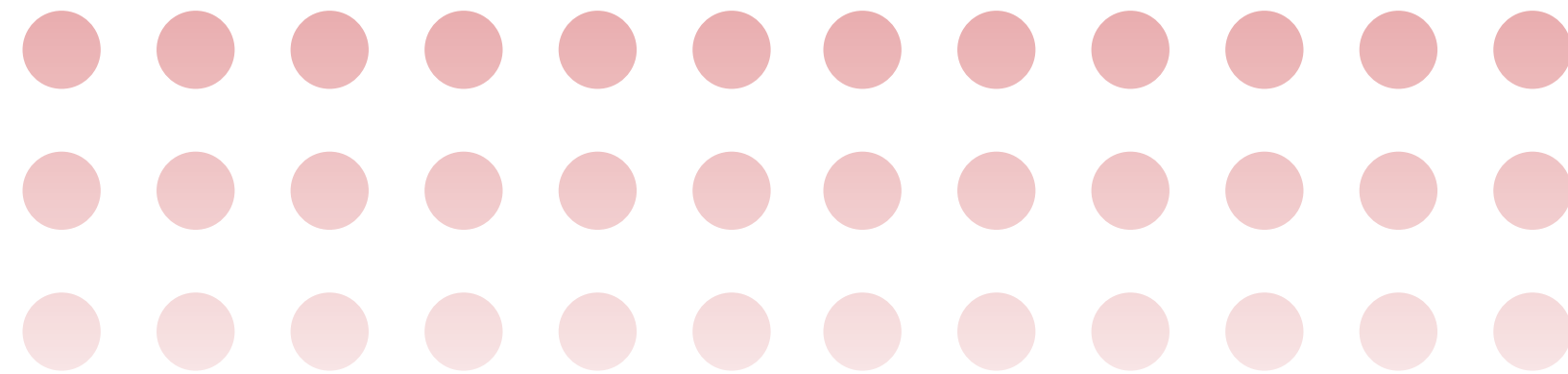
a) Assets Subject to Environmental Activities:

In relation to the nuclear fuel manufacturing business conducted in the facilities that the Company owns in Juzbado (Salamanca), it is not possible to determine an itemised description and value of the equipment and installations used for environmental protection and enhancement.

This is explained by the fact that it is a complex, specialised facility where it must be ensured that all processes conform to environmental regulations.

The Company closed its uranium concentrate production business at the end of 2002. Consequently, the value of the assets subject to mining operations is amortised almost in full, and the only activity carried out is the one corresponding to reclamation and decommissioning tasks.

The value of the most significant assets and installations assigned to these reclamation and decommissioning tasks, which are focussed on environmental protection and enhancement, at 31 December 2019 and 2018 is as follows:



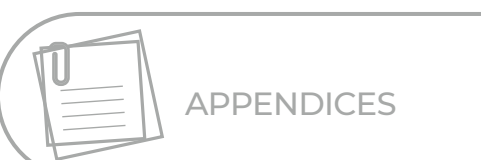
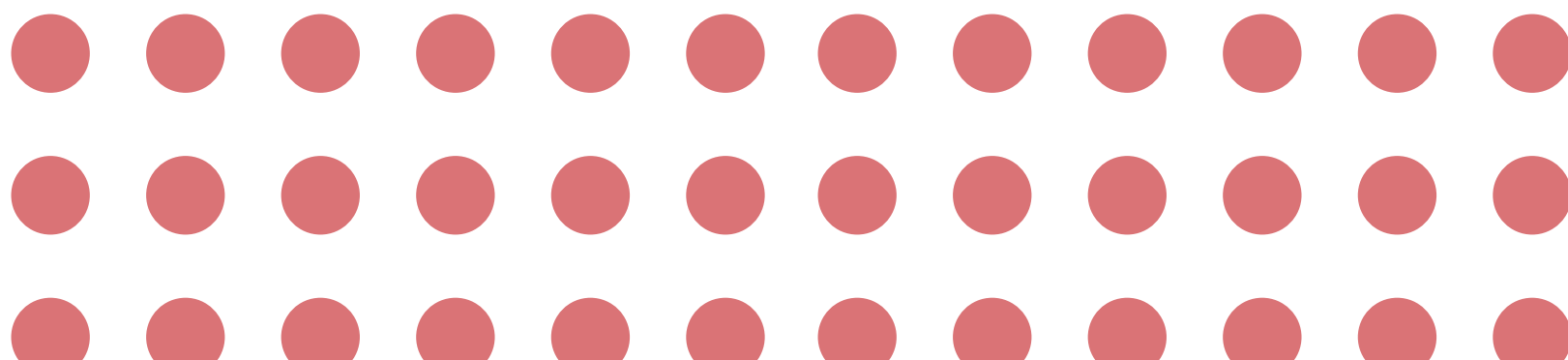
| FINANCIAL YEAR 2019 | Thousands of euros | | |
|---|--------------------|--------------------------|----------------|
| | Cost | Accumulated Depreciation | Net Book Value |
| Constructions | 7,877 | 7,351 | 526 |
| Technical installations and other tangible fixed assets | 6,082 | 5,395 | 687 |
| TOTAL | 13,959 | 12,746 | 1,213 |

| FINANCIAL YEAR 2018 | Thousands of euros | | |
|---|--------------------|--------------------------|----------------|
| | Cost | Accumulated Depreciation | Net Book Value |
| Constructions | 7,877 | 7,315 | 562 |
| Technical installations and other tangible fixed assets | 5,903 | 5,282 | 621 |
| TOTAL | 13,780 | 12,597 | 1,183 |

b) Environmental Expenses:

The breakdown of expenses accrued in financial years 2019 and 2018 the purpose of which has been environmental protection and enhancement, is as follows:

| | Thousands of euros | |
|---|--------------------|------------|
| | 2019 | 2018 |
| Waste management expenses | 79 | 23 |
| Dismantling & reclamation of natural spaces | 8 | 131 |
| Environmental certifications | 53 | 9 |
| TOTAL EXPENSES | 140 | 163 |



c) Provisions for environmental risks:

The breakdown of the main provisions established by the Company for environmental activities and their movement during 2019 and 2018 are as follows (see Note 13):

| FINANCIAL YEAR 2019 | Thousands of euros | | | | | Balance at 31/12/2019 |
|---|-----------------------|-------------------------------------|---------------------------|----------------|----------------|-----------------------|
| | Balance at 31/12/2018 | Provisions & Financial Restatements | Applications & Reversions | Others | Transfers | |
| Long-term reclamation and decommissioning of mining sites | 31,541 | 696 | - | - | (2,128) | 30,109 |
| Nuclear fuel factory dismantling costs | 8,845 | 432 | - | - | - | 9,277 |
| Intermediate- & low-level solid waste management costs | 8,585 | 502 | (364) | - | - | 8,723 |
| Value of Enresa Fund | (6,980) | - | 364 | (1,084) | - | (7,700) |
| Dismantling of other equipment | 93 | 1 | - | - | - | 94 |
| TOTAL LONG-TERM PROVISIONS | 42,084 | 1,631 | - | (1,084) | (2,128) | 40,503 |
| Short-term reclamation & decommissioning of mining sites | 4,816 | - | (1,851) | - | 2,128 | 5,093 |
| TOTAL LONG-TERM & SHORT-TERM PROVISIONS | 46,900 | 1,631 | (1,851) | (1,084) | - | 45,596 |

| FINANCIAL YEAR 2018 | Thousands of euros | | | | | Balance at 31/12/2018 |
|---|-----------------------|-------------------------------------|---------------------------|--------------|----------------|-----------------------|
| | Balance at 31/12/2017 | Provisions & Financial Restatements | Applications & Reversions | Others | Transfers | |
| Long-term reclamation and decommissioning of mining sites | 27,576 | 6,326 | - | - | (2,361) | 31,541 |
| Nuclear fuel factory dismantling costs | 8,722 | 123 | - | - | - | 8,845 |
| Intermediate- & low-level solid waste management costs | 8,112 | 473 | - | - | - | 8,585 |
| Value of Enresa Fund | (6,459) | - | - | (521) | - | (6,980) |
| Dismantling of other equipment | 92 | 1 | - | - | - | 93 |
| TOTAL LONG-TERM PROVISIONS | 38,043 | 6,923 | - | (521) | (2,361) | 42,084 |
| Short-term reclamation & decommissioning of mining sites | 4,703 | - | (2,248) | - | 2,361 | 4,816 |
| TOTAL LONG-TERM & SHORT-TERM PROVISIONS | 42,746 | 6,923 | (2,248) | (521) | - | 46,900 |



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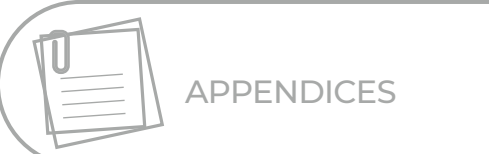
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As in previous years, the provisions for environmental activities have been calculated on the basis of the amounts planned for dismantling and retiring installations, restated at a discount rate of assets not at risk, in a period similar to that of future payments.

The purpose of the provision for reclamation and decommissioning of mining sites is to complete the work of reclaiming natural spaces and to cover mining centre decommissioning costs.

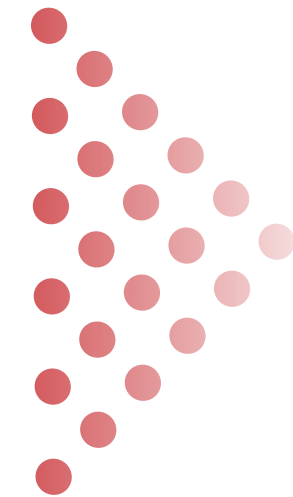
In May 2003, the ENUSA Management decided to submit a definitive Reclamation Project for the mining installations of the Saelices el Chico Centre (Salamanca) to the Territorial Service for Industry, Trade and Tourism of the Castilla-Leon regional government. It was approved by this territorial agency on 13 September 2004, thus authorising ENUSA to execute the project. This project replaced the reclamation and decommissioning project for cessation of activities submitted in November 2002, as the Administration considered that project as a strategic shutdown and not as a definitive closure of the mining operations. ENUSA has been working on the tasks of reclaiming the natural spaces and decommissioning the installations located in the mining operations since January 2001.

Part of the mining centre reclamation and decommissioning costs will be paid by the Empresa Nacional de Residuos Radiactivos (ENRESA). In 2019 and 2018, provisions worth 1,851 and 2,248 thousand euros, respectively, have been applied to cover the costs incurred by the Company during these years by way of this item.

At the end of each financial year, the Company reviews the economic study of the reclamation project to re-estimate the expected cost of the necessary outstanding activities and adjust it to different resolutions of official authorities and to the commitments acquired with them, as well as the estimated time of the decommissioning. On the basis of the data of the economic study, which is based on work and date assumptions similar to those estimated at the end of the previous year, in 2019 an allocation of provision amounting to 219 thousand euros (5,875 thousand euros of surplus in 2018) has been recorded.

The provision for solid waste management costs in the Juzbado factory includes the estimated cost of managing these kinds of wastes. In this respect, the Company has signed a contract with ENRESA for the treatment of these wastes. The same criterion used in previous years has been maintained, adapting it to the fact that solid wastes are classified as either intermediate level or low level, as provided in the new regulations issued in 2010 by the Nuclear Safety Council. As a result, a 502 thousand euro provision, corresponding to the wastes generated in 2019, has been recorded (473 thousand euros in 2018).

The provision for the nuclear fuel factory dismantling costs includes the Company's current obligation, calculated at the current net value at year's end, relative to the costs that in the future the proper dismantling of this facility will represent. The Company has signed a contract with ENRESA to execute the dismantling work.



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The aforesaid contracts included the periodic payments that ENUSA had to make to ENRESA until 2027 for setting up a Fund that would cover the costs stemming from both activities: the management of operating wastes generated every year and the cost of dismantling the Juzbado factory. The value of this Fund, financed by the ENUSA contributions and the corresponding financial restatements shown in the contracts, was recorded in the Balance Sheet Assets under the heading “Long-term investments in companies of the group and associated companies – Loans to companies”.

Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, introduced, effective as of 1 January 2010 and via point 1 of its 9th Final Provision, article 38 bis to Nuclear Energy Act 25/1964.

Furthermore, Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, modified, effective as of 1 January 2010 and via point 2 of its 9th Final Provision, the 6th Additional Provision of Electric Power Sector Act 54/1997.

The “Third” section of point 9 of the 6th Additional Provision of the Electric Power Sector Act reads as follows:

“Three: Tax on the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities.”

a) Taxable event: *The taxable event of the tax is the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities. The taxable event of this tax also includes the anticipated cessation of operation of a fuel assembly manufacturing facility at the owner’s initiative, with respect to the provisions set down in the General Radioactive Waste Plan.*

b) Tax base: *The tax base of the tax is the amount of nuclear fuel manufactured each calendar year, measured in metric tons (Tm) and stated with two decimals; the remaining decimals are rounded to the second decimal place.”*

In practice, this rule means that the contributions that ENUSA had been making to ENRESA, pursuant to the contracts signed between the two companies, was replaced with the payment of a tax (*), with the destination of this tax being the same: to increase the Fund allocated to covering the costs of managing operating wastes and dismantling the Juzbado factory. Therefore, payments of this tax have been made since 2010 and the value of this Fund has continued to rise.

The value of the Fund appears represented in the Balance Sheet of the Company as a lesser amount of the provisions to which it is allocated.

(*) Pursuant to what is indicated in the eleventh final provision of the Law 9/2017, of 8 November, of Public Sector Contracts, which modifies the first additional provision of the Law 58/2003, of 17 December, General Tax Act, the mentioned tax, as compensation received for the services rendered by ENRESA, now has the legal nature of non-tax public financial benefit.



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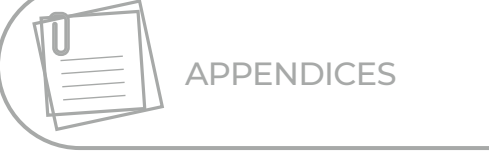
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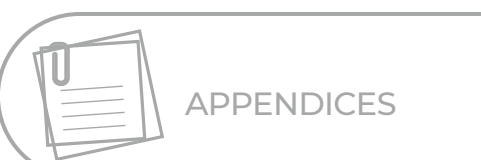
ECONOMIC PERFORMANCE ENUSA Accounts



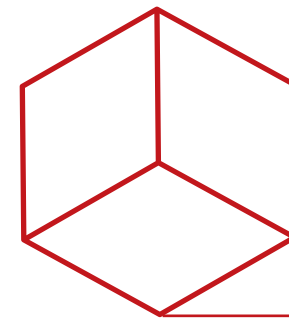
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15. LONG-TERM PERSONNEL REMUNERATIONS

In 1995, the Company set up, with a Pension Fund agent, an employee Pension Plan based on a defined, taxable contribution, with contributions from the promoter and participants pursuant to the regulatory rules of the Plan. This Plan is currently governed by the provisions of the Revised Text of the Pension Plan and Pension Fund Act approved by Royal Legislative Decree 1/2002 of November 29 and Royal Decree 304/2004 of February 20, whereby the Pension Plan and Pension Fund Regulation is approved, and by any other applicable regulatory provisions. This commitment is still standing in current Collective Bargaining agreements.

Between 1995 and 2011, the Company had been contributing various amounts to this Plan as its promoter.

Legislative-Royal Decree 24/2018, of 21 December, which approved the urgent measures on the subject of remunerations in the area of the public sector, in relation to remuneration increases for the year 2019, established in its Article 3, sections 2 and 3, that contributions to employment pension plans or collective insurance policies could be made as long as they did not exceed the global increment laid out in the cited section 2. No contribution has been made by the Company in 2019 and 2018.

d) Contingencies and Obligations Related to Environmental Protection and Enhancement:

The Company consider there are no significant contingencies or obligations related to environmental protection and enhancement other than those mentioned in paragraph (c) above.

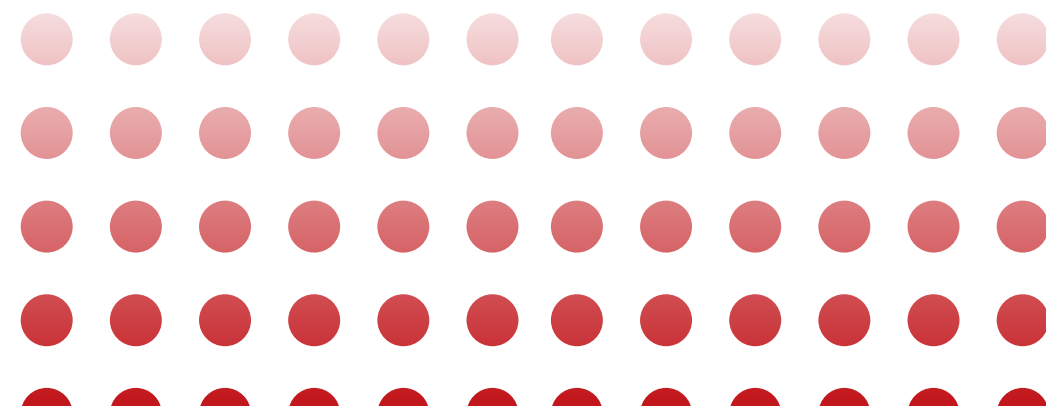
e) Investments Made During the Year for Environmental Reasons

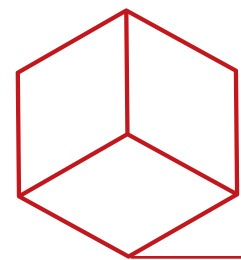
The investments in environment-related assets in 2019 and 2018, primarily made in the Juzbado fuel assembly factory, have amounted to 1,404 and 1,382 thousand Euros, respectively.

f) Compensations To Be Received from Third Parties:

No income has been earned from environmental activities in financial years 2019 and 2018.

No subsidies have been received by way of this item in 2019 and 2018.





16. SUBSIDIES, DONATIONS AND BEQUESTS

The amounts included under the heading of Subsidies, donations and bequests in the balance sheets dated 31 December 2019 and 2018 correspond to contributions received by the Company from different entities to finance, mainly, certain research costs.

The movement of this heading during the financial years 2019 and 2018 was the following:

FINANCIAL YEAR 2019

Thousands of euros

| Item | Balance 31/12/18 | Concession | Attributed to results | Tax effect | Balance 31/12/19 |
|---------------------|------------------|------------|-----------------------|------------|------------------|
| European Commission | 49 | - | (53) | 14 | 10 |
| CDTI | 75 | - | - | - | 75 |
| IDAE | 56 | - | (74) | 18 | - |
| TOTAL | 180 | - | (127) | 32 | 85 |

FINANCIAL YEAR 2018

Thousands of euros

| Item | Balance 31/12/17 | Concession | Attributed to results | Tax effect | Balance 31/12/18 |
|---------------------|------------------|------------|-----------------------|------------|------------------|
| European Commission | 97 | - | (64) | 16 | 49 |
| CDTI | 196 | - | (161) | 40 | 75 |
| IDAE | 63 | - | (9) | 2 | 56 |
| TOTAL | 356 | - | (234) | 58 | 180 |

In addition, the amount allocated directly to P&L was 55 thousand euros (39 thousand euros 2018) and corresponds to contributions of entities belonging to the State Administration to offset operating costs in the areas of personnel training and research and development projects.

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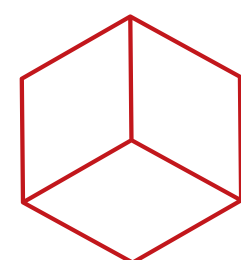
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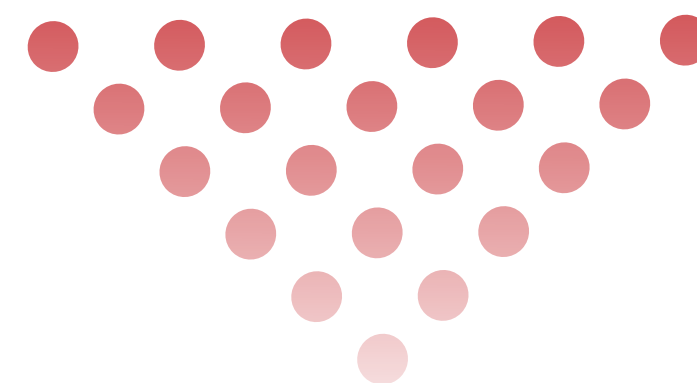


17. JOINT VENTURES

The Company undertakes certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The list of UTEs in which ENUSA has participated throughout 2019 and 2018, as well as the percentage of its share, is as follows:

- > **Tecnatom-Westinghouse-ENUSA, UTE:** Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrias Avanzadas, S.A., S.M.E., with a share of 33.33%.
- > In addition, as a result of the merger with Teconma, which took place in financial year 2013, ENUSA has become a partner of the UTE “ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.A.U. and A2A Ambiente S.p.A. Unión Temporal de Empresas”, with a percentage of investment of 85.6859%.

The amounts corresponding to each joint venture of the most significant items of the balance sheet and P&L account at 31 December 2019 and 2018 are as follows:



| FINANCIAL YEAR 2019 | Thousands of euros | |
|--|--------------------|----------------------------------|
| | UTE RSU | Tecnatom-Westinghouse-ENUSA, UTE |
| ASSETS | | |
| Intangible fixed assets | 33,139 | - |
| Tangible fixed assets | 24 | - |
| Long-term financial investments | 2,649 | - |
| Trade debtors & accounts receivable | 2,394 | 1,675 |
| Short-term accruals | - | - |
| Treasury | 3,997 | 950 |
| LIABILITIES | | |
| Value change adjustments | (3,271) | - |
| Long-term provisions | 5,665 | - |
| Long-term debts | 20,259 | - |
| Short-term debts | 11,639 | - |
| Trade creditors & other accounts payable | 555 | 2,582 |
| PROFITS AND LOSSES | | |
| Net turnover | 7,772 | 3,786 |
| Procurements | (1,525) | (3,781) |
| Personnel costs | (453) | - |
| Other operating expenses | (2,155) | - |
| Fixed assets amortisation/depreciation | (2,194) | - |
| Other results | 6 | (4) |
| Capitalisation of financing costs | 515 | - |
| Financing costs | (1,666) | - |
| YEAR-END P&L | 300 | 1 |



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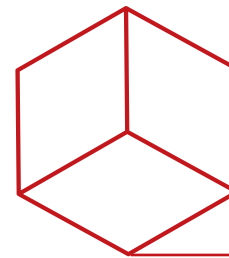
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18. NON-CURRENT ASSETS HELD FOR SALE

The breakdown of the assets and their net book value at 31 December 2019 and 2018 are as follows:

| | Thousands of euros | |
|---------------------|--------------------|----------|
| | 2019 | 2018 |
| Biogas plant assets | 1,609 | - |
| TOTAL | 1,609 | - |

On 18 November 2019 the tender announcement and specifications that will govern the selling process of the set of assets was published in the Public Sector Contracting Platform, there not being any associated liabilities, that make up the Biogas Plant in Juzbado owned by the proceeding, therefore, to restate the value of these assets under this heading (see Note 5).

Prior to the date of drawing up these Financial Statements, the bid amounts received by the Company exceed the restated net book value.

The Company expects to carry out the sale during the first quarter of 2020.

| FINANCIAL YEAR 2018 | Thousands of euros | |
|--|--------------------|--|
| | UTE RSU | Tecnatom- Westinghouse -ENUSA, UTE |
| ASSETS | | |
| Intangible fixed assets | 34,185 | - |
| Tangible fixed assets | 35 | - |
| Long-term financial investments | 2,567 | - |
| Trade debtors & accounts receivable | 1,522 | 1,790 |
| Treasury | 4,873 | 744 |
| LIABILITIES | | |
| Value change adjustments | (3,521) | - |
| Long-term provisions | 4,952 | - |
| Long-term debts | 22,205 | - |
| Short-term provisions | 308 | - |
| Short-term debts | 11,059 | - |
| Trade creditors & other accounts payable | 679 | 2,493 |
| PROFITS AND LOSSES | | |
| Net turnover | 7,780 | 3,475 |
| Supplies | (1,444) | (3,468) |
| Personnel costs | (414) | - |
| Other operating expenses | (2,211) | - |
| Fixed assets amortisation/depreciation | (2,149) | - |
| Other results | (3) | (4) |
| Capitalisation of financing costs | 655 | - |
| Financing costs | (1,782) | - |
| YEAR-END P&L | 432 | 3 |



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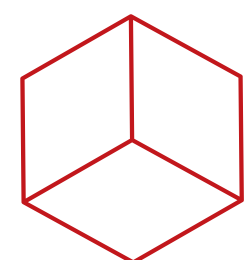
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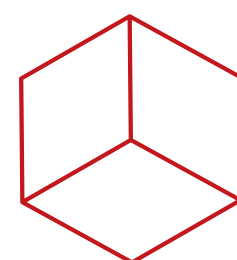


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19. EVENTS SUBSEQUENT TO YEAR'S END

On the date of preparing the Annual Statements, no events subsequent to the end of the financial year 2019 have occurred that required being broken down, even though the award of the sale of the Biogas Plant has taken place (see Note 18) by the contracting body, deeming that the formalisation of the contract will take place at the end of the first quarter of 2020, once this award is ratified by the Board of Directors. The sale price is significantly above the book value of the Plant (1,609 thousand euros) and the minimum amount set in the tender process (2,100 thousand euros).

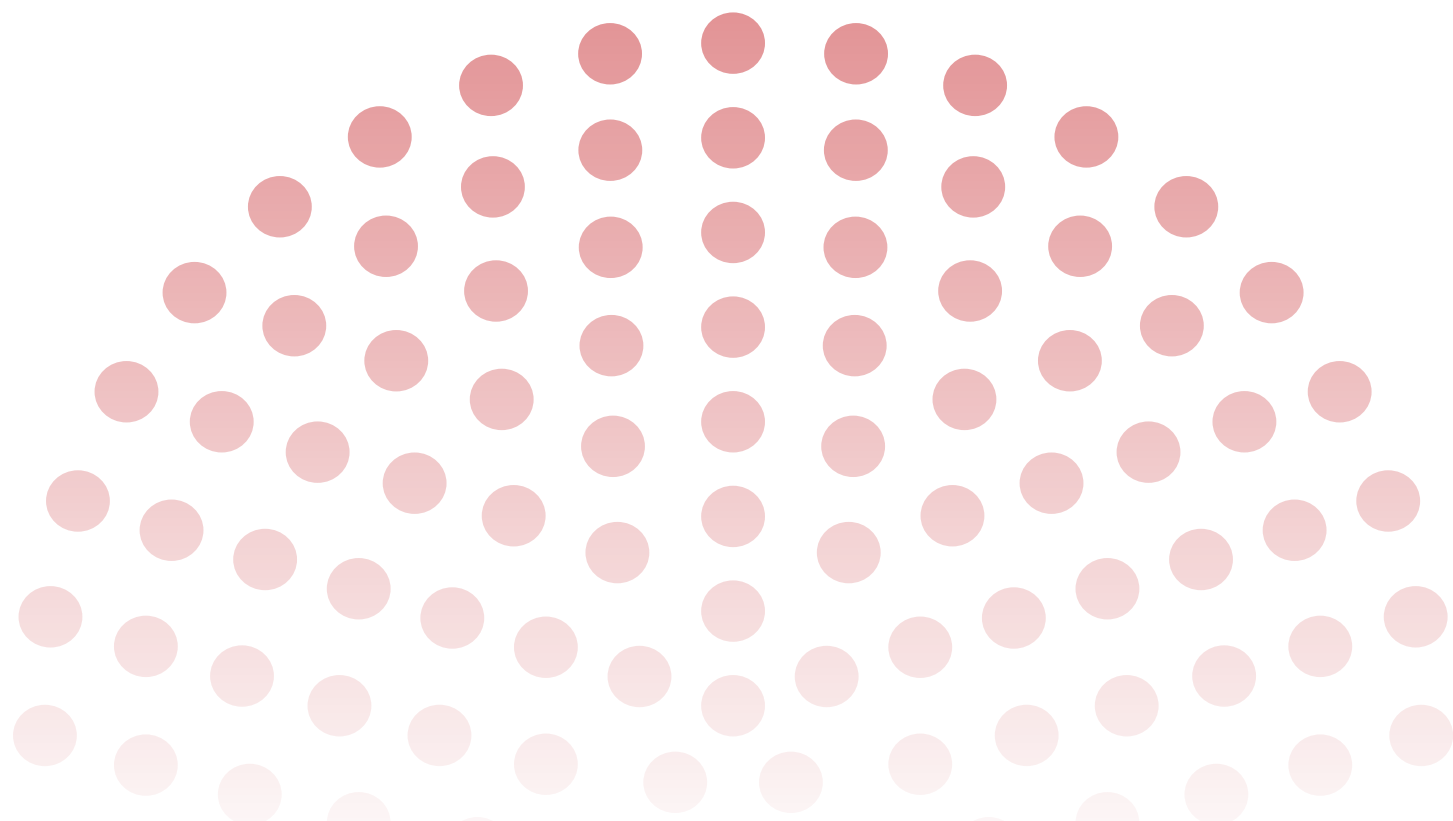


20. RELATED-PARTY TRANSACTIONS

a) Operations with group, multi-group and associated companies

The related parties with which the Company have carried out transactions during the financial years 2019 and 2018, as well as the nature of this relationship, are the following:

| | |
|--------------------|--|
| EMGRISA | Company of the ENUSA Group |
| EXPRESS TRUCK | Company of the ENUSA Group |
| EQUIPOS NUCLEARES | Company of SEPI Group |
| ENWESA OPERACIONES | Company of SEPI Group |
| CORREOS | Company of SEPI Group |
| CORREOS EXPRESS | Company of SEPI Group |
| GENUSA | ENUSA Group/ associated co. by equity method |
| ENUSA-ENSA AIE | ENUSA Group/ associated co. by equity method |
| SNGC AIE | ENUSA Group/ associated co. by equity method |
| CETRANSA | ENUSA Group/ associated co. by equity method |
| REMESA | ENUSA Group/ associated co. by equity method |
| ENRESA | SEPI Group/ associated co. by equity method |
| DIRECTORS | Board Members |
| SENIOR MANAGEMENT | Directors |





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The operations carried out with group, multi-group and associated companies during 2019 and 2018, as well as their effect on the financial statements, have been as follows:

| FINANCIAL YEAR 2019 | Thousands of euros | | | |
|---|--------------------|-------|------------------------------|--------------------------------------|
| | ENUSA Group | SEPI | Rest of SEPI Group Companies | Multi-group and Associated Companies |
| ASSET BALANCES | | | | |
| Trade debtors and other accounts receivable | 36 | - | - | 3,710 |
| Supplier advances | - | - | 245 | - |
| LIABILITY BALANCES | | | | |
| Long-term debts | 11 | 3,277 | - | - |
| Short-term debts | - | 549 | - | - |
| Trade creditors and other accounts payable | 620 | - | 227 | 1,260 |
| TRANSACTIONS | | | | |
| Purchases & own work | 270 | - | 625 | 6,891 |
| Services received | 2,811 | - | 8 | 28 |
| Interest expenses | - | 26 | - | - |
| Sales & services rendered | - | - | - | 10,823 |
| Interest income | - | 38 | - | 287 |
| Non core income | 183 | - | - | 3,017 |
| Distributed dividends | 1,984 | - | - | 277 |
| Lease income | 65 | - | - | - |



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| FINANCIAL YEAR 2018 | Thousands of euros | | | |
|---|--------------------|--------|------------------------------|--------------------------------------|
| | ENUSA Group | SEPI | Rest of SEPI Group Companies | Multi-group and Associated Companies |
| ASSET BALANCES | | | | |
| Short-term loans (*) | - | 39,001 | - | - |
| Trade debtors and other accounts receivable | - | - | (6) | 3,750 |
| Supplier advances | - | - | 89 | - |
| Short-term accruals | 4 | - | - | - |
| LIABILITY BALANCES | | | | |
| Long-term debts | 11 | 2,483 | - | - |
| Short-term debts | - | 552 | - | - |
| Trade creditors and other accounts payable | 277 | - | 217 | 4,259 |
| TRANSACTIONS | | | | |
| Purchases & own work | 313 | - | 1,225 | 6,815 |
| Services received | 2,622 | - | 21 | 101 |
| Interest expenses | - | 17 | - | - |
| Capitalisation of fixed asset purchase cost | 32 | - | 232 | - |
| Sales & services rendered | - | - | 27 | 10,175 |
| Interest income | - | 38 | - | 106 |
| Non-core income | 96 | - | - | 2,683 |
| Distributed dividends | 410 | - | - | 329 |
| Lease income | 65 | - | - | - |

(*) Corresponds to Inter-SEPI deposits with maturity of less than three months and classified under Loans with companies of the group in the Balance Sheet Assets.

The most significant operations and balances with multi-group and associated companies in 2019 and 2018 correspond to the following companies:

- > Trade debtors and other accounts receivable: 2,448 thousand euros with ENRESA (1,008 thousand euros with ENRESA in 2018) and 1,154 thousand euros with ENUSA-ENSA AIE (2,141 thousand euros in 2018).
- > Trade creditors and other accounts payable: 1,261 thousand euros with ENUSA-ENSA, AIE (4,255 thousand euros in 2018).
- > Purchases and work performed: 6,922 thousand euros with ENUSA-ENSA, AIE (6,455 thousand euros in 2018).
- > Sales and services rendered: 7,596 thousand euros with GENUSA (7,253 thousand euros in 2018).

The conditions of the transactions with related parties are equivalent to those undertaken under market conditions.

b) Board of Directors

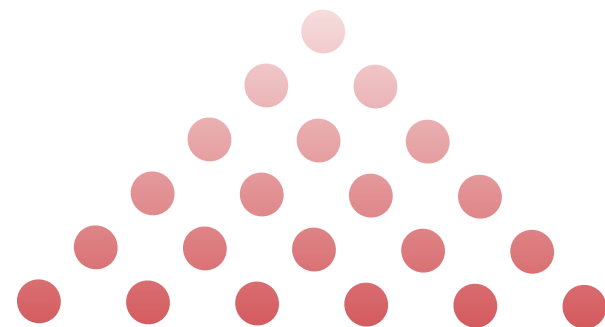
The Board of Directors was composed, at the end of financial year 2019, of 11 people (5 women and 6 men).

The remuneration of the Board Members, in their capacity as such, consists of per diems received to attend the Board meetings. The Company's Board Member per diems have amounted to a total of 84 thousand euros in 2019 (87 thousand euros in 2018).

The Chairman of the Board of Directors is, in turn, a salaried Company employee, sits on the Executive Committee (see point c) and does not receive any per diems to attend the Board meetings.

The Company has no advances or loans granted to any of the Board Members (except for the Chairman, whose personal facts are reported in point c, together with those of the rest of the Executive Committee members).

During financial year 2019, civil liability insurance premiums on the administrators and directors were paid for damages caused in the exercise of the post amounting to 19 thousand euros (same figure as in 2018).



The members of the Board of Directors, during this financial year, have not received any remuneration, except that indicated in the preceding paragraphs, and they have not carried out transactions with the Company, nor have they used its name or invoked their condition of Director to influence unduly the realisation of private operations, nor have they made use of the company shares, including confidential information, for private purposes, nor have they taken advantage of the business opportunities of the Company, nor have they carried out activities on their own behalf or for others that involve effective competition, whether current or potential, with the Company or that, in any other way, have placed them in permanent conflict with the interests thereof. Thus, in compliance with the provisions of Article 229.3 of the Legislative Royal Decree 1/2010, of 2 July, of the rewritten text of the Capital Companies Act, the Directors inform that they do not have personally, or through any related person, any situation of conflict of interest, direct or indirect, with the interest of the Company, except the following members of the Board that hold the posts that are detailed below in companies that carry out an activity complementary to that of ENUSA:

| Name | Post |
|--------------------------------|--|
| Mr. Carlos Alejaldre Losilla | Vice Chairman and Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA) |
| Mr. José Manuel Redondo García | Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA) |
| Mrs. Elena Pastor Les | Member of the Board of Equipos Nucleares, S.A., S.M.E. (ENSA) |



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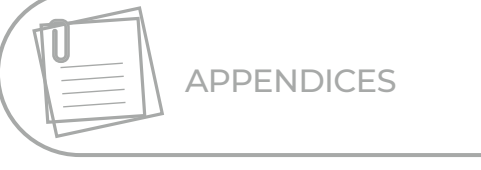
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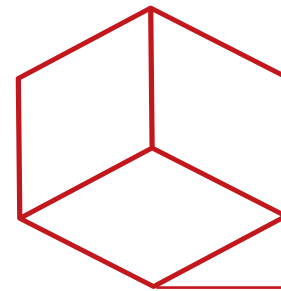
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21. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS

In compliance with the obligation set forth in the Additional Third Provision of the Law 15/2010, of 5 July, which modified Law 3/2004, of 29 December, which established measures to combat late payments in trade operations, and according to the Resolution of the ICAC of 29 January 2016 (applicable to the annual accounts of the financial years beginning 1 January 2015), it is hereby reported that the payments made in the financial year and the figures pending payment on the date of the closing of the balance sheet, are the following:

| | 2019 | 2018 |
|--|--|---------|
| | Days | |
| Average payment period to suppliers | 32.79 | 35.05 |
| Ratio of paid transactions | 32.83 | 36.10 |
| Ratio of transactions pending payments | 27.56 | 14.17 |
| | Amount (Thousands of euros) | |
| Total payments made | 232,652 | 165,098 |
| Total payments pending | 1,802 | 8,282 |

The maximum legal payment period applicable to the Company, according to Law 3/2004, of 29 December, by which measures to fight late payments in trade operations are established, is 30 days, unless there is an agreement between the parties up to a maximum of 60 days.

c) Executive Committee

Effective as of 2012, all the members of the Company's Executive Committee formalised senior management contracts with the Company, and therefore they are considered as senior management personnel beginning that year (2012).

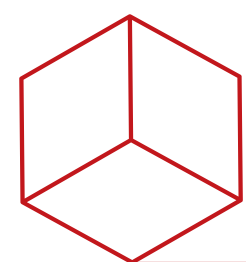
The Company's Executive Committee is formed by 8 people (2 women and 6 men).

The only remunerations owed to the aforesaid personnel have been short-term payments amounting to 1,121 thousand euros during 2019 (1,085 thousand euros during 2018).

The only balances held by members of the Executive Committee with the Company correspond to loans amounting to 18 thousand euros (1 thousand euros in 2018) and 8 thousand euros (18 thousand euros in 2018), corresponding to advances of a personal nature and regulated by collective bargaining agreements.

Likewise, there is a balance of guarantees at 31 December 2019 for the aforesaid personnel amounting to 20 thousand euros (25 thousand euros at 31 December 2018).

There have been no promoter contributions to pension plans during 2019.



22. ENDORSEMENTS AND GUARANTEES

The guarantees granted by different financial institutions to the Company at 31 December 2019 and 2018 are the following:

| Date of concession | Beneficiary | | Thousands of euros Guaranteed amount | |
|--------------------|---|-----|---|--------------|
| | | | 31.12.2019 | 31.12.2018 |
| 09/07/2003 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 2,261 | 2,261 |
| 15/07/2003 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 300 | 300 |
| 15/07/2003 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 442 | 442 |
| 15/07/2003 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 145 | 145 |
| 04/07/2005 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 287 | 287 |
| 10/12/2009 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 152 | 152 |
| 02/02/2010 | Consorcio del Plan Zonal de Residuos de la Zona I | (1) | 605 | 605 |
| 31/10/2011 | Iberdrola Distribución Eléctrica, S.A.U. | (1) | 15 | 15 |
| 25/05/2018 | Consorci per l'execució de les previsions del Pla Zonal de Residus de la Zona I | (1) | 658 | 658 |
| 09/06/2006 | Ayuntamiento de Salamanca | (2) | 15 | 15 |
| 23/07/2007 | Ayto. Jerez de la Frontera | (2) | 100 | 100 |
| 19/06/2008 | Consejería de Turismo. Dirección General de Infraestructura Turística. Gobierno de Canarias. | (2) | 29 | 29 |
| 27/03/2009 | Ayto. Palma de Cervelló | (2) | - | 6 |
| 18/12/2009 | UTE Corelsa (Corsan-Corviam Construcción, S.A. y Elsamex, S.A. UTE) | (2) | 3 | 3 |
| 20/07/2015 | Mº Medio Ambiente, Rural y Marino (Direc. Gral. Agua) | (2) | 7 | 7 |
| 28/05/1993 | Delegación Territorial de Economía de la Junta de Castilla y León | (3) | 135 | 135 |
| 29/10/1997 | Delegación Territorial de Economía de la Junta de Castilla y León | (3) | 24 | 24 |
| 29/06/2015 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | - | 450 |
| 14/01/2016 | Empresa Nacional de Residuos Radiactivos - ENRESA | (3) | 36 | 36 |
| 18/05/2017 | Ayuntamiento de Madrid | (3) | - | 1 |
| 29/01/2018 | China Nuclear Energy Industry Corporation | (3) | - | 660 |
| 13/11/2018 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | 450 | 450 |
| 26/11/2018 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | 200 | 200 |
| 25/06/2019 | Empresa Nacional de Residuos Radiactivos - ENRESA | (3) | 39 | - |
| 09/09/2019 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | 250 | - |
| TOTAL | | | 6,153 | 6,981 |

(1) Related to the activity of the UTE RSU

(2) Related to the activity of TECONMA (Subsidiary of ENUSA with which it merged in financial year 2013)

(3) Related to the activity of ENUSA



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The comfort letters issued by the Company, in favour of its subsidiaries, at 31 December 2019 and 2018, are the following:

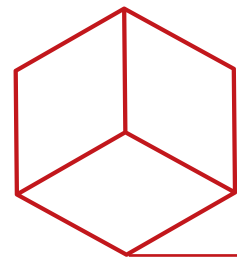
| Date of concession | Co. of Group | Beneficiary | Thousands of euros Guaranteed amount | |
|--------------------|--------------|-----------------|---|------------|
| | | | 31.12.2019 | 31.12.2018 |
| 08/11/2017 | ETSA | CAIXABANK, S.A. | 264 | 264 |
| TOTAL | | | 264 | 264 |

Other guarantees granted by the Company at 31 December 2019 and 2018 are the following:

| | Thousands of euros | |
|---|--------------------|------------|
| | 31.12.2019 | 31.12.2018 |
| Guarantee of loans of employees for the acquisition or renovation of dwelling as included in the Collective Bargaining Agreement of the Company (*) | 419 | 509 |
| TOTAL | 419 | 509 |

(*) It corresponds to the amounts initially guaranteed. The maximum risk for the Company would be that derived from the amounts pending amortisation of the guaranteed loans. These amounts are 120 and 161 thousand euros at 31 December 2019 and 2018, respectively.

The Company deems that the endorsements and guarantees presented will not lead significant risks not provisioned at the close of the financial year.



23. MISCELLANEOUS INFORMATION

The average number of employees during 2019 and 2018, distributed by professional categories, is as follows:

| FINANCIAL YEAR 2019 Category | PERMANENT PERSONNEL | | TEMPORARY PERSONNEL | | TOTAL AVERAGE STAFF | | DISABILITY >= 33% |
|--|---------------------|------------|---------------------|------------|---------------------|------------|----------------------|
| | WOMEN | MEN | WOMEN | MEN | WOMEN | MEN | |
| Senior management | 2 | 6 | - | - | 2 | 6 | - |
| Other directors, technicians & similar | 87 | 228 | 28 | 45 | 115 | 273 | 2 |
| Clerks and assistants | 26 | 16 | 11 | 4 | 37 | 20 | 3 |
| Other personnel | 3 | 99 | 1 | 52 | 4 | 151 | 2 |
| TOTAL AVERAGE STAFF | 118 | 349 | 40 | 101 | 158 | 450 | 7 |

| FINANCIAL YEAR 2018 Category | PERMANENT PERSONNEL | | TEMPORARY PERSONNEL | | TOTAL AVERAGE STAFF | | DISABILITY >= 33% |
|--|---------------------|------------|---------------------|------------|---------------------|------------|----------------------|
| | WOMEN | MEN | WOMEN | MEN | WOMEN | MEN | |
| Senior management | 1 | 6 | - | - | 1 | 6 | - |
| Other directors, technicians & similar | 82 | 227 | 22 | 49 | 104 | 276 | 1 |
| Clerks and assistants | 26 | 17 | 9 | 3 | 35 | 20 | 3 |
| Other personnel | 4 | 95 | 3 | 48 | 7 | 143 | 2 |
| TOTAL AVERAGE STAFF | 113 | 345 | 34 | 100 | 147 | 445 | 6 |

The figures related to the average workforce of the year 2019 include 14 persons (13 in 2018) corresponding to the personnel of the UTE RSU (incorporated at ENUSA's percentage share in the UTE).



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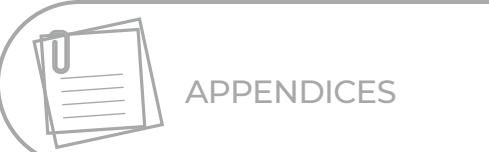
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The distribution by gender of the Company's personnel at 31 December 2019 and 2018, broken down by categories and levels, is as follows:

| FINANCIAL YEAR 2019 | No. of Employees | | |
|--|------------------|------------|------------|
| | Women | Men | Total |
| Board Members | - | 1 | 1 |
| Senior Management | 2 | 5 | 7 |
| Other directors, technicians and similar | 125 | 296 | 421 |
| Clerks and assistants | 44 | 25 | 69 |
| Other personnel | 6 | 173 | 179 |
| TOTAL | 177 | 500 | 677 |

| FINANCIAL YEAR 2018 | No. of Employees | | |
|--|------------------|------------|------------|
| | Women | Men | Total |
| Board Members | - | 1 | 1 |
| Senior Management | 2 | 5 | 7 |
| Other directors, technicians and similar | 120 | 302 | 422 |
| Clerks and assistants | 44 | 25 | 69 |
| Other personnel | 6 | 168 | 174 |
| TOTAL | 172 | 501 | 673 |

The figures related to 31 December 2019 and 2018 include 13 persons, respectively, corresponding to the personnel of the UTE RSU (incorporated at ENUSA's percent share in the UTE).

In compliance with its legal obligations, the Company, in addition to having 8 workers with disabilities on the staff (7 workers in 2018), has made donations as an alternative measure, in the amount of 58 thousand euros (same amount in 2018).

The fees of Grant Thornton, S.L.P., Sociedad Unipersonal, for auditing the annual accounts and other services of 2019 amount to 30 thousand euros (29 thousand euros in 2018).

The above indicated amounts correspond to the expenses accrued in 2019 and 2018, regardless of when they were billed.



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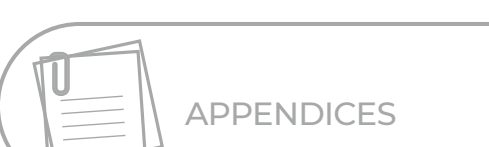
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AUDIT REPORT FOR ANNUAL ACCOUNTS



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INFORME DE AUDITORÍA DE CUENTAS ANUALES EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

Opinión

Hemos auditado las cuentas anuales de ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. (la Sociedad), que comprenden el balance a 31 de diciembre de 2019, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2019, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se detalla en la nota 2 de la memoria adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de las cuentas anuales de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del período actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre estas, y no expresamos una opinión por separado sobre esos riesgos.

Evaluación de la existencia y valoración de provisiones

Tal y como se indica en la nota 13 de la memoria adjunta al cierre del ejercicio 2019, la Sociedad tiene registradas provisiones por actuaciones medioambientales y otras provisiones a el largo y corto plazo por importe de 81.366 miles de euros al 31 de diciembre de 2019.

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AUDIT REPORT FOR THE ANNUAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

Opinion

We have audited the annual statements of ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. (the Company), comprised by the balance sheet at 31 December 2018, the income statement, the statement of changes in equity, the cash flow statement and the annual report for the year ending on that date.

In our opinion, the attached annual statements show, in all meaningful aspects, the true and accurate image of the assets and financial situation of the Company on 31 December 2019, as well as its results and cash flows, corresponding to the year ending on this date, in accordance with the applicable legal framework for financial reporting (identified in Note 2 of the attached annual report) and in particular, with the accounting principles and criteria it contains.

Grounds for the opinion

We have carried out our audit in accordance with the applicable Spanish regulatory law for the activity of account auditing. Our responsibilities in terms of these regulations are explained below in the section on Auditor Responsibilities with regard to the auditing of the annual statements in our report.

We are independent of the Company, as required on ethical grounds, including those of independence, which apply to our audit of the annual accounts in Spain as requested by the regulatory law that applies to the activity of account auditing. In this sense, we have not provided any other service other than that of account auditing nor have any situations or circumstances arisen that, in accordance with the stipulations of this regulatory law, have affected the necessary independence so that it has been compromised.

We consider that the evidence for the audit that we obtained provides a sufficient and suitable base for our opinion.

Most important aspects of the audit

The most important aspects of the audit are those which, in our professional opinion, are considered those with the most significant risks of material misstatements in our audit of the annual statements of the current period. These risks have been dealt with in the context of our audit of the annual statements as a whole, and in the formation of our opinion on these, so we shall not give our opinion on these risks separately.

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De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en la nota 4.11 de la memoria adjunta las provisiones se reconocen cuando la Sociedad tiene una obligación presente, ya sea legal, contractual, implícita o tácita, como resultado de un suceso pasado, es probable que exista una salida de recursos que incorpore beneficios económicos futuros para cancelar la obligación y se puede realizar una estimación fiable del importe de la obligación. El efecto financiero de las provisiones se reconoce como gastos financieros en la cuenta de pérdidas y ganancias.

Hemos considerado este área como un aspecto relevante de nuestra auditoría, en relación a que el registro de las provisiones implica un alto grado de juicio y de estimación de la Dirección.

Como parte de nuestra auditoría y en respuesta al riesgo comentado, hemos realizado las siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento aplicado por la Sociedad en relación a la determinación de los criterios e hipótesis aplicadas por la Sociedad para la estimación de la existencia y valoración de las diferentes provisiones así como para la aplicación del adecuado tratamiento contable.
- Hemos mantenido diferentes reuniones con la Dirección de la Sociedad al objeto de entender la naturaleza e hipótesis utilizadas en las diferentes provisiones, confirmando la información que se encuentra en los diferentes informes técnicos y económicos que sustentan las principales hipótesis empleadas.
- Hemos realizado procedimientos analíticos y de detalle consistentes con el entendimiento de la aplicación de las diferentes provisiones, atendiendo a su naturaleza y obteniendo diferente documentación soporte de los principales movimientos que se han producido durante el ejercicio 2019.
- Hemos realizado una revisión de la metodología utilizada en la actualización financiera realizada en las diferentes provisiones.
- Obtención de las confirmaciones de los asesores legales y fiscales, tanto internos como externos, dando a conocer los litigios y reclamaciones que se encuentran abiertos a 31 de diciembre de 2019 y que se han cerrado durante dicho ejercicio.
- Hemos comprobado que la información revelada en las cuentas anuales consolidadas es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Valoración e impacto de instrumentos financieros derivados:

Tal y como se indica en las notas 4.5 y 8.1.2 de la memoria adjunta, la Sociedad utiliza instrumentos financieros derivados como parte de su estrategia para disminuir su exposición al riesgo de tipo de interés y tipo de cambio, utilizando la contabilidad de cobertura, siendo el importe registrado en el activo de 4.155 milles de euros y en el pasivo de 3.674 milles de euros.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en la nota 4.7 de la memoria adjunta, la contabilización de las operaciones de cobertura solo resulta de aplicación cuando se cumple que la cobertura sea altamente eficaz al inicio de la cobertura y en los ejercicios siguientes para conseguir compensar los cambios en el valor recuperado o en los flujos de efectivo atribuibles al riesgo cubierto, durante el periodo para el que se ha designado la relación (análisis prospectivo) y la eficacia real se encuentre en un rango del 80-125% (análisis retrospectivo) y pueda ser determinada con fiabilidad.

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Assessment of the existence and valuation of provisions:

As indicated in Note 13 of the attached annual report for financial year 2019, the Company has registered provisions for environmental activities and other short and long-term provisions amounting to 61,365 thousand euros on 31 December 2019.

In accordance with the applicable legal framework for financial reporting and as indicated in Note 4.11 of the attached annual report, provisions are recognised when the Company has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event, it is likely that an outflow of resources that incorporate future financial profits will be used to cancel such obligation, and a reliable estimate of the amount of the obligation can be made. The financial effect of the provisions is recorded as financial costs in the profit and loss account.

We have considered this area as an important aspect of the audit inasmuch as the registration of provisions implies a high degree of judgement and estimation by the Management.

As part of our audit and in response to the risk mentioned, we carried out the following procedures:

- We made a study of the procedure applied by the Company in its determination of the criteria and hypothesis applied by the Company when estimating the existence and valuation of the different provisions and the application of the appropriate accounting treatment.
 - We have held several meetings with the Company's Management in order to understand the nature of the hypotheses used for the different provisions, confirming the information incorporated in the different technical and financial reports that uphold the main hypotheses applied.
 - We have carried out detailed analytical procedures consisting of understanding the changes in the different provisions in view of their type and obtaining a number of supporting documents for the main movements that occurred in the financial year 2019.
 - We have reviewed the confirmation of the valuation of the derivatives related to the type of interest of the entities concerned.
 - Hemos realizado, para una muestra representativa, procedimientos de control del valor razonable y verificado el correcto tratamiento contable sobre la base de la adecuada clasificación del instrumento derivado. Para este procedimiento hemos contado con el apoyo de nuestros expertos en instrumentos financieros.
 - Hemos comprobado que la información revelada en las cuentas anuales es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.
- Otra información: Informe de gestión
- La otra información comprende exclusivamente el informe de gestión del ejercicio 2019, cuya formulación es responsabilidad de los administradores de la Sociedad y no forma parte integrante de las cuentas anuales.
- Nuestra opinión de auditoría sobre las cuentas anuales no cubre el informe de gestión. Nuestra responsabilidad sobre la información contenida en el informe de gestión se encuentra definida en la normativa reguladora de la actividad de auditoría de cuentas, que establece dos niveles diferenciados sobre la misma:
- 1) Un nivel específico que resulta de aplicación al estado de la información no financiera, que consiste en comprobar únicamente que la citada información se ha facilitado en el informe de gestión, o en su caso, que se ha incorporado en éste la referencia correspondiente al informe elaborado sobre la información no financiera en la forma prevista en la normativa, y en caso contrario, a informar sobre ello.
 - 2) Un nivel general aplicable al resto de la información incluida en el informe de gestión, que consiste en evaluar e informar sobre la concordancia de la citada información con las cuentas anuales, a partir del conocimiento de la entidad obtenido en la realización de la auditoría de las citadas cuentas, y sin incluir información distinta de la obtenida como evidencia durante la misma, así como evaluar e informar de si el contenido y presentación de esta parte del informe de gestión son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.
- Sobre la base del trabajo realizado, según lo descrito anteriormente, hemos comprobado que el informe de gestión incluye una referencia realista a que la información mencionada en el apartado a) anterior se presenta en el informe de gestión consolidado del Grupo ENUSA al que la Sociedad se integra y que el resto de la información que contiene el informe de gestión concuerda con lo que las cuentas anuales del ejercicio 2019 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Evaluation and registration of financial derivatives:

As shown in Notes 4.5 and 8.1.2 of the attached annual report, the Company uses financial derivatives as part of its strategy to reduce its exposure to interest rate and exchange rate risks, using hedge accounting, with the amount registered among assets as 4,155 thousand euros and liabilities of 3,674 thousand euros.

In accordance with the standard applicable framework for financial information, as indicated in Note 4.5 of the attached annual report, the accounting of the hedging operations only applies when this hedging is expected to be highly efficient at the start of the hedge and in the following years to succeed in offsetting the changes in the fair value or in the cash flows attributable to the hedged risk, during the period for which it has been designated (prospective analysis), and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

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We have considered this area as an important aspect of the audit because the estimation of the fair value and the categorisation of the derivative require a high degree of judgement on the part of the Management and may have a significant impact on the attached balance sheet and income statement.

As part of our audit and in response to the mentioned risk, we carried out the following procedures:

- We made a study of the procedure established by the Company to ensure the proper valuation and accounting treatment of the derivative instruments.
- We obtained the confirmation from the banks of the valuation of the derivatives related to the interest rate.
- We have carried out, on a representative sample, contrasting procedures of the fair value and have verified the correct accounting treatment on the basis of the proper classification of the derivative instrument. For this procedure we have had the help of our experts in financial instruments.
- We have checked that the information disclosed in the annual statements is sufficient and suitable in accordance with the applicable regulatory framework for financial reporting.

Other information: Management report

The other information exclusively contains the management report for 2019, whose preparation is the responsibility of the directors of the Company and which does not form part of the annual statements.

Our audit opinion of the annual accounts does not cover the management report. Our responsibility for the information included in the management report is defined in the regulatory standards for account auditing, which establishes two distinct levels for this:

- A specific level which applies to the statement of non-financial information, consisting of only checking that the information in question has been provided in the management report, or where relevant, the reference corresponding to the separate report on non-financial information has been included in the way described in the regulations and, if not, to report on this.
- A general level that applies to the rest of the information included in the management report, consisting of evaluating and reporting the concordance between this information and the annual statements, based on the knowledge of the entity obtained from carrying out the audit of these cited statements and without including information other than that obtained as evidence during this process, and to evaluate and report whether the content and presentation of this part of the management report is in accordance with the applicable law. If we conclude from the work carried out that there are material misstatement, we are obliged to report them.

Using the work carried out as described previously, we have checked that the management report includes a reference related to the fact that the information mentioned in section a) above presents in the consolidated management report of the ENUSA Group the information of the Company is integrated and that the rest of the information contained in the management report agrees with that of the annual statements of financial year 2019 and its content and presentation are according to the applicable regulations.

Responsibility of the directors in relation to the annual accounts

The directors are responsible for preparing the attached annual statements, in such a way as they express the true and accurate image of the equity, the financial situation and the results of the Company, in accordance

Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad, de conformidad con el mayor nivel de información financiera aplicable a la entidad en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales, los administradores son responsables de la valoración de la actividad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los administradores tienen intención de liquidar la Sociedad o de cesar sus operaciones, o bien no existe otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestro objetivo es obtener una seguridad razonable de que las cuentas anuales en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contenga nuestra opinión. Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigentes en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, pueden pensarse razonablemente que influyen en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigentes en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manipulaciones intencionadas o errores, o la evasión del control interno.

Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad.

Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por los administradores.

Concluimos sobre si es adecuada la utilización, por los administradores, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incorrección material razonable que hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Sociedad para continuar como empresa en funcionamiento. Si concluimos que existe una incorrección material, se requiere que bástenos la evidencia en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuras pueden ser la causa de que la Sociedad deje de ser una empresa en funcionamiento.

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with the regulatory framework of financial reporting applicable to the entity in Spain, and of the internal control that they consider necessary to allow the preparation of the annual statements free of material misstatement, due to fraud or error.

In the preparation of the annual statements, the directors are responsible for the valuation of the Company's capacity to continue operating as a going business, disclosing, as the case may be, any issues related to an on-going enterprise and using the going concern accounting principles, except when the directors intend to liquidate the Company or cease operations, or there is no other realistic alternative.

Responsibilities of the auditor in relation with the audit of the annual statements

Our objective is to obtain reasonable assurance that the annual accounts as a whole are free of material misstatement due to fraud or error, and to issue an audit report that contains our opinion. Reasonable assurance is a high degree of security but does not guarantee that an audit performed in accordance with the current regulatory standards that apply to accounting auditing in Spain will always detect a material misstatement when one exists. Misstatements may occur due to fraud or error, and are considered material when, individually or collectively, they may reasonably be assumed to influence financial decisions taken by the users based on the annual statements.

As part of an audit in accordance with current regulatory standards that apply to accounting audits in Spain, we apply our professional judgement and maintain an attitude of professional scepticism for the duration of the audit. Also:

We identify and evaluate any risk of material misstatement in the annual accounts due to fraud or error, we design and apply auditing procedures to respond to these risks and obtain sufficient and suitable auditing evidence to support our opinion. The risk of not detecting a material misstatement due to fraud is higher than a case of material misstatement due to error, because fraud may imply collusion, falsification, deliberate omission, intentionally misleading statements or the avoidance of internal controls.

We gather information about significant internal controls for our audits in order to design auditing procedures that are suited to the circumstances, not in order to give an opinion about the effectiveness of the entity's internal controls.

We assess whether the accounting policies applied are appropriate and that the accounting estimates and the corresponding information disclosed by the directors are reasonable.

We reach a conclusion about the appropriate use, by the directors, of the going concern accounting principle and, based on the evidence obtained from the audit, we decide whether there is material uncertainty in relation to the facts or conditions that may generate significant doubts about the Company's capacity to continue as a going concern. If we decide that there is material uncertainty, we must call attention in our audit report to the information revealed in the annual statements, or if this information is not sufficient, we must give a modified opinion. Our conclusions are based on the evidence of the audit obtained up to the date of our audit report. Subsequent facts or conditions, however, may be the cause for the Company to cease to be a going concern.

We evaluate the global presentation, structure and content of the annual statements, including the information revealed, and whether the annual statements represent the underlying transactions and facts in such a way that they show a true and accurate image.

Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales, incluida la información revelada, y si las cuentas anuales representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.

Nos comunicamos con los administradores de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificada y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identifiquemos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación a los administradores de la entidad, determinamos los que han sido de mayor significatividad en la auditoría de las cuentas anuales del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos estos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.

Grant Thornton, S.L.P., Sociedad Unipersonal

ROAC n.º 50231



José Manuel López

ROAC n.º 22480

24 de marzo de 2020



AUDITORES

Grant Thornton, S.L.P.

24 de marzo de 2020

ROAC n.º 22480

24 de marzo de 2020

ROAC n.º 22480

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We contact the directors of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. in relation to the planned scope and timing of the audit, among other issues, as well as any significant findings or defects in internal controls detected in the course of the audit.

We determine which of the significant risks detected in the annual statements for the current period and communicated to the directors of the Company are the most important and should therefore be considered the most significant risks.

We shall describe these risks in our audit report unless the legal or regulatory provisions forbid the public disclosure of this question.

Grant Thornton, S.L.P., Sociedad Unipersonal
ROAC no. 50231

[Signature]

José Manuel López
ROAC no. 22480

24 March 2020

Seal:
AUDITORS
SPANISH INSTITUTE OF AUDITORS AND ACCOUNTING

GRANT THORNTON, S.L.P.

2020 NO. 01/20/00902
96.00 EUR

CORPORATE SEAL:
Account audit report subject to
Spanish or international account
auditing regulations



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ENUSA Accounts



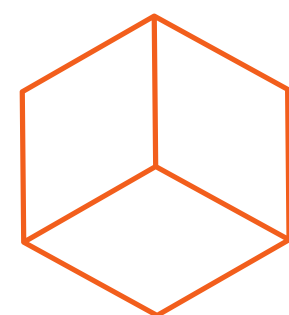
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7. CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR 2019

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. AND SUBSIDIARY COMPANIES



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CONSOLIDATED BALANCE SHEET - ENUSA GROUP (thousands of euros)

| ASSETS | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|---|-------------------|----------------|----------------|
| A) NON-CURRENT ASSETS | | 104,503 | 107,334 |
| I. Intangible fixed assets | 10 | 34,280 | 34,799 |
| 3. Patents, licences, trademarks and similar | | 507 | 1 |
| 5. Software | | 585 | 535 |
| 6. Other intangible fixed assets | | 33,188 | 34,263 |
| II. Tangible fixed assets | 9 | 39,480 | 44,427 |
| 1. Land and buildings | | 17,467 | 18,636 |
| 2. Technical installations and other tangible fixed assets | | 21,586 | 22,562 |
| 3. Fixed assets in progress and advances | | 427 | 3,229 |
| IV. Long-term investments in companies of the group and associated companies | | 10,478 | 10,432 |
| 1. Investments using equity method | 7 | 10,478 | 10,432 |
| V. Long-term financial investments | 12 | 5,706 | 3,019 |
| 1. Equity instruments | | 268 | 268 |
| 2. Financial derivatives | | 2,699 | 104 |
| 5. Other financial assets | | 2,739 | 2,647 |
| VI. Deferred tax assets | 15 | 14,559 | 14,657 |

CONTINUED ON NEXT PAGE

| ASSETS | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| B) CURRENT ASSETS | | 341,074 | 362,792 |
| I. Non-current assets held for sale | 9, 21 | 1,609 | - |
| II. Inventories | 13 | 255,666 | 279,520 |
| 2. Raw materials and other supplies | | 227,813 | 263,847 |
| 3. Products in progress | | 7,651 | 7,154 |
| 4. Finished products | | 14,848 | 6,413 |
| 6. Advances to suppliers | | 5,354 | 2,106 |
| III. Trade debtors and other accounts receivable | | 32,565 | 25,784 |
| 1. Customers for sales and services | 12 | 27,181 | 16,991 |
| 2. Customers, companies of the group and associated companies | 12, 23 | 1,333 | 2,674 |
| 3. Current tax assets | 15 | 394 | 3,858 |
| 4. Other debtors | 12 | 2,683 | 1,574 |
| 5. Personnel | 12 | 227 | 186 |
| 6. Other credits with the Public Administrations | | 747 | 501 |
| IV. Short-term investments in companies of the group and associated companies | 12, 23 | 6,560 | 48,992 |
| 2. Loans to companies of the group and associated companies | | 6,560 | 48,992 |
| 5. Other financial assets | | - | - |
| V. Short-term financial investments | 12 | 2,002 | 825 |
| 2. Loans | | 512 | 424 |
| 4. Derivatives | | 1,456 | 365 |
| 5. Other financial assets | | 34 | 36 |
| VI. Short-term accruals | | 339 | 186 |
| VII. Cash and other equivalent liquid assets | 12 | 42,333 | 7,485 |
| 1. Cash and bank | | 42,333 | 7,485 |
| TOTAL ASSETS (A + B) | | 445,577 | 470,126 |

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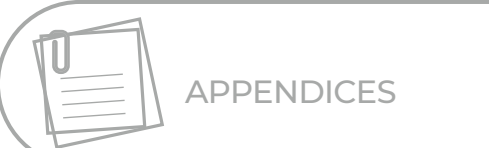
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| EQUITY AND LIABILITIES | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|---|-------------------|----------------|----------------|
| A) EQUITY | | 118,136 | 115,156 |
| A.1) Capital and Reserves | 12.3 | 112,310 | 112,232 |
| I. Capital | | 60,102 | 60,102 |
| III. Reserves and results from previous years | | 31,562 | 31,562 |
| 1. Legal and statutory | | 12,020 | 12,020 |
| 2. Other reserves | | 19,542 | 19,542 |
| IV. Reserves in consolidated companies | | 16,700 | 16,132 |
| V. Reserves in companies by equity method | | 95 | (7) |
| VI. Other contributions from partners | | 33 | 33 |
| VIII Profit/Loss of the year attributed to the controlling company | | 3,818 | 4,410 |
| 1. Consolidated losses and gains | | 3,818 | 4,410 |
| 2. External partners' losses and gains | | 1 | 1 |
| A.2) Adjustments for value changes | | 541 | (2,457) |
| III. Other adjustments for value changes in consolidated companies | | 541 | (2,457) |
| 1. Hedging operations | 12 | 573 | (2,440) |
| 2. Others | | (32) | (17) |
| A.3) Subsidies, donations and bequests received | 20 | 5,208 | 5,305 |
| I. In consolidated companies | | 5,208 | 5,305 |
| A.4) External partners | 6 | 77 | 76 |
| 1. Previous years - external partners | | 76 | 75 |
| 2. Profit/loss attributed to minority interests | | 1 | 1 |
| B) NON-CURRENT LIABILITIES | | 172,903 | 84,652 |
| I. Long-term provisions | 17 | 55,356 | 56,540 |
| 1. Obligations for long-term benefits for personnel | | 9 | 14 |
| 2. Environmental actions | 18 | 40,503 | 42,084 |
| 3. Provisions for restructuring | | 374 | 338 |
| 4. Other provisions | | 14,470 | 14,104 |
| II. Long-term debts with companies of the group and associated companies | 12, 23 | 3,277 | 2,483 |
| III. Long-term debts | | 111,031 | 23,138 |
| 2. Debts with credit institutions | 12 | 107,346 | 18,993 |
| 3. Creditors for financial leasing | 11 | 8 | 25 |
| 4. Other financial liabilities | | 856 | 979 |
| 5. Derivatives | | 2,821 | 3,141 |
| IV. Deferred tax liabilities | 15 | 3,239 | 2,491 |

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| EQUITY AND LIABILITIES | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| C) CURRENT LIABILITIES | | 154,538 | 270,318 |
| II. Short-term provisions | 17, 18 | 6,019 | 6,336 |
| III. Short-term debts | 12 | 76,685 | 186,841 |
| 2. Debts with credit institutions | | 73,532 | 183,708 |
| 3. Creditors for financial leasing | 11 | 17 | 16 |
| 4. Other financial liabilities | | 2,283 | 2,169 |
| 5. Derivatives | | 853 | 948 |
| IV. Short-term debts with companies of the group and associated companies | 12, 23 | 549 | 552 |
| V. Trade creditors and other accounts payable | | 71,202 | 75,999 |
| 1. Suppliers | 12 | 20,643 | 10,804 |
| 2. Suppliers, companies of the group and associated companies | 12, 23 | 1,488 | 4,476 |
| 3. Current tax liability | 15 | 31 | 107 |
| 4. Other creditors | 12 | 11,560 | 12,257 |
| 5. Personnel (remunerations pending payment) | 12 | 2,060 | 2,252 |
| 6. Other debts with the Public Administrations | | 2,634 | 2,376 |
| 7. Advances of customers and debtors. | 12 | 32,786 | 43,727 |
| VI. Short-term accruals | | 83 | 590 |
| TOTAL EQUITY AND LIABILITIES (A + B + C) | | 445,577 | 470,126 |

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CONSOLIDATED INCOME STATEMENT - ENUSA GROUP (thousands of euros)

| | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|---|-------------------|------------------|------------------|
| A) CONTINUING OPERATIONS | | | |
| 1. Net turnover | 16, 23 | 323,884 | 251,129 |
| a) Sales | | 273,994 | 204,049 |
| b) Provision of services | | 49,890 | 47,080 |
| 2. Variations in inventories of finished products and those in progress of manufacture | | 8,932 | (7,577) |
| 3. Work performed by the company for its assets | | - | 32 |
| 4. Procurements | 16, 23 | (262,691) | (171,845) |
| a) Consumption of merchandise | | (48) | (36) |
| b) Consumption of raw materials and other consumable materials | | (228,412) | (139,385) |
| c) Work performed by other companies | | (34,231) | (32,424) |
| 5. Other operating income | | 3,325 | 3,516 |
| a) Ancillary revenue and others of current management | | 3,216 | 3,243 |
| b) Operational subsidies incorporated to the profit/loss of the year | 20 | 109 | 273 |
| 6. Personnel expenses | | (39,831) | (37,850) |
| a) Wages, salary and similar | | (30,070) | (28,431) |
| b) Social security contributions | 16 | (9,761) | (9,419) |
| 7. Other operating expenses | | (20,333) | (25,191) |
| a) Outsourced services | 16 | (17,983) | (22,720) |
| b) Taxes | | (1,532) | (1,648) |
| c) Losses, impairment and changes in provisions due to trade operations | 12 | (734) | (737) |
| d) Other current management expenses | | (84) | (86) |
| 8. Depreciation/Amortisation of fixed assets | 9, 10 | (7,545) | (7,512) |
| 9. Allocation of subsidies of non-financial fixed assets and others | 20 | 3 | 3 |
| 10. Excess provisions | | 532 | 429 |
| 11. Impairment and result due to disposal of fixed assets | | (1,596) | (56) |
| a) Impairment and losses of fixed assets | 9 | (1,582) | |
| b) Results for disposals and others | | (14) | (56) |

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| | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|--|-------------------|----------------|----------------|
| 12. Other operating profit/loss | 16 | 2,657 | 37 |
| a) Exceptional expenses | | (273) | (149) |
| b) Exceptional income | | 2,930 | 186 |
| A.1) OPERATING PROFIT/LOSS (1+2+3+4+5+6+7+8+9+10+11+12) | | 7,337 | 5,115 |
| 13. Financial income | | 507 | 1,907 |
| b) From negotiable securities and other financial instruments | | 507 | 1,907 |
| b.1. From companies of the group and associated companies | 23 | 334 | 155 |
| b.2. From third parties | | 173 | 1,752 |
| 14. Financial expenses | | (3,523) | (4,374) |
| a) For debts with companies of the group and associated companies | 23 | (26) | (17) |
| b) For debts with third parties | | (2,784) | (3,688) |
| c) For updating of provisions | | (713) | (669) |
| 16. Exchange rate differences | 14 | (491) | (72) |
| 18. Incorporation of financial expenses to assets | 10 | 515 | 655 |
| A.2) FINANCIAL PROFIT/LOSS (13+14+15+16+18) | | (2,992) | (1,884) |
| 19. Participation in profits (losses) of companies by equity method | 7 | 579 | 664 |
| A.3) BEFORE-TAX PROFIT/LOSS (A.1. + A.2. + 19.) | | 4,924 | 3,895 |
| 22. Corporate income tax | 15 | (1,105) | 516 |
| A.4) PROFIT/LOSS OF THE YEAR COMING FROM CONTINUING OPERATIONS (A.3. + 22.) | | 3,819 | 4,411 |
| B) DISCONTINUED OPERATIONS | | - | - |
| A.5) CONSOLIDATED PROFIT/LOSS OF FINANCIAL YEAR (A.4. + B.) | | 3,819 | 4,411 |
| Profit/loss attributed to the controlling company | | 3,818 | 4,410 |
| Profit/loss attributed to external partners | 6 | (1) | (1) |



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - ENUSA GROUP

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES (thousands of euros)

| | Annual Rep. Notes | 31/12/2019 | 31/12/2018 |
|---|-------------------|--------------|--------------|
| A) YEAR-END CONSOLIDATED PROFIT AND LOSS | | 3,819 | 4,411 |
| INCOME AND EXPENDITURES CHARGED DIRECTLY TO CONSOLIDATED EQUITY | | | |
| II. For cash flow hedges | 12 | 4,447 | 1,708 |
| III. Subsidies, donations and bequests received | 20 | (74) | - |
| IV. Translation differences | | (15) | 1 |
| V. Tax effect | 15 | (1,090) | (422) |
| B) TOTAL INCOME AND EXPENDITURES CHARGED DIRECTLY TO CONSOLIDATED EQUITY (II+III+IV+V) | | 3,268 | 1,287 |
| TRANSFERS TO CONSOLIDATED PROFIT AND LOSS ACCOUNT | | | |
| VII. For cash flow hedges | 12 | (413) | 668 |
| VIII. Subsidies, donations and bequests received | 20 | (55) | (237) |
| IX. Tax effect | 15 | 101 | (114) |
| C) TOTAL TRANSFERS TO CONSOLIDATED PROFIT AND LOSS ACCOUNT (VII+VIII+IX) | | (367) | 317 |
| TOTAL RECOGNISED CONSOLIDATED INCOME AND EXPENDITURES (A+B+C) | | 6,720 | 6,015 |
| - Attributed to the controlling company | | 6,719 | 6,013 |
| - Attributed to minority interests | | 1 | 2 |



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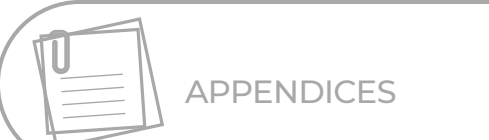
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B) COMPREHENSIVE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (thousands of euros)

| | Stated Capital | Reserves and results of previous years | Other contributions from partners | P&L attributed to controlling company | Adjustments for value changes | Subsidiaries, donations and bequests received | Minority Interests | Total |
|---|----------------|--|-----------------------------------|---------------------------------------|-------------------------------|---|--------------------|-----------------|
| A. Balances at 31 December 2017 | 60,102 | 47,416 | - | 12,305 | (4,237) | 5,482 | 74 | 121,142 |
| I. Total recognised consolidated income and expenses | - | - | - | 4,410 | 1,780 | (177) | 2 | 6,015 |
| II. Operations with partners or owners | - | 271 | 33 | (12,305) | - | - | - | (12,001) |
| 4. Distribution of profit of the year 2017 | - | - | - | (12,450) | - | - | - | (12,450) |
| - Reserves | - | - | - | - | - | - | - | - |
| - Dividends | - | - | - | (12,450) | - | - | - | (12,450) |
| 7. Other movements | - | 271 | 33 | 145 | - | - | - | 449 |
| B. Balances at 31 December 2018 | 60,102 | 47,687 | 33 | 4,410 | (2,457) | 5,305 | 76 | 115,156 |
| I. Total recognised consolidated income and expenses | - | - | - | 3,818 | 2,998 | (97) | 1 | 6,720 |
| II. Operations with partners or owners | - | - | - | (3,734) | - | - | - | (3,734) |
| 4. Distribution of profit of the year 2018 | - | - | - | (3,734) | - | - | - | (3,734) |
| - Reserves | - | - | - | - | - | - | - | - |
| - Dividends | - | - | - | (3,734) | - | - | - | (3,734) |
| 7. Other movements | - | 670 | - | (676) | - | - | - | (6) |
| C. Balances at 31 December 2019 | 60,102 | 48,357 | 33 | 3,818 | 541 | 5,208 | 77 | 118,136 |

CONSOLIDATED CASH FLOW STATEMENT - ENUSA GROUP (thousands of euros)

| | Annual Rep. Notes | 2019 | 2018 |
|--|-------------------|----------|----------|
| A) CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. Pre-Tax year-End Consolidated Profit/Loss | | 4,924 | 3,895 |
| 2. Consolidated P&L Adjustments | | 12,596 | 15,705 |
| Fixed asset depreciation/amortisation (+) | 9,10 | 7,545 | 7,512 |
| Value adjustments due to impairment (+/-) | | 2,205 | 844 |
| Variation in provisions (+/-) | | 1,159 | 6,973 |
| Allocations to subsidiaries (-) | 20 | (57) | (237) |
| Fixed asset removal or disposal results (+/-) | | 15 | 56 |
| Financial income (-) | | (507) | (1,907) |
| Financial expenses (+) | | 2,295 | 3,039 |
| Exchange rate differences (+/-) | 14 | 491 | 72 |
| Share in profits (losses) of companies consolidated by equity method, net of dividends | 7 | (579) | (664) |
| Other income and expenses (-/+) | | 29 | 17 |
| 3. Changes in Consolidated Working Capital | | 8,229 | 31,224 |
| Inventories (+/-) | | 23,947 | 46,003 |
| Debtors and other accounts receivable (+/-) | | (11,076) | 5,757 |
| Other current assets (+/-) | | (37) | 470 |
| Creditors and other accounts payable (+/-) | | (4,098) | (21,316) |
| Other current liabilities (+/-) | | (507) | 310 |
| 4. Other Consolidated Cash Flows from Operating Activities | | (3,558) | (5,479) |
| Interest payments (-) | | (3,046) | (3,873) |
| Dividends received (+) | | 474 | 1,337 |
| Interest income (+) | | 426 | 2,512 |
| Corporate income tax payments (refunds) (-/+) | | 2,138 | (1,946) |
| Other payments (receipts) (-/+) | 17 | (3,550) | (3,509) |
| 5. Consolidated Cash Flows from Operating Activities (1+2+3+4) | | 22,191 | 45,345 |

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| | Annual Rep. Notes | 2019 | 2018 |
|--|-------------------|-----------|----------|
| B) CONSOLIDATED CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| 6. Payments for Investments (-) | | | |
| Companies of the group, net of cash from consolidated companies | | (11,962) | (55,412) |
| Intangible fixed assets | | (6,560) | (48,990) |
| Tangible fixed assets | | (943) | (503) |
| Other financial assets | | (4,222) | (5,673) |
| Other financial assets | | (237) | (246) |
| 7. Collections for Disinvestments (+) | | | |
| Companies of the group, net of cash from consolidated companies | 23 | 49,140 | 52,261 |
| Tangible fixed assets | | 48,990 | 52,172 |
| Other financial assets | | 2 | - |
| Other assets | | 144 | 89 |
| Other assets | | 4 | - |
| 8. Consolidated Cash Flows from Investment Activities (7-6) | | | |
| C) CONSOLIDATED CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 9. Collections and Payments for Equity Instruments | | | |
| g) Subsidies, donations and bequests received | | - | 257 |
| i) Other contributions from partners | | - | 224 |
| 10. Collections and Payments for Financial Liability Instruments | | | |
| a) Issue | | (20,772) | (26,473) |
| Debts with credit institutions (+) | | 162,922 | 72,493 |
| Debts with companies of the group and associated companies (+) | | 161,559 | 71,616 |
| Other debts (+) | | 1,337 | 465 |
| b) Repayment and amortisation of: | | 26 | 412 |
| Debts with credit institutions (-) | | (183,694) | (98,966) |
| Debts with companies of the group and associated companies (-) | | (183,092) | (98,346) |
| Other debts (-) | | (552) | (555) |
| Other debts (-) | | (50) | (65) |
| 11. Payments for Dividends and Remuneration on Other Equity Instruments | | | |
| Dividends (-) | | (3,734) | (12,450) |
| 12. Consolidated Cash Flows from Financing Activities (9+10+11) | | | |
| D) EFFECT OF CHANGES IN EXCHANGE RATES | | | |
| E) NET INCREASE / DECREASE OF CASH OR CASH EQUIVALENTS (5+8+12+D)) | | | |
| Cash or Cash Equivalents at Beginning of Year | | (15) | 1 |
| Cash or Cash Equivalents at End of Year | | 34,848 | 3,529 |
| Cash or Cash Equivalents at Beginning of Year | | 7,485 | 3,956 |
| Cash or Cash Equivalents at End of Year | | 42,333 | 7,485 |



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1. COMPANIES OF THE GROUP

1.1. CONTROLLING COMPANY

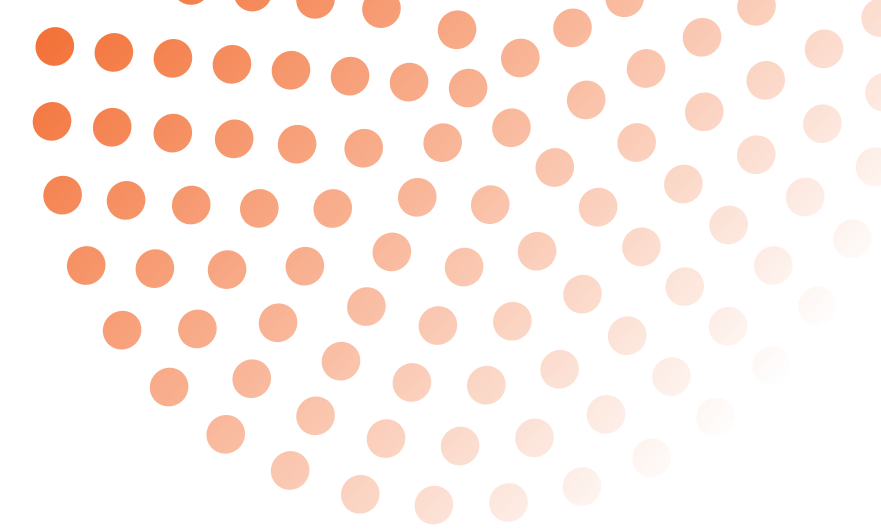
ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter ENUSA or the controlling Company) was incorporated in Spain in 1972 for an indefinite period of time. Its registered office is located on Calle Santiago Rusiñol, nº 12 in Madrid.

The shareholders at 31 December 2019 are the Sociedad Estatal de Participaciones Industriales (SEPI), holding 60% of the capital, and the Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), holding the remaining 40%.

 The controlling Company's aim is as follows:

1. Mineral research and exploitation, production of uranium concentrates and other by-products, uranium enrichment, engineering and manufacture of nuclear fuel assemblies and other components, products, equipment and processes for electric power generation, and the use, distribution and marketing of the products resulting from each of the aforesaid industrial phases and provision of services related to these products or to radioactive materials.
2. Provision of chemical, physicochemical and radiological analysis services, and issue of reports and advice on environment-, energy- and technology-related matters.

3. Execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as land reclamation, including land affected by radioactive materials.
4. Preparation of all kinds of technical studies and reports, including those regarding radioactive materials; execution of all kinds of projects, and technical oversight and management of works of any sort, including nuclear or radioactive installations.
5. Collection and treatment of urban and industrial wastes, and water treatment.



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 The main activities of ENUSA are as follows:

1. Industrial Activities

- > Engineering and manufacture of nuclear fuel assemblies and other components. To conduct its manufacturing business, ENUSA has signed licensing contracts since 1974 with the technology owners, to which it pays the appropriate royalties. The licence contract for the BWR reactors, of boiling water, with the companies Global Nuclear Fuel - Americas, General Electric Hitachi and GE Infrastructure Technology International was extended on the date of 28 December 2018, thus extending its validity up to December 2024. As for the licence contract with companies Westinghouse Technology Licensing Company LLC and with Westinghouse Electric Company LLC for the supply of products and services to the PWR reactors –reactors using pressurised water technology– was renewed in November 2017, effective 1 January 2017, also being valid up to 31 December 2024.
- > Product distribution and marketing in each of the above-mentioned industrial phases, and provision of services related to these products or to radioactive materials.

2. Uranium Supply Activities

- > Uranium procurement, as well as isotopic enrichment and conversion services, for the supply of enriched uranium to the Spanish nuclear reactors.
- > Natural and enriched uranium stock management.

3. Other Activities

- > Provision of chemical, physicochemical and radiological analysis services, as well as reporting on environmental, energy and technological issues.
- > Land, slag heap and old mine reclamation, water treatment, and execution and maintenance, by itself or by others, of all manner of civil works, buildings and installations.
- > Studies, technical reports and projects related to its areas of operation.
- > Provision, through its subsidiaries, of fuel assembly inspection and repair services, radioactive material and explosives transportation, radioactive isotope manufacture and marketing, land reclamation, execution and maintenance of all manner of civil works, buildings and installations, including electrical and mechanical ones and including operations inside and outside quarries, as well as management, recycling, reutilisation and treatment of industrial and hazardous wastes and recovery and decontamination of contaminated areas and soils.
- > The execution of works and service management corresponding to the “Project for urban solid waste (USW) management of the Zonal Waste Plan of Zone 1, Castellón”, through its investment as partner in the joint venture “ENUSA Industrias Avanzadas, S.A., S.M.E., Fobesa Valoración de Residuos, S.L.U., S.A. and A2A Ambiente, S.p.A. Unión Temporal de Empresas” (hereinafter, UTE RSU).

The industrial activities have been carried out in the fuel assembly factory located in the town of Juzbado, in the province of Salamanca, since 1985.

The manufacturing process of the PWR fuel assemblies (for pressurised water nuclear power plants) and BWR fuel assemblies (for boiling water nuclear power plants) takes place in this industrial centre.

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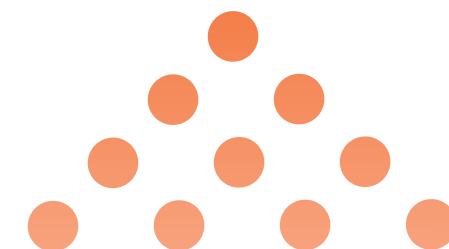
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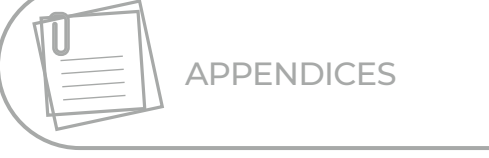
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ENUSA also leads pioneering environmental reclamation projects in the areas where it operates or in which it has conducted its mining and industrial business in the past (uranium concentrate mines of La Haba in Badajoz and Saelices el Chico in Salamanca), for the ultimate purpose of returning these areas to the geological and environmental conditions they had before their exploitation began.

ENUSA belongs to the consolidated group of the Sociedad Estatal de Participaciones Industriales (SEPI). In accordance with the provisions of article 136.3 of General Budget Act 47/2003 of November 26, SEPI is not required to deposit its consolidated accounts in the Business Registry because it is not a commercial enterprise.

1.2. SUBSIDIARY COMPANIES

Following is the list of the multi-group and associated companies of the ENUSA Group at 31 December 2019 and 2018:

Subsidiary Companies that make up the ENUSA Group at 31 December 2019 and 2018:

| Subsidiary | Head Office | Holder | % Investment | Nominal Share (thou. €) | Activity |
|--|---|--------|--------------|-------------------------|--|
| EMPRESA PARA LA GESTIÓN DE RESIDUOS INDUSTRIALES, S.A., S.M.E., M.P. (EMGRISA) | Santiago Rusiñol, 12 – Madrid | ENUSA | 99.62 | 7,783 | Performance of any activities necessary for the proper management of the programs and actions of the National Industrial Waste Plan to which the Law 20/1986 of 14 May refers, aimed at the rationalisation and coordination of the management of these resources. |
| EXPRESS TRUCK, S.A.U., S.M.E. (ETSA) | Ctra. Salamanca-Vitigudino, km. 0,7 (Cetramesa) Salamanca | ENUSA | 100.00 | 301 | All types of transports, both national and foreign, in all its extension and with any modality and merchandise, including hydrocarbons, chemical products, radioactive material and others. |



2. ASSOCIATED AND MULTI-GROUP COMPANIES

Following is the list of the ENUSA Group's multi-group and associated companies at 31 December 2019 and 2018:

Multi-Group and Associated Companies at 31 December 2019 and 2018:

| Subsidiary | Head Office | Holder | % Investment | Nominal Share (thou. €) | Activity |
|---|--|---------|--------------|-------------------------|---|
| MULTI-GROUP CO. | | | | | |
| ENUSA-ENSA, A.I.E. | Santiago Rusiñol, 12 – Madrid | ENUSA | 50.00 | 210 | Repair of fuel assemblies for PWR-type light water reactors as well as other services related to the reactor core and its components. |
| ASSOCIATED COMPANIES | | | | | |
| GNF ENUSA NUCLEAR FUEL, S.A. | Josefa Valcarcel 35 – Madrid | ENUSA | 49.00 | 53 | Marketing of nuclear fuel and provision of engineering services on this fuel. |
| CETRANSA, S.A. | Ilustre Fregona, 16- Santovenia de Pisuerga (Valladolid) | EMGRISA | 30.00 | 360 | Management and treatment of industrial waste. |
| REMESA, S.A. | Plaza de España, s/n. (Melilla) | EMGRISA | 50.00 | 6,275 | Integrated operation and management of treatment plant of urban waste. |
| SPANISH NUCLEAR GROUP FOR COOPERATION, A.I.E. | Santiago Rusiñol, 12 – Madrid | ENUSA | 25.00 | 6 | Commercial promotion of products and services for nuclear plants in the People's Republic of China and other countries of common interest for the partners. |

Appendix I includes additional information on the Group's member companies, their equity and the direct and indirect investment at 31 December 2019 and 2018.



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3. BASES FOR PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

3.1. TRUE AND FAIR REFLECTION

The consolidated annual accounts, comprised by the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated annual report composed of notes 1 to 27, have been prepared on the basis of the accounting records of ENUSA and of the integrated consolidated companies and Temporary Joint Ventures (UTEs). The 2019 consolidated annual accounts have been prepared in accordance with current commercial legislation and with the rules provided in the General Accounting Plan, in Order EHA/3362/2010 of 23 December which approves the rules of adaptation of the General Accounting Plan to concessionaires of public infrastructures and in Royal Decree 1159/2010 which approves the rules for preparation of consolidated annual accounts, which was modified in 2016 by the Royal Decree 602/2016, of 2 December, in order to show a true and fair reflection of the consolidated state of affairs and the consolidated financial position at 31 December 2019 and the consolidated results of operations and changes in the consolidated equity and consolidated cash flows corresponding to the financial year ending on that date.

It is deemed that the 2019 consolidated annual accounts, which have been prepared on 6 March 2020, will be approved by the General Shareholders' Meeting without any modifications.

3.2. INFORMATION COMPARISON

The consolidated annual accounts present, for purposes of comparison with each of the items in the balance sheet, profit and loss account, statement of changes in equity, statement of cash flows and annual report, in addition to the figures for 2019, the figures from the previous year which formed part of the 2018 annual accounts approved by the General Shareholders' Meeting of 24 June 2019.

3.3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The consolidated annual accounts are presented in thousands of Euros, rounded off to the nearest thousand, which is the functional and presentation currency of the controlling Company.



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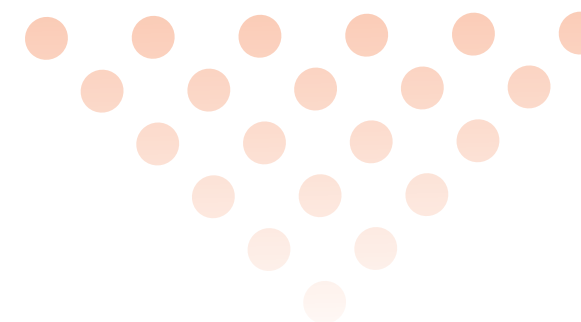
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3.4. CLASSIFICATION OF CURRENT AND NON-CURRENT ITEMS

For the classification of the current items, the maximum period of one year was considered, from the date of these consolidated annual accounts.

3.5. GROUPS OF ITEMS

Certain items of the consolidated balance sheet, of the consolidated income statement, of the consolidated statement of changes in equity and of the consolidated cash flow statement were presented grouped in order to facilitate their understanding, although, whenever it is significant, the information is broken down in the corresponding notes in the consolidated annual report.

3.6. CRITICAL ISSUES OF VALUATION AND ESTIMATION OF UNCERTAINTY

In the preparation of the consolidated annual accounts estimates have been made to determine the book value of some of the assets, liabilities, income and expenses and on the breakdowns of the contingent liabilities. These estimates made have been made on the basis of the best information available at the closing of the financial year. However, given their inherent uncertainty, future events may arise that require modifying them in upcoming years, which will be done, where applicable, on a prospective basis.

The key suppositions about the future, as well as other relevant data on the estimate of the uncertainty on the closing date of the financial year, which are associated to an important risk of causing significant changes in the value of the assets or liabilities in the upcoming financial year are the following:

Impairment of the value of non-current assets (Notes 9 and 10)

The valuation of non-current assets, other than financial assets, requires making estimates with the aim of determining their recoverable value, for the purpose of evaluating possible impairment. In order to determine this recoverable value, the future cash flows expected from the assets or from the cash generating units of which they form part are estimated and an appropriate discount rate is used to calculate the current value of these cash flows. The future cash flows depend on working within the budgets of the next five years, while the discount rates depend on the interest rate and the risk premium associated with each cash generating unit.

Valuation of financial instruments (Note 12)

The Group uses financial derivatives as part of its strategy to diminish its exposure to the exchange rate risk and that of the interest rate.

The hedging operations carried out by the Group are classified as cash flow hedges and cover the exposure to the variation of the future cash flows attributed to:

- > Risks related to exchange rates, in the purchases or procurements and in the sales made in foreign currency, by means of purchase/sale foreign exchange forward transactions, thereby setting an exchange rate known on a specific date (which can, in addition, be subject to subsequent updating for its exact adjustment and application to the cash flows of the hedged item).
- > Interest rate risks, through contracting financial swaps that allow transforming part of the financial costs of the controlling Company referenced to a variable rate, into a fixed rate.



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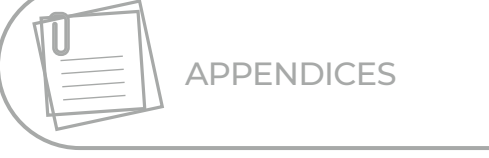
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4. DISTRIBUTION OF EARNINGS

The Board of Directors of the controlling Company will propose to the General Shareholders' Meeting that it approve the following distribution of 2019 earnings:

| | EUROS |
|-------------------------------|---------------------|
| | 2019 |
| Basis for distribution | |
| P & L account balance | 4,161,725.34 |
| TOTAL | 4,161,725.34 |
| Distribution | |
| To dividends | 4,161,725.34 |
| TOTAL | 4,161,725.34 |

The distribution of the 2018 earnings amounting to 3,733,910.49 Euros, approved by the General Shareholders' Meeting of 24 June 2019, consisted of their complete distribution to dividends.

Limitations for the distribution of results and dividends

According to Article 274 of the Capital Companies Act, approved by the Legislative Royal Decree 1/2010, of 2 July, the companies are required to dedicate 10% of the profits of each financial year to the constitution of the Legal Reserve until it amounts to, at least, 20% of the Share Capital. This reserve is not distributable to the shareholders, and it can only be used to cover, in case there are no other reserves available, the debtor balance of the income statement.

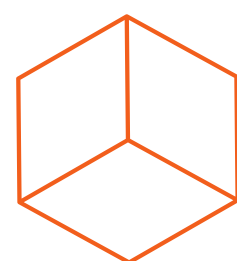
Deferred tax assets (Note 15)

Deferred tax assets are recorded for all the temporary deductible differences, generated negative tax bases, and deductions pending application, for which it is probable that the Group will have future tax earnings that permit the application of these assets. For this reason, significant estimates have to be made to determine the amount of the deferred tax assets that can be recorded, taking into account the amounts and the dates on which the future tax earnings will be obtained and the reversion period of the temporary tax differences and application period of the negative tax bases and the deductions.

Provisions and contingencies (Note 17)

The Group allocates provisions to cover future liabilities, for which it is required to make different hypotheses and estimates. In general, for all the allocated provisions, the principal estimates refer to the greater or lesser certainty that future disbursements directly related to the provision are going to take place, to the amounts provided for them, as well as to the dates in which it is forecast that they will be realised. In the specific case of the provisions derived from litigations in progress, the Group also counts on outside advisers regarding the probability of the occurrence of disbursements, in order to classify the events as a provision or a future contingency.

Lastly, there is no awareness of any major uncertainties relative to events or conditions that could cast significant doubts on the possibility that the different companies of the Group will continue functioning as usual.



5. RECORDING AND VALUATION RULES

The main principles applied are as follows:

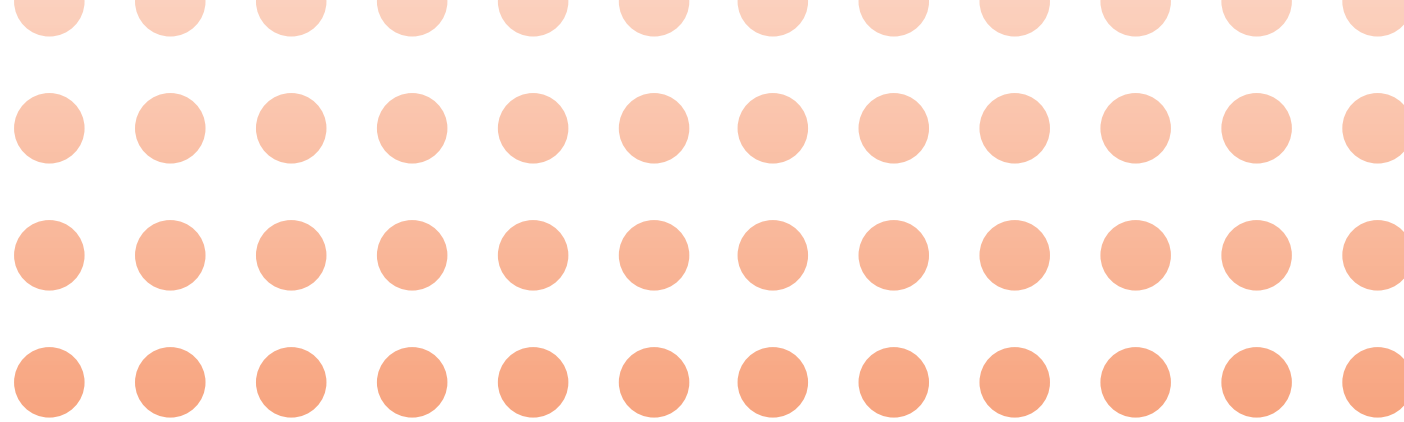
5.1. SUBSIDIARIES COMPANIES

Subsidiaries, including special-purpose entities, are considered to be those over which the controlling Company directly or indirectly through subsidiaries, exercises control, as provided in Article 42 of Code of Commerce.

For the sole purpose of presentation and itemisation, group companies are considered to be those that are controlled through any means by one or more natural persons or legal entities that act jointly or report to a sole management based on statutory clauses or agreements. All the references to companies of the group and amounts shown in the consolidated Balance Sheet and Income Statement correspond to the SEPI Group.

The subsidiaries have been consolidated by applying the full integration method.

The income, expenditure and cash flows of the subsidiaries are included in the consolidated annual accounts as of the date of acquisition, which is the date on which the Group effectively obtains control thereof. The subsidiaries are excluded from the consolidation exercise as of the date on which control is lost.



The transactions and balances maintained with subsidiaries and the unrealised profits or losses have been eliminated from the consolidation process. However, unrealised losses have been considered as an indicator of the value impairment of the transferred assets.

The accounting policies of the subsidiaries are adapted, if they are different, to the Group's accounting policies for transactions and other events that are similar and have occurred under similar circumstances.

The annual accounts or financial statements of the subsidiaries used in the consolidation process refer to the same date of presentation and same period as those of the controlling Company.

5.2. JOINT VENTURES AND ASSOCIATED COMPANIES

Multi-group companies are considered to be those that are jointly managed by the Company or one or more of the Group companies, including the dominant companies or natural persons, and one or more third parties outside the Group.

Jointly controlled operations and assets are considered to be those for which there is a statutory or contractual agreement to share control over an economic activity, such that both financial and operating strategic decisions concerning the activity require the unanimous consent of the Group and the rest of the partners.

The Group undertakes certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The information on these UTEs is provided in Note 8.



Investments in multi-group companies are recorded by the equating method as of the date on which joint control is exercised and up to the date on which this joint control ends. However, if, on the date joint control is obtained, the investments meet the conditions for classification as non-current assets or disposable groups of items held for sale, they are recorded at fair value minus the sales costs.

For jointly controlled operations and assets, the Group records in the consolidated annual accounts the assets that are under its control, the liabilities it has incurred and the proportional part based on its percent share in the jointly controlled assets and jointly incurred liabilities, as well as the portion of income earned from the sale of goods or provision of services and the costs incurred by the joint venture. Likewise, the consolidated statement of changes in equity and the consolidated statement of cash flows also include the part that corresponds to the Group by virtue of the agreements reached.

The reciprocal transactions, balances, income, expenses and cash flows have been eliminated in proportion to the share held by the Group in the joint ventures. Dividends have been eliminated in full.

Associated companies are considered to be those on which the Group directly, or indirectly through subsidiaries, exerts significant influence. Significant influence is the power to intervene in the decisions concerning a company's financial and operating policies, without entailing the existence of control or joint control over that company. The assessment of the existence of significant influence considers the potential voting rights exercisable or convertible at the end of each financial year, and also considers the potential voting rights held by the Group or by third parties.

The Group considers that it exercises significant influence when its share in the capital of the company in question is greater than 20% but less than 50%.

Investments in associated companies are recorded by the equating method as of the date on which significant influence is exerted and up to the date on which the Group can no longer justify the existence thereof. However, if, on the date of acquisition, they meet the conditions for classification as non-current assets or disposable groups of items held for sale, they are recorded at the consolidated value or their fair value, whichever is lower, minus the sale costs.

The Group's share in the profits or losses of associated companies obtained as of the acquisition date is recorded as an increase or decrease of the value of the investments credited or charged to the item "Investments in profits or losses by equity method" of the consolidated income statement. Likewise, the Group's investment in the total recognised income and expenses of the associated companies obtained as of the acquisition date is recorded as an increase or decrease of the value of the investments in the associated companies, recording the balancing entry in consolidated equity accounts. The distributions of dividends are recorded as reductions of the investment value. To determine the Group's share in profits or losses, including the value impairment losses recorded by the associated companies, the income or expenses stemming from applying the acquisition method are considered.

The accounting policies of the associated companies have been subject to valuation harmonization on the same terms as those referred to for the subsidiaries.

All the multi-group and associated companies close their financial year on 31 December.



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5.3. CONSOLIDATION GOODWILL AND NEGATIVE CONSOLIDATION DIFFERENCE

In accordance with the accounting principles and rules described above, the difference between the book value of investments in consolidated companies and the amount of total equity corresponding to the percent share therein was recorded, if positive, as Goodwill and, if negative, as a Negative Consolidation Difference on the date of their first consolidation.

At 31 December 2019 and 2018, the net book value of all Goodwill is zero.

The Negative Consolidation Differences were considered as reserves in 2008, in accordance with the criteria set forth in point 2 of the ICAC note (BOICAC no. 75) regarding the rules of first application to preparation of the initial consolidated balance sheet.

5.4. MINORITY INTERESTS

As of the date of transition to the current accounting legislation (1 January 2008), minority interests in the subsidiary companies are recorded in the equity on the date of acquisition by the percent investment in the fair value of the identifiable net assets. Minority interests in subsidiary companies acquired prior to this transition date were recorded by the percent investment in their net worth on the date of first consolidation. Minority interests are presented in the consolidated net worth of the consolidated balance sheet separately from the equity attributed to the controlling Company. The share of minority interests in the year's profits or losses is also presented separately in the consolidated income statement.

The share of the Group and of the minority interests in the profits and losses and in the changes in equity of the subsidiaries, once the adjustments and eliminations stemming from the consolidation are considered, is determined on the basis of the investment percentages existing at year's end, without considering the possible exercise or conversion of potential voting rights, and after deducting the effect of dividends, whether or not agreed, of preferred shares with cumulative rights that have been classified in equity accounts.

Excess losses attributable to minority interests and not charged to them because they exceed the amount of the investment in the subsidiary equity, are recorded as a decrease of the Group consolidated equity, whenever the obligation of the minority interests is limited to the contributed amounts and there are no pacts or agreements on additional contributions. The profits earned by the Group on subsequent dates are allocated to it until the amount of the minority interest share in the losses absorbed in previous accounting periods is recovered.

5.5. INTANGIBLE FIXED ASSETS

Intangible fixed assets are appraised at the acquisition price or production cost, and they are presented in the consolidated balance sheet at cost price, minus the accrued amortisation and the accrued amount of value corrections due to known impairment.

Research-related costs are recorded as expenditure in the consolidated profit and loss account as they are incurred. The development expenses are considered in their entirety as expenses of the financial year as they do not fulfil the conditions for their capitalisation.

The fixed assets related to the industrial property include the amount paid by the owner for the usage right or for the concession of the use of the different manifestations of the industrial property, in the cases in which, due to the stipulations of the contract, they must be inventoried by the Company, being amortised in a period not over 5 years.

Intangible fixed assets in computer applications are those acquired from third parties, and they are amortised with the straight-line method over a period of no more than four years. The maintenance costs of computer applications are carried over to expenses at the time they are incurred.

The Intangible Fixed Assets include the assets subject to concession comprised by the controlling Company's investment in the UTE RSU, applying the provisions of Order EHA/3362/2010 of 23 December, which approved the Rules for adapting the General Accounting Plan to the concessionaires of public infrastructures.

The most significant aspects of this application are the following:

- > Consideration received for the construction or improvement services.

The consideration received by the concessionaire is recorded at the fair value of the service provided, in principle equivalent to the cost plus the construction margin, with this concession agreement having been classified as an Intangible Fixed Asset. This Intangible Fixed Asset is amortised over the entire concession period (20 years), finalising it in December 2031.

- > Deferred financing costs for financing concession elements.

By having classified concession agreements as Intangible Fixed Assets, from the time at which the infrastructure covered by the agreements is in operating conditions, the financing costs incurred are capitalised and charged to results in proportion to the expected income indicated in the Financial Economic Plan of the concession. This proportion is applied to the total financing costs envisaged during the concession period.

- > Actions on the infrastructure during the term of the agreement.

Certain future actions on the infrastructure covered by the agreements generate the allocation of certain provisions, some of which are made with the matching entry being the higher value of the Intangible Fixed Asset subject to the concession, as they are similar to the provisions for dismantling or retirement costs.



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5.6. TANGIBLE FIXED ASSETS

Tangible fixed assets are shown at acquisition price or production cost and include the value of the legal revaluation carried out in accordance with the provisions of Royal Decree-Law 7/1996 of June 7 (see Note 9), and they are presented in the balance sheet at cost price, minus the accrued depreciation and the accrued amount of value corrections, in any, due to known impairment.

The cost of tangible fixed assets includes the estimated costs of dismantling or retiring the Juzbado factory, as well as rehabilitation of the site on which it is located, which is planned as of the year 2027, as obligations are incurred as a result of their use and for purposes other than production of inventories.

Advances and fixed assets in progress correspond to monetary payments prior to the total commissioning for the Group of the fixed asset to which they refer. They are appraised by the amount of the monetary payment made up to the time of reception and total commissioning of the fixed asset in question, at which time they are reclassified to the appropriate tangible fixed asset account.

The cost of those assets acquired or produced after 1 January 2008 and that need more than one year to be in a condition for use includes the financing costs accrued before the fixed asset is fit for operation which meet the requirements for capitalisation thereof.

The depreciation of fixed assets is calculated on the basis of book values in order to depreciate these values in full with the straight-line method over annual periods within the estimated useful life of the assets.

The Group amortises the tangible fixed assets, following the straight-line method according to the following estimated years of useful life, as shown below:

| | |
|--|-----------------------|
| Constructions | 33 to 50 years |
| Technical installations, machinery & tools | 3 to 15 years |
| Other installations | 8 to 10 years |
| Data processing equipment and furniture | 2 to 10 years |
| Other tangible fixed assets | 3 to 10 years |

The costs of upgrading, expanding or enhancing tangible fixed assets, when this does not involve increased capacity or productivity or an extension of their useful life, are charged to results of the year in which they are incurred.

Likewise, the enhancements of tangible fixed asset items that represent increased capacity or efficiency, or an extension of their useful life, are included in the acquisition cost.

The fixed asset revaluation carried out in 1996 by the controlling Company was calculated by applying certain rates, depending on the year of purchase and amortisation of the items, to the acquisition values or production cost and to the corresponding annual amortisation provisions that were considered as a deductible expense for tax purposes, in accordance with the rule that regulates these revaluation operations. The resulting net revaluation was reduced by 40% for purposes of considering the financing circumstances of the items, as established by this rule.

Value corrections due to impairment correspond to the estimated amounts of reversible losses of the tangible fixed assets at year's end.



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5.7. IMPAIRMENT OF VALUE OF THE INTANGIBLE AND TANGIBLE FIXED ASSETS

A loss due to impairment of value of an element of the tangible or intangible fixed assets is generated when its accounting value exceeds its recoverable value, considering the latter as either the fair value less selling costs or its value in use, whichever is higher.

Therefore, at least at the closing of the financial year, the Group evaluates, by means of the so-called “impairment test”, whether there are indications that any tangible or intangible fixed asset, with an indefinite useful life, or, where applicable, a cash generating unit, may be impaired, in which case its recoverable value is estimated, making the corresponding value corrections.

The impairment calculations of the tangible fixed asset elements are made individually. Nonetheless, when it is not possible to determine the recoverable amount of each individual element, the recoverable amount will be determined of the cash generating unit to which each element of the fixed asset belongs.

In case that a loss must be recognised due to impairment of a cash generating unit to which all or part of goodwill has been assigned, in the first place, the accounting value of the goodwill corresponding to this unit is reduced. If the impairment exceeds that amount, in second place the rest of the assets of the cash generating unit will be reduced, in proportion to their accounting value, up to one of the following limits, whichever is higher: its fair value less selling costs, its value in use, or zero. The loss due to impairment must be recorded with a charge to the profit/loss of the financial year.

When a loss due to impairment of value is subsequently reverted (a circumstance not permitted in the specific case of goodwill), the book amount of the asset or of the cash generating unit is increased by the revised estimate of its recoverable amount, but in such a way that the increased book amount does not exceed the amount in the books that would have been determined if no loss due to impairment had been recognised. It will be recorded as income in the consolidated income statement.

5.8. LEASES

The Group has been granted the right to use certain assets under leasing contracts.

Leasing contracts that, at the beginning thereof, substantially transfer to the Group all the risks and benefits inherent in ownership of the assets are classified as financial leases, and they are otherwise classified as operating leases.

Financial leases

At the beginning of the financial lease, the Group records an asset and a liability by the lower of the fair value of the leased asset or the current value of the minimum lease payments. The initial direct costs are included as the greater asset value. The minimum payments are divided between the financing charge and the reduction of the outstanding debt. The financing costs are charged to the consolidated P&L account by applying the effective interest rate method.

Contingent leasing fees are recorded as an expense when it is likely that they will be incurred.



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The accounting principles applied to the assets used by the Group by virtue of signing leasing contracts classified as financial are the same as those indicated in section 5.6. However, if, at the beginning of the lease, there is no reasonable certainty that the Group is going to obtain ownership of the assets at the end of the leasing term, these are amortised during the useful life or the term thereof, whichever is shorter.

 **Operating leases**

Fees stemming from operating leases, net of the incentives received, are linearly recorded as an expense during the term of the lease, except when another systematic basis for distribution is more representative because it more adequately reflects the timeframe of the lease profits.

5.9. FINANCIAL INSTRUMENTS

5.9.1. Criteria of classification and valuation of the different financial instruments

Financial instruments are classified at the time of their initial recording as a financial asset, a financial liability or an equity instrument, in accordance with the economic essence of the contractual agreement and with the definitions of financial asset, financial liability and equity instrument.

The Group classifies the financial instruments in the different categories in keeping with the characteristics and the intentions of the Management at the time of their initial recognition.

A financial asset and a financial liability are subject to compensation only when the Group has the right to demand compensation for the recorded amounts and intends to liquidate the net amount or simultaneously realise the asset and cancel the liability.

Based on their valuation criteria, financial instruments are classified in the following categories:

 **Financial Assets**

Loans and accounts receivable

These correspond to loans for trade and non-trade operations, provided the latter are not considered as financial derivatives and cannot be traded on an active market. This group includes the balance sheet items relative to trade debtors and other accounts receivable (including balances in favour of the company with personnel), group company accounts and other long-term (deposits and guarantees) and short-term financial assets.

These assets are initially recorded at their fair value, including the transaction costs incurred, and they are subsequently appraised at the amortised cost by using the effective interest rate method.

At year's end, the Group makes the appropriate value adjustment in its financial assets when a decrease in the fair value of realisation of these assets becomes evident. Specifically, the Group records a value impairment in the trade debtor accounts and other accounts receivable when there is objective evidence that it will not be able to collect



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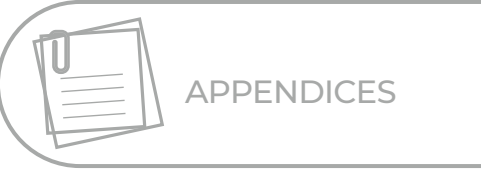
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all the amounts it is owed, in accordance with the original terms of those accounts.

The loss due to impairment is recorded and charged to results and is reversible in subsequent years if the decrease can be objectively related to an event following its recognition.

Financial assets available for sale

These correspond to financial investments in companies that are not considered as group, multi-group or associated companies and which the Group does not plan to dispose of in the short term.

The financial assets available for sale are initially recorded at the fair value plus the transaction costs directly attributable to the purchase.

After the initial recognition, if the fair value of the financial assets classified in this category cannot be reliably determined, they are appraised at cost minus, if any, the accrued amount of the value corrections for impairment of the item in question. The dividends are recorded in results according to the criteria provided in section 5.9.3.

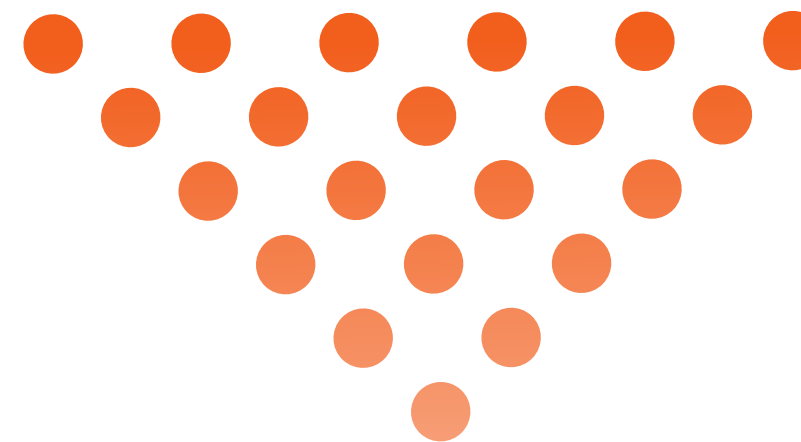
The losses due to value impairment that correspond to financial investments are not reversible. Subsequent increases in the fair value, once the loss due to impairment has been recognised, are recorded in consolidated equity.

 **Financial Liabilities**

Debts and accounts payable

These correspond to debts from trade and non-trade operations, provided the latter are not considered as financial derivatives. Specifically, this section includes all the balance sheet items relative to trade creditors and other accounts payable (including outstanding remunerations to personnel and advances received from customers, the latter with short-term maturity), long- and short-term bank loans, and other unpaid long-term and short-term debts.

They are initially recorded by their fair value, minus transaction costs, if any, that are directly attributable to their issue. After the initial recognition, the liabilities classified under this category are appraised at amortised cost by using the effective interest rate method.



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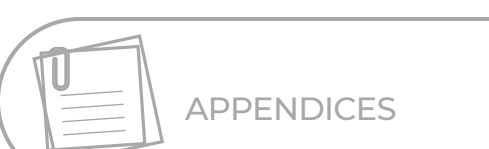
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5.9.2. Criteria used to record the write-off of financial instruments

Financial assets are written off the books when the rights to receive cash flows related to them have expired or have been transferred and the Group has substantially transferred the risks and benefits derived from their ownership.

The Group writes off a financial liability or part of it when it has fulfilled the obligation contained in the liability or else it is legally exempted from the fundamental responsibility contained in the liability, whether by virtue of legal proceedings or by the creditor.

5.9.3. Interest and dividends

Interest income and expenditure are recorded by applying the effective interest rate method. On the other hand, the dividends from financial investments are recorded when the Group obtains the rights to receive them. If the distributed dividends come unequivocally from results generated prior to the date of acquisition because amounts greater than the profits yielded by the invested company since the acquisition have been distributed, they decrease the book value of the investment.

5.10. HEDGE ACCOUNTING

The Group uses financial derivatives as part of its strategy to reduce its exposure to exchange rate and interest rate risks.

The hedging operations carried out by the Group are classified as cash flow hedges and they cover the exposure to the variation in future cash flows attributed to:

- > Risks in relation to exchange rates, in purchases or procurements and in sales made in foreign currencies, by foreign currency purchase/sales operations on credit, thereby fixing a known exchange rate on a specific date (which furthermore may be restated later for exact adaptation and application to the cash flows of the hedged item).
- > Interest rate risks, by contracting financial swaps that allow the controlling Company to convert part of the financing costs referenced at a variable rate into a fixed rate.

The derivative financial instruments that meet the hedge accounting criteria are initially recorded at their fair value, plus the transaction costs, if any, that are directly attributable to the contracting thereof, or minus the transaction costs, if any, that are directly attributable to the issue thereof. However, the transaction costs are subsequently recorded in results if they do not form part of the effective variation of the hedge.

At the beginning of the hedge, the Group formally designates and documents the hedge ratios, as well as the goal and strategy it plans with respect thereto.

Entering the hedge operations in the books is only useful when it is expected that the hedge will be highly effective at the beginning of the hedge and in the following years to succeed in offsetting the changes in the fair value or in the cash flows attributable to the hedged risk, during the period for which it has been designated (prospective analysis), and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

The part of the gain or loss of the derivative financial instrument that has been determined as effective hedging is temporarily recorded in consolidated equity, using as balancing entry the corresponding asset account (financial investments) or liability account (financial debt) and charging it to the consolidated profit and loss account in the financial year or years in which the planned hedge operation affects the results.

The Group prospectively discontinues the accounting of fair value hedges in the cases in which the derivative financial instrument expires or is sold, resolved or exercised, the hedge no longer meets the conditions for hedge accounting, or the designation is revoked. The successive renewal or replacement of a derivative financial instrument with another is not an expiration or resolution, whenever it forms part of the documented hedging strategy. In these cases, the amount accrued in consolidated equity is not recorded in results until the planned transaction takes place. Notwithstanding the above, the amounts accrued in consolidated equity are reclassified to the item for fair value variation in financial instruments of the consolidated profit and loss account at the time when the Group no longer expects that the planned transaction will take place.

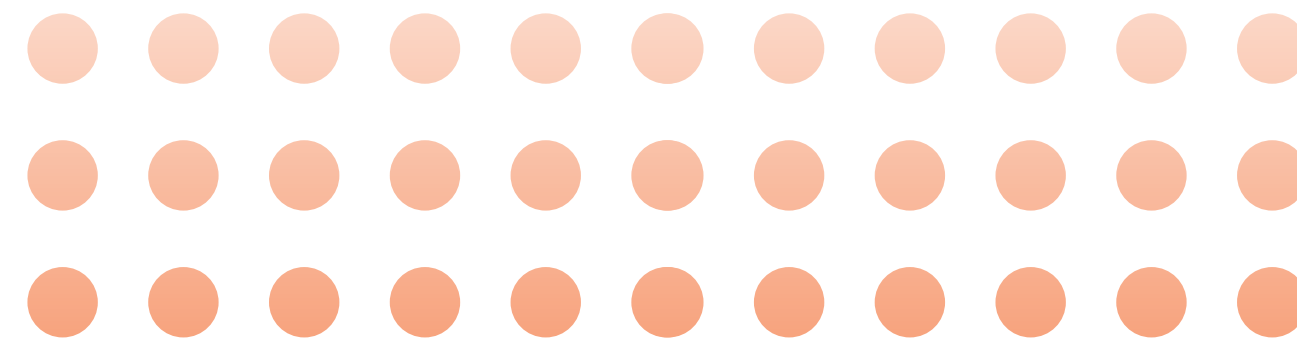
5.11. INVENTORIES

Inventories are initially appraised by the acquisition or production cost.

The acquisition cost includes the amount billed by the vendor after deducting any discount or other similar items, and also the interest charged at the nominal debt rate, and adding the additional costs incurred until the goods are placed for sale and any others directly attributable to the acquisition, as well as the financing costs according to the following provisions and the indirect, non-recoverable Public Treasury taxes.

The Group includes in the cost of the supply management inventories, which require more than one year to be in a condition to sell, the financing costs related to the specific or generic financing directly attributable to their acquisition.

Insofar as the financing has been obtained specifically, the amount of the interest to be capitalised is determined on the basis of the accrued financing costs. The amount of the interest to be capitalised for generic, non-commercial financing is determined by applying an average weighted interest rate to the current investment, deducting the specifically financed part and the part financed with total equity, with the limit of the accrued financing costs in the profit and loss account.



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The production cost of inventories includes the acquisition price of the raw materials and other consumables, and the costs directly related to the produced units and a systematically calculated part of the variable or fixed indirect costs incurred during the transformation process. The fixed indirect costs are distributed on the basis of the normal production capacity or actual production, whichever is lower.

Specifically, the costs of the main headings are determined as follows:

- > Raw and auxiliary materials corresponding to the supply management stock: include the material acquisition price and the financial burden associated with financing them, as determined in the uranium supply contract.
- > Finished products and products in progress: include the cost of materials and assemblies that are incorporable into their acquisition cost, plus direct and indirect personnel costs based on the number of hours charged, plus the amortisation of productive items and other manufacturing process costs.

Advances to suppliers, delivered on account of purchase orders, are appraised by the nominal amount or by the equivalent value in Euros, as appropriate, given the scant financial effect.

The cost of raw materials and other procurements, the cost of commodities and the cost of transformation are allocated to the different units in inventories by the controlling Company applying the average weighted price method (for raw materials stock) or FIFO (for the rest of the stocks).

Part of the inventories, and fundamentally some of the supply management inventories, have a turnover of more than 12 months. However, the Group has been keeping all of its inventories in Current Assets, in keeping with their productive cycle.

The cost price of inventories is subject to valuation adjustments in those cases in which their cost exceeds their net realisable value. For these purposes, net realisable value is understood to be:

- > For raw materials and other procurements, their replenishment price. The Group does not recognise the valuation adjustment in those cases in which it expects that the finished products into which the raw materials and other procurements are incorporated are going to be disposed of for a value greater than or equal to their production cost;
- > For commodities and finished products, their estimated sales price, minus the necessary sales costs;
- > For products in progress, the estimated sales price of the corresponding finished products, minus the estimated costs required to complete their production and the sales-related costs.

The previously recorded valuation adjustment reverts against results, if the circumstances that caused the diminished value no longer exist or when there is clear evidence of an increase in the net realisable value as a result of a change in the economic circumstances. The limit of the reversion of the valuation adjustment is the lower of the cost and the new net realisable value of the inventories.



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5.12. CASH AND CASH EQUIVALENTS

This heading includes cash in hand, current bank accounts and temporary deposits and acquisitions of assets that meet all the following requirements:

- > They are convertible into cash.
- > Their maturity was not more than three months at the time of acquisition.
- > They are not subject to a significant change of value risk.
- > They form part of the normal treasury management policy of the Company.

For purposes of the Cash Flow Statement, the occasional overdrafts resulting from the Company's cash management are included as less cash and other cash equivalents.

This heading does not include the so-called "Inter-SEPI" investments (see Note 23).

5.13. TRANSACTIONS IN FOREIGN CURRENCY

The foreign currency transactions undertaken by the Group mostly correspond to capital resources defined as monetary items. These are initially appraised at the exchange rate on the date on which the transactions are made. The balance sheet totals corresponding to these items are adjusted at year's end on the basis of the current exchange on that date.

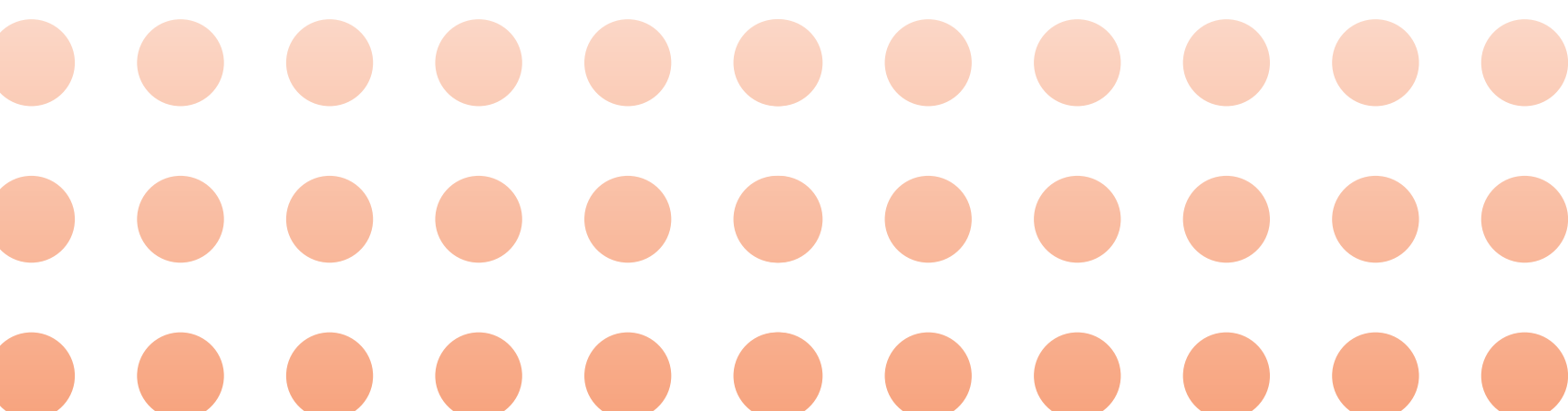
Both the foreign currency exchange profits and losses originating in this process, as well as those resulting from liquidation of these capital resources, will be recorded in the consolidated profit and loss account of the year in which they occur.

5.14. CORPORATE INCOME TAX

The year's income tax expense is calculated with the sum of the current tax, which results from applying the corresponding taxation rate to the year's taxable income minus the existing deductions and allowances, and the variations occurring during that year in the recorded deferred tax assets and liabilities. It is recorded in the profit and loss account, except when it corresponds to transactions that are directly recorded in the equity, in which case the corresponding tax is also recorded in equity.

Deferred taxes are recorded for the temporary differences existing on the balance sheet date between the tax base of the assets and liabilities and their book values. The tax base of a capital resource is considered to be the amount attributed to it for tax purposes.

The tax effect of the temporary differences is included in the corresponding balance sheet headings "Deferred Tax Assets" and "Deferred Tax Liabilities".



A deferred tax liability is recognised for all the taxable temporary differences, subject to the exceptions, if any, provided in current legislation.

Deferred tax assets are recognised for all the deductible temporary differences, unused tax credits and negative taxable bases still to be compensated, if it is likely that the Group is going to obtain future tax gains that enable the application of these assets, subject to the exceptions, if any, provided in current legislation.

On each year's closure date, the recorded deferred tax assets and those that have not been previously recognised are reviewed. Based on this review, a previously recorded asset is written off the books if its recovery is no longer likely, or this is foreseen in a period over ten years, or if any previously unrecognised deferred tax asset is recorded, provided it is likely that future tax gains will be obtained that enable its application.

Deferred tax assets and liabilities are appraised at the tax rates expected at the time of their reversion, according to current legislation and in accordance with the way in which it is rationally expected that the deferred tax asset or liability will be recovered or paid.

Deferred tax assets and liabilities are not deducted and they are classified as non-current assets and liabilities, regardless of the expected date of realisation or liquidation.

5.15. INCOME FROM SALES OF GOODS AND SERVICES RENDERED

Income from the sale of goods or services is recorded at the fair value of the compensation received or to be received from them. Discounts for upfront payment, volume or others are recorded as a reduction thereof.

Sales income

Income from the sale of goods is recorded when the Group:

- > Has transferred to the buyer the significant risks and benefits inherent in ownership of the goods.
- > Is no longer involved in the current management of the sold goods to the degree usually associated with ownership, nor does it retain effective control over them.
- > The amount of the income and the costs incurred or to be incurred can be reliably appraised.
- > It is probable that the financial profits associated with the sale will be received.

Provision of services

Income earned from services rendered is recorded at the time the service is provided. If the service has still not been provided on the closure date, the amount of the costs incurred up to the date of book closure is recorded as current inventories (work in progress), as is the provision for value impairment, if any, if the costs incurred up to the date of book closure are greater than the expected amount of income.

In the case of service provisions whose end result cannot be reliably estimated, the income is only recognised up to the limit of the recorded expenses that are recoverable.



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5.16. PROVISIONS AND CONTINGENCIES

Provisions are recognised when the Group has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event, it is likely that resources incorporating future financial profits will be used to cancel such obligation, and a reliable estimate of the amount of the obligation can be made.

The amounts recorded in the consolidated balance sheet correspond to the best estimate on the closure date of the disbursements required to cancel the current obligation, once the risks and uncertainties related to the provision and, when significant, the financial effect caused by the discount have been considered, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined before taxes, considering the temporary monetary value, as well as the specific risks that have not been considered in the future flows related to the provision.

The financial effect of the provisions is recorded as financing costs in the consolidated profit and loss account.

Provisions revert against results when it is not likely that resources will be used to cancel such obligation.

Restructuring provisions

The provisions related to restructuring processes are recorded at the time that a formal detailed plan exists and there are valid expectations among the affected personnel that a rescission of the labour relation will occur, either because execution of the plan has begun or else because its main features have been announced.

The restructuring provisions only include the disbursements directly related to the restructuring that are not associated with the Group's going concerns.

Dismantling, reclamation and similar provisions

The provisions referred to in this section are recorded in keeping with the general criteria for recognising provisions, and they are recorded as the greater cost price of the tangible fixed asset items to which they are related when they arise from the acquisition or construction thereof, provided the asset on which they are recorded has not reached the end of its useful life (see section 5.6).

Variations in the provision stemming from changes in the amount, in the time structure of disbursements, or in the discount rate used to determine its current value, increase or reduce the cost price of the fixed assets, with the limit of their book value, and the excess is recorded in the consolidated profit and loss account.

Changes in the amount of the provision that become apparent at the end of the useful life of the fixed asset are recorded in the consolidated profit and loss account as they occur.



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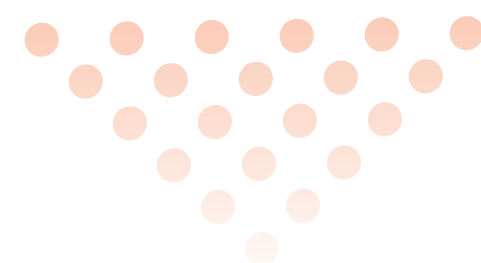


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The controlling Company has been making the necessary provisions to cover the costs of reclaiming the natural space around mining operations, in accordance with the provisions of Royal Decree 2994/1982 of October 15, as well as to cover the costs of cessation of business and closure of the industrial installations in Juzbado and mining installations in Saelices el Chico.

The provisions for mining installation reclamation include the estimate of the income from ENRESA for its contribution to these reclamation projects, according to the agreements reached between the parties.

Also included are other provisions to meet probable or certain liabilities originating in risks and expenses stemming from execution of the activity, and which are certain or likely to occur but are indeterminate in terms of their exact amount or the date on which they will occur.



5.17. ASSETS AND LIABILITIES OF AN ENVIRONMENTAL NATURE

The Group companies undertake operations whose main purpose is to prevent, reduce or repair any damages to the environment that may result from their activities. These activities currently focus on the reclamation and closure of the Saelices mining installations and the future costs of dismantling the Juzbado fuel assembly factory, both belonging to the controlling Company.

The costs resulting from environmental activities are recorded as “Other operating expenses” under the item “environmental expenses” in the year they are incurred.

Those items that are likely to be incorporated into the Group’s equity for use in its business on a long-lasting basis and whose primary purpose is to minimise the environmental impact and protect and improve the environment, including the reduction or elimination of future contamination by Group operations, are entered as tangible fixed assets, in keeping with the valuation rules indicated in Note 5.6 of this consolidated annual report.

The Group also sets up provisions to pay for environmental activities. These provisions are established on the basis of the best estimate of the expenditure required to fulfil the obligation, restating the flow of future payments at year’s end. Those compensations to be collected by the Group, if any, in relation to the origin of the environmental obligation are recorded as rights to payment in the consolidated balance sheet Assets, provided there are no doubts that this reimbursement will be received, without exceeding the amount of the recorded obligation.



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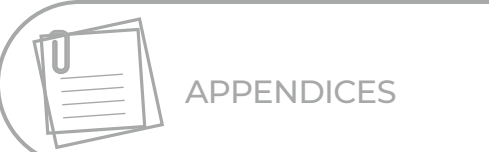
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5.18. PERSONNEL COSTS

In accordance with the labour laws in effect, the companies making up the Group are required to pay compensations to those employees with whom, under certain conditions, it rescinds their employment relations. The compensations for dismissal susceptible of fair quantification are recorded as an expense of the year in which there is a valid expectation created against the affected third parties.

The Group records the expected cost of short-term remunerations in the form of paid leaves, the rights to which are accrued by the employees as they provide the services that entitle them to such leaves. In addition, the Group records the expected cost of variable remunerations for workers when there is a current, legal or implicit obligation resulting from past events and the value of the obligation can be reliably estimated.

5.19. SUBSIDIES

Subsidies, donations and legacies are entered as income and expenditure in consolidated equity when the official grant, if necessary, is obtained and the conditions for granting them have been met, and there are no reasonable doubts about the reception thereof.

Subsidies received to finance specific expenses are charged to results in the year in which they are granted, as these correspond to costs incurred in the same year.

5.20. BUSINESS COMBINATIONS

In business combinations originating in the acquisition of shares or investments in a company's capital, the affected group company records the investment at cost, which will be equal to the fair value of the compensation made plus the transaction costs directly attributable to it.

5.21. OPERATIONS WITH COMPANIES OF THE GROUP EXCLUDED FROM THE CONSOLIDATION

The transactions between group companies excluded from the consolidation are recorded by the fair value of the compensation made or received. The difference between this value and the agreed amount is recorded in accordance with the underlying financial asset.

5.22. NON-CURRENT ASSETS AND DISPOSABLE GROUPS OF ITEMS HELD FOR SALE

The heading "Non-Current Assets Held for Sale" of the consolidated balance sheet includes the assets whose book value is going to be essentially recovered through a sales transaction instead of by continued use. To classify non-current assets or disposable groups of items as held for sale, they must be available, in their current condition, for immediate disposal, subject exclusively to the usual and regular terms of a sales transaction, and write-off of the asset must also be considered as highly probable.

Non-current assets or disposable groups of items classified as held for sale are not amortised, and they are appraised by the lower of their book value and fair value, minus the sales costs.

There is no liability linked to the “Non-Current Assets Held for Sale”.

5.23. CLASSIFICATION OF ASSETS AND LIABILITIES INTO CURRENT AND NON-CURRENT

The Group presents the consolidated balance sheet with assets and liabilities classified as current and non-current. To this end, current assets and liabilities are those that meet the following criteria:

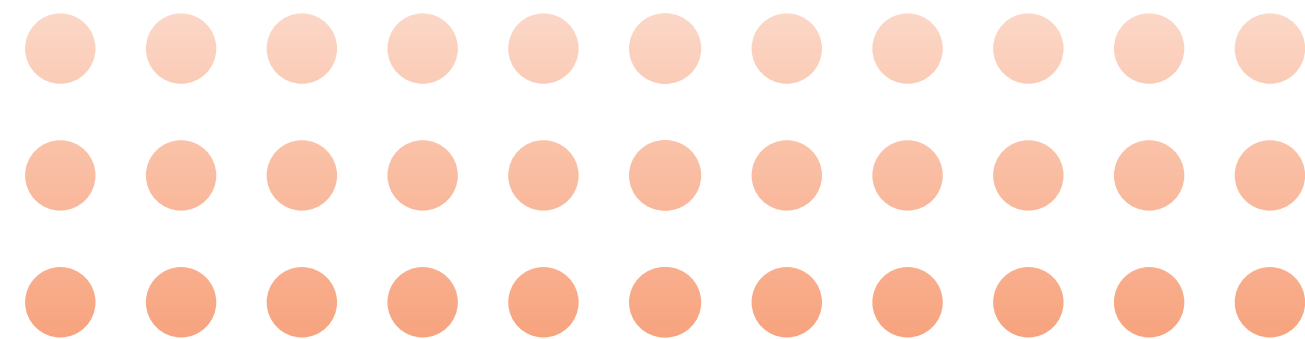
- > Assets are classified as current when they are expected to be realised or they are intended to be sold or consumed in the course of the Group’s normal operating cycle, they are held primarily for trading purposes, they are expected to be realised within a period of twelve months following the closure date, or the assets are cash or cash equivalents, except in those cases in which they cannot be exchanged or used to cancel a liability, at least during the twelve months following the closure date.
- > Liabilities are classified as current when they are expected to be liquidated in the course of the Group’s normal operating cycle, they are held primarily for trading purposes, they must be liquidated within a period of twelve months following the closure date, or the Group does not have the unconditional right to defer cancellation of the liabilities during the twelve months following the closure date.

- > Financial liabilities are classified as current when they should be liquidated within the twelve months following the closure date, even though the original term is a period greater than twelve months and there is a long-term payment refinancing or restructuring agreement that has concluded after the closure date and before the annual accounts are prepared.

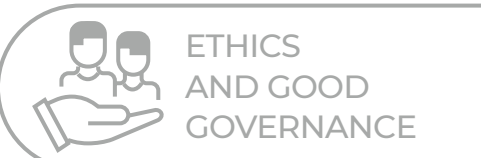
5.24. CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement was prepared using the indirect method, and the following expressions are used in it with the meaning that is indicated below:

- > Operating activities: activities that constitute the company’s ordinary income, as well as other activities that cannot be classified as being an investment or financing.
- > Investment activities: activities of acquisition, sale or disposal by other means of long-term assets and other investments not included in the cash and cash equivalents.
- > Financing activities: activities that produce changes in the size and composition of the equity and of the liabilities that are not part of the operating activities.



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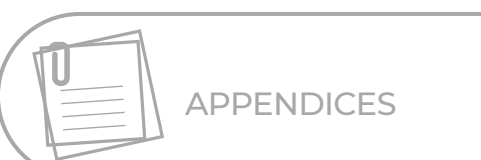
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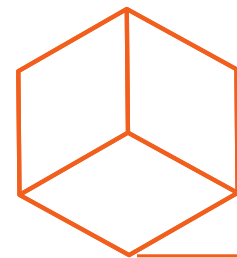
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6. MINORITY INTERESTS

The movement of minority interests during 2019 and 2018 is as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | |
|---------------------|---------------------|----------|-----------|---------------------|
| | Balance at 31/12/18 | P & L | Subsidies | Balance at 31/12/19 |
| EMGRISA Subgroup | 76 | 1 | - | 77 |
| TOTAL | 76 | 1 | - | 77 |

| FINANCIAL YEAR 2018 | Thousands of Euros | | | |
|---------------------|---------------------|----------|-----------|---------------------|
| | Balance at 31/12/17 | P & L | Subsidies | Balance at 31/12/18 |
| EMGRISA Subgroup | 74 | 1 | 1 | 76 |
| TOTAL | 74 | 1 | 1 | 76 |

The composition of the minority interests' balance at 31 December 2019 and 2018 is as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | |
|---------------------|--------------------|-----------|----------|-----------|---------------------|
| | Capital | Reserves | P & L | Subsidies | Balance at 31/12/19 |
| EMGRISA Subgroup | 30 | 27 | 1 | 19 | 77 |
| TOTAL | 30 | 27 | 1 | 19 | 77 |

| FINANCIAL YEAR 2018 | Thousands of Euros | | | | |
|---------------------|--------------------|-----------|----------|-----------|---------------------|
| | Capital | Reserves | P & L | Subsidies | Balance at 31/12/18 |
| EMGRISA Subgroup | 30 | 26 | 1 | 19 | 76 |
| TOTAL | 30 | 26 | 1 | 19 | 76 |



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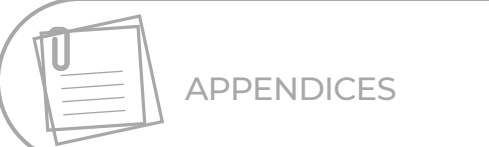
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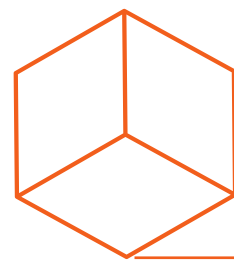
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7. INVESTMENTS IN EQUATED COMPANIES

The breakdown of the movement recorded during financial years 2019 and 2018 of the investments in companies consolidated by the equity method is as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | | Balance at 31/12/2019 |
|--|-----------------------|-------------------------|-------------------------------------|--------------|-----------------------|-----------------------|
| | Balance at 31/12/2018 | Adjustments to 2018 P&L | Value Change Adjustment & Subsidies | Year-end P&L | Distributed dividends | |
| GNF ENUSA Nuclear Fuel, S.A. (*) | 248 | 14 | - | 59 | (81) | 240 |
| ENUSA-ENSA, A.I.E. (*) | 217 | 97 | (53) | 9 | (196) | 74 |
| SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E. (*) | 21 | - | - | (9) | - | 12 |
| CETRANSA, S.A. (**) | 2,223 | 2 | - | 193 | (90) | 2,328 |
| REMESA, S.A. (**) | 7,723 | (120) | - | 328 | (107) | 7,824 |
| TOTAL | 10,432 | (7) | (53) | 580 | (474) | 10,478 |

(*) Companies invested directly by ENUSA.

(**) Companies invested indirectly through EMGRISA.

| FINANCIAL YEAR 2018 | Thousands of Euros | | | | | Balance at 31/12/2018 |
|--|-----------------------|-------------------------|-------------------------------------|--------------|-----------------------|-----------------------|
| | Balance at 31/12/2017 | Adjustments to 2017 P&L | Value Change Adjustment & Subsidies | Year-end P&L | Distributed dividends | |
| GNF ENUSA Nuclear Fuel, S.A. (*) | 313 | 32 | - | 67 | (164) | 248 |
| ENUSA-ENWESA, A.I.E. (*) | 193 | - | (7) | 196 | (165) | 217 |
| SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E. (*) | 17 | - | - | 4 | - | 21 |
| CETRANSA, S.A. (**) | 2,144 | 3 | - | 158 | (82) | 2,223 |
| REMESA, S.A. (**) | 7,427 | 383 | - | 239 | (326) | 7,723 |
| TOTAL | 10,094 | 418 | (7) | 664 | (737) | 10,432 |

(*) Companies invested directly by ENUSA.

(**) Companies invested indirectly through EMGRISA.

The above tables show the movements of the multi-group and associated companies (see Note 2).



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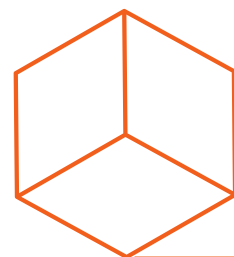
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8. JOINT VENTURES

The controlling Company undertakes certain projects jointly with other companies by setting up Temporary Joint Ventures (UTEs). The list of UTEs in which ENUSA has participated throughout 2019 and 2018, as well as the percentage of its share, is as follows:

- > Tecnatom-Westinghouse-ENUSA, UTE: Tecnatom, S.A., Westinghouse Technology Services, S.A. and ENUSA Industrias Avanzadas, S.A., S.M.E., with a share of 33.33%.
- > In addition, as a result of the merger with Teconma which took place in 2013, ENUSA has become a partner of the UTE "ENUSA Industrias Avanzadas, S.A., S.M.E. Fobesa Valoración de Residuos, S.L.U., S.A. and A2A Ambiente S.p.A. Unión Temporal de Empresas", with a percentage of ownership of 85.6859%.

The amounts corresponding to each joint venture of the most significant items of the consolidated balance sheet and P&L account at 31 December 2019 and 2018 are as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | |
|---|--------------------|----------------------------------|
| | UTE RSU | Tecnatom-Westinghouse ENUSA, UTE |
| ASSETS | | |
| Intangible fixed assets | 33,139 | - |
| Tangible fixed assets | 24 | - |
| Long-term financial investments | 2,649 | - |
| Trade debtors & other accounts receivable | 2,394 | 1,675 |
| Cash and bank | 3,997 | 950 |
| LIABILITIES | | |
| Value change adjustments | (3,271) | - |
| Long-term provisions | 5,665 | - |
| Long-term debts | 20,259 | - |
| Short-term debts | - | - |
| Trade creditors & other accounts payable | 11,639 | - |
| PROFITS & LOSSES | | |
| Net turnover | 7,772 | 3,786 |
| Procurements | (1,525) | (3,781) |
| Personnel costs | (453) | - |
| Other operating expenses | (2,155) | - |
| Fixed asset amortisation | (2,194) | - |
| Other results | 6 | (4) |
| Capitalisation of financing costs | 515 | - |
| Financing costs | (1,666) | - |
| YEAR-END P & L | 300 | 1 |



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| FINANCIAL YEAR 2018 | Thousands of Euros | |
|---|--------------------|----------------------------------|
| | UTE RSU | Tecnatom-Westinghouse ENUSA, UTE |
| ASSETS | | |
| Intangible fixed assets | 34,185 | - |
| Tangible fixed assets | 35 | - |
| Long-term financial investments | 2,567 | - |
| Trade debtors & other accounts receivable | 1,522 | 1,790 |
| Treasury | 4,873 | 744 |
| LIABILITIES | | |
| Value change adjustments | (3,521) | - |
| Long-term provisions | 4,952 | - |
| Long-term debts | 22,205 | - |
| Short-term provisions | 308 | - |
| Short-term debts | 11,059 | - |
| Trade creditors & other accounts payable | 679 | 2,493 |
| PROFITS & LOSSES | | |
| Net turnover | 7,780 | 3,475 |
| Procurements | (1,444) | (3,468) |
| Other operating income | | |
| Personnel costs | (414) | - |
| Other operating expenses | (2,211) | - |
| Fixed asset amortisation | (2,149) | - |
| Other results | (3) | (4) |
| Capitalisation of financing costs | 655 | - |
| Financing costs | (1,782) | - |
| YEAR-END P & L | 432 | 3 |



9. TANGIBLE FIXED ASSETS

The analysis and breakdown of the balance sheet items included in this heading in 2019 and 2018 are as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | | Balance at 31/12/2019 |
|---|-----------------------|----------------|-------------|--------------|----------------|-----------------------|
| | Balance at 31/12/2018 | Inflows | Outflows | Others | Transfers | |
| Item | | | | | | |
| COST | | | | | | |
| Land and natural assets | 3,528 | - | - | - | - | 3,528 |
| Constructions | 67,764 | 41 | - | - | (1,018) | 66,787 |
| Technical installations, machinery & tools | 76,081 | 721 | (7) | - | 1,574 | 78,369 |
| Other installations | 27,402 | 511 | - | - | (194) | 27,719 |
| Data processing equipment & furniture | 9,730 | 230 | (44) | - | 1 | 9,917 |
| Other tangible fixed assets | 16,924 | 986 | (38) | - | 87 | 17,959 |
| Advances & fixed assets under construction | 3,229 | 905 | (2) | (117) | (3,588) | 427 |
| TOTAL | 204,658 | 3,394 | (91) | (117) | (3,138) | 204,706 |
| DEPRECIATION | | | | | | |
| Constructions | (51,674) | (532) | - | - | 206 | (52,000) |
| Technical installations, machinery & tools | (64,874) | (2,008) | 7 | - | 1,124 | (65,751) |
| Other installations | (20,366) | (1,436) | - | - | 199 | (21,603) |
| Data processing equipment & furniture | (8,742) | (282) | 42 | - | - | (8,982) |
| Other tangible fixed assets | (12,450) | (771) | 38 | - | - | (13,183) |
| TOTAL | (158,106) | (5,029) | 87 | - | 1,529 | (161,519) |
| VALUATION ADJUSTMENTS FOR IMPAIRMENT | | | | | | |
| Land and constructions | (982) | 134 | - | - | - | (848) |
| Technical installations, machinery & tools | (1,076) | (1,758) | - | - | - | (2,834) |
| Other installations | (79) | - | - | - | - | (79) |
| Data processing equipment & furniture | 9 | - | - | - | - | 9 |
| Other tangible fixed assets | 3 | 42 | - | - | - | 45 |
| TOTAL | (2,125) | (1,582) | - | - | - | (3,707) |
| TANGIBLE FIXED ASSETS | 44,427 | (3,217) | (4) | (117) | (1,609) | 39,480 |



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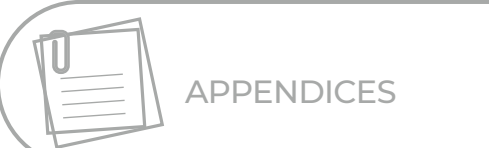
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| Item | Thousands of Euros | | | | | Balance at 31/12/2018 |
|---|-----------------------|----------------|--------------|----------|------------|-----------------------|
| | Balance at 31/12/2017 | Inflows | Outflows | Others | Transfers | |
| COST | | | | | | |
| Land and natural assets | 3,528 | - | - | - | - | 3,528 |
| Constructions | 67,235 | 48 | (1) | - | 482 | 67,764 |
| Technical installations, machinery & tools | 72,328 | 1,394 | (52) | - | 2,411 | 76,081 |
| Other installations | 26,294 | 862 | - | - | 246 | 27,402 |
| Data processing equipment & furniture | 9,533 | 218 | (14) | - | (7) | 9,730 |
| Other tangible fixed assets | 14,897 | 1,143 | (1) | - | 885 | 16,924 |
| Advances & fixed assets under construction | 5,603 | 1,691 | (47) | - | (4,018) | 3,229 |
| TOTAL | 199,418 | 5,356 | (115) | - | (1) | 204,658 |
| DEPRECIATION | | | | | | |
| Constructions | (50,712) | (962) | - | - | - | (51,674) |
| Technical installations, machinery & tools | (63,137) | (1,788) | 51 | - | - | (64,874) |
| Other installations | (19,022) | (1,344) | - | - | - | (20,366) |
| Data processing equipment & furniture | (8,452) | (307) | 17 | - | - | (8,742) |
| Other tangible fixed assets | (11,695) | (756) | 1 | - | - | (12,450) |
| TOTAL | (153,018) | (5,157) | 69 | - | - | (158,106) |
| VALUATION ADJUSTMENTS FOR IMPAIRMENT | | | | | | |
| Land and constructions | (982) | - | - | - | - | (982) |
| Technical installations, machinery & tools | (1,076) | - | - | - | - | (1,076) |
| Other installations | (79) | - | - | - | - | (79) |
| Data processing equipment & furniture | 9 | - | - | - | - | 9 |
| Other tangible fixed assets | 3 | - | - | - | - | 3 |
| TOTAL | (2,125) | - | - | - | - | (2,125) |
| TANGIBLE FIXED ASSETS | 44,275 | 199 | (46) | - | (1) | 44,427 |

During the financial year, the provision for impairment of the assets of the biogas electrical energy generation plant, of the controlling company, existing on 31 December 2018, in the amount of 360 thousand euros was reverted, as a step prior to its reclassification to the heading of “Non-current assets available for sale” (see Note 21) deeming that the recoverable value of these assets is higher than their net accounting value (Gross Value less Accumulated Depreciation at 31 December 2019).

Furthermore, an allocation of a Provision for Impairment was made for the assets of the so-called “active scanner” of the Juzbado factory, in the amount of 1,942 thousand euros, due to having replaced this equipment with another (called “passive scanner”) at the end of the year. For the effects of the calculation of the corresponding provision, the estimate of “value in use” of the active scanner was taken into account, throughout the year 2020, in which its parallel use will be maintained as a “backup” of the new equipment.

There have been no changes in the year in the estimate of loss of value of the treatment plant of polluted soil due to thermal desorption that the affiliate company EMGRISA has.

The most relevant investments made by the Group in financial year 2019 corresponding to the controlling Company, amounting to 2,940 thousand euros, were for the acquisition of the new passive scanner, the adaptation of the air system for ventilation and air conditioning, expansion of the expanding the treatment of mine water, improving the pre-oxidation furnace, acquisition of a gamma detector arch for dust containers, adjustment of assets on the subject of prevention and updating of ultrasound equipment.

The most relevant investments made by the Group in financial year 2018, amounting to 4,209 thousand euros, were for the acquisition of a californium source for the active scanner, the construction cost of the new passive scanner, the acquisition of a ventilation and air conditioning system and modification of furnaces, inspection machinery for nuclear plants and the construction of a plant for manufacturing *technosols*.

The book transactions for asset item revaluation, carried out by virtue of RDL 7/1996 in financial years 2019 and 2018, were as follows:

| Item | Thousands of Euros | | | | | | |
|---|-----------------------|--------------|----------|-----------------------|------------|----------|-----------------------|
| | Balance at 31/12/2017 | Inflow | Outflow | Balance at 31/12/2018 | Inflow | Outflow | Balance at 31/12/2019 |
| COST | | | | | | | |
| Land and constructions | 6,120 | - | - | 6,120 | - | - | 6,120 |
| Technical installations & other tangible fixed assets | 892 | - | - | 892 | - | - | 892 |
| TOTAL | 7,012 | - | - | 7,012 | - | - | 7,012 |
| AMORTIZATIONS | | | | | | | |
| Land and constructions | (5,401) | (144) | - | (5,545) | (5) | - | (5,550) |
| Technical installations & other tangible fixed assets | (892) | - | - | (892) | - | - | (892) |
| TOTAL | (6,293) | (144) | - | (6,437) | (5) | - | (6,442) |
| TANGIBLE FIXED ASSETS | 719 | (144) | - | 575 | (5) | - | 570 |



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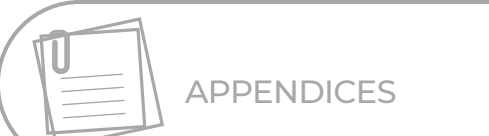
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The depreciation planned for financial year 2020 from the 1996 revaluation of the different asset items will amount to approximately 5 thousand euros.

The non-operating tangible fixed assets at 31 December 2019 and 2018 correspond to the land at the Saelices Work Centre adjacent to the mining operations, whose net book value at 31 December 2019 and 2018, once the 848 thousand euro value correction due to impairment is considered, amounts to 1,932 thousand euros.

The amount of the assets in use of the tangible fixed assets fully depreciated at 31 December 2019 and 2018 is as follows:

| | Thousands of Euros | |
|---------------------------------------|--------------------|----------------|
| | 2019 | 2018 |
| Constructions | 46,940 | 46,829 |
| Machinery, installations & tools | 58,239 | 57,579 |
| Other installations | 17,035 | 14,526 |
| Data processing equipment & furniture | 8,334 | 7,723 |
| Other tangible fixed assets | 8,993 | 8,345 |
| | 139,541 | 135,002 |

The firm investment commitments that have materialised in purchase orders in the controlling Company, amount to approximately 1,356 thousand Euros at 31 December 2019 (1,087 thousand euros at 31 December 2018).

The Group has taken out insurance policies on equity risks with coverage that insures all capital assets and goods in full, as well as any possible claims that may be filed due to the conduct of its business, and the Group Administrators consider that these policies sufficiently cover the risks to which they are exposed.



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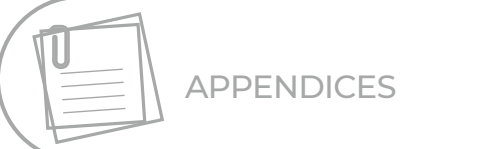
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10. INTANGIBLE FIXED ASSETS

The breakdown and activity of this heading in 2019 and 2018 are shown below:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | Balance at 31/12/2019 |
|---|-----------------------|----------------|-------------|-----------|-----------------------|
| | Balance at 31/12/2018 | Inflow | Outflow | Transfers | |
| Item | | | | | |
| COST | | | | | |
| Research | 334 | - | - | - | 334 |
| Patents, licences, brands & similar | 2,247 | 553 | - | - | 2,800 |
| Software | 6,357 | 215 | (3) | 123 | 6,692 |
| Other intangible fixed assets (Concession agreements) | 48,404 | 1,136 | (4) | - | 49,536 |
| Other intangible fixed assets | 166 | 106 | (10) | (123) | 139 |
| TOTAL | 57,508 | 2,010 | (17) | - | 59,501 |
| AMORTISATIONS | | | | | |
| Research | (334) | - | - | - | (334) |
| Patents, licences, brands & similar | (2,244) | (47) | - | - | (2,291) |
| Software | (5,822) | (288) | 3 | - | (6,107) |
| Other intangible fixed assets (Concession agreements) | (14,219) | (2,181) | 1 | - | (16,399) |
| Other intangible fixed assets | (88) | - | - | - | (88) |
| TOTAL | (22,707) | (2,516) | 4 | - | (25,219) |
| VALUE CORRECTIONS DUE TO IMPAIRMENT | | | | | |
| Patents, licences, trademarks and similar | (2) | - | - | - | (2) |
| Software | - | - | - | - | - |
| TOTAL | (2) | - | - | - | (2) |
| INTANGIBLE FIXED ASSETS | 34,799 | (506) | (13) | - | 34,280 |



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| FINANCIAL YEAR 2018 | Balance at 31/12/2017 | Inflow | Outflow | Transfers | Balance at 31/12/2018 |
|---|-----------------------|----------------|------------|-----------|-----------------------|
| Item | | | | | |
| COST | | | | | |
| Research | 334 | - | - | - | 334 |
| Patents, licences, brands & similar | 2,245 | 2 | - | - | 2,247 |
| Software | 6,016 | 262 | - | 79 | 6,357 |
| Other intangible fixed assets (Concession agreements) | 46,388 | 2,016 | - | - | 48,404 |
| Other intangible fixed assets | 124 | 130 | (9) | (79) | 166 |
| TOTAL | 55,107 | 2,410 | (9) | - | 57,508 |
| AMORTIZATIONS | | | | | |
| Research | (334) | - | - | - | (334) |
| Patents, licences, brands & similar | (2,242) | (2) | - | - | (2,244) |
| Software | (5,602) | (220) | - | - | (5,822) |
| Other intangible fixed assets (Concession agreements) | (12,086) | (2,133) | - | - | (14,219) |
| Other intangible fixed assets | (88) | - | - | - | (88) |
| TOTAL | (20,352) | (2,355) | - | - | (22,707) |
| VALUE CORRECTONS FOR IMPAIRMENT | | | | | |
| Patents, licences, brands & similar | (2) | - | - | - | (2) |
| Software | - | - | - | - | - |
| TOTAL | (2) | - | - | - | (2) |
| INTANGIBLE FIXED ASSETS | 34,753 | 55 | (9) | - | 34,799 |

The entry included in financial year 2019 under the heading “Patents, licences, brands and similar”, in the amount of 553 thousand euros, corresponds to the agreement related to the acquisition from the company Tecnatom, S.A., by the controlling Company, of part of the technology developed by it (along with ENUSA) corresponding to passive scanner equipment. According to the cited agreement both parties undertake to carry out all the acts necessary to register the ownership of this technology and the transmission performed. This agreement allows the controlling Company, furthermore, to participate in a significant percentage of the results to be obtained in the future for the sales to be made jointly of new equipment (with the incorporated technology) to third parties.

The most significant transactions recorded in 2019 were produced under the heading “Other intangible fixed assets” (Concession agreements) with additions corresponding to the capitalisation of financing costs of 515 thousand euros (655 thousand euros in 2018) and to the derivatives of the allocation to Provisions for the sealing and surveillance of the landfill and for the construction of cells therein, in the amount of 584 thousand euros (1,315 thousand euros in 2018).

The amount of the assets in use of the intangible fixed assets amortised in full at 31 December 2019 and 2018 is as follows:

| | Thousands of Euros | |
|-------------------------------------|--------------------|--------------|
| | 2019 | 2018 |
| Development | 334 | 334 |
| Patents, licenses, brands & similar | 2,266 | 2,260 |
| Computer applications | 5,672 | 5,361 |
| Other intangible fixed assets | 88 | 88 |
| | 8,360 | 8,043 |



11. LEASING AND OTHER SIMILAR OPERATIONS

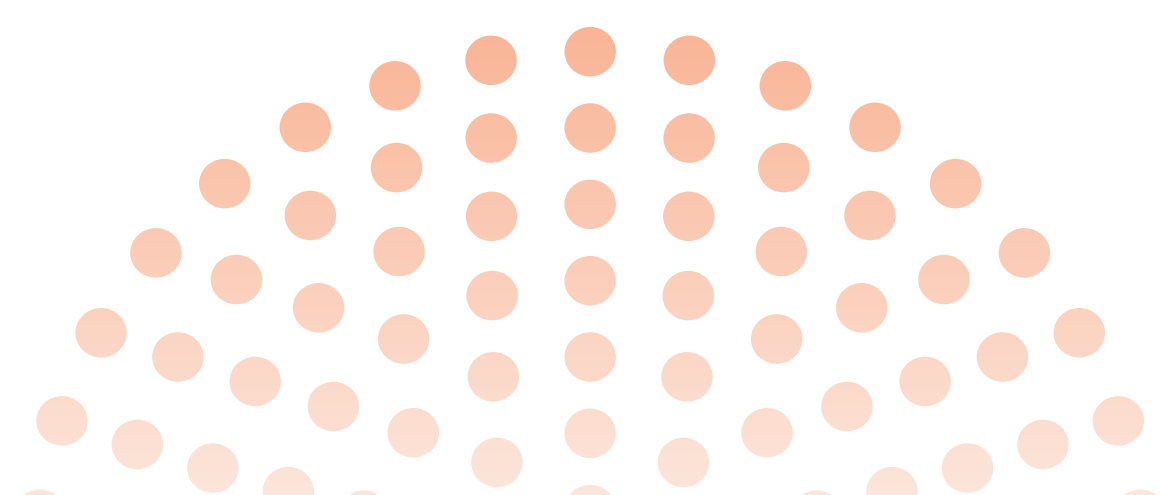
11.1. FINANCIAL LEASES

The assets that the Group has had subject to financial leasing arrangements during 2019 correspond in their totality to the invested company ETSA.

The book value of the assets subject to financial lease contracts is as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | |
|---------------------|--------------------|----------------------|------------------------------------|----------------|
| | Cost | Accrued Amortisation | Value correction due to impairment | Net Book Value |
| Constructions | 259 | (55) | - | 204 |
| TOTAL | 259 | (55) | - | 204 |

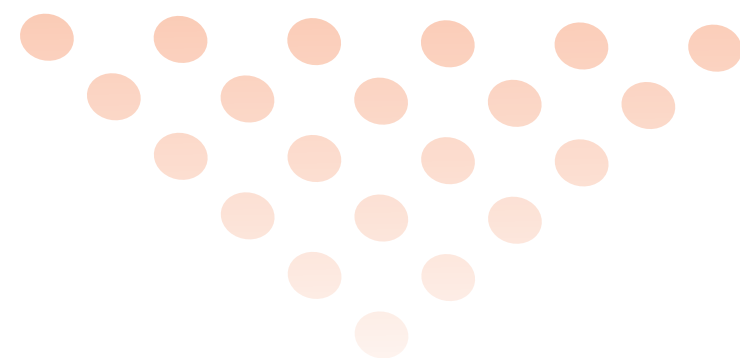
| FINANCIAL YEAR 2018 | Thousands of Euros | | | |
|---------------------|--------------------|----------------------|------------------------------------|----------------|
| | Cost | Accrued Amortisation | Value correction due to Impairment | Net Book Value |
| Constructions | 259 | (50) | - | 209 |
| TOTAL | 259 | (50) | - | 209 |



The amount of minimum future payments for leasing, as well as their current value at the end of 2019 and 2018, is as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | |
|---|--------------------|--------------|-------------------|
| | Up to 1 year | 1 to 5 years | More than 5 years |
| Total minimum future payments for leasing | 17 | 8 | - |
| Minus: implicit interest | - | - | - |
| Current value at year's end | 17 | 8 | - |

| FINANCIAL YEAR 2018 | Thousands of Euros | | |
|---|--------------------|--------------|-------------------|
| | Up to 1 year | 1 to 5 years | More than 5 years |
| Total minimum future payments for leasing | 17 | 25 | - |
| Minus: implicit interest | (1) | - | - |
| Current value at year's end | 16 | 25 | - |



11.2. OPERATING LEASES

During 2019, the Group has had assets subject to operating lease arrangements, accruing an expense during the year of 596 thousand euros for this item (709 thousand euros in 2018).

The breakdown by items of the Group's main operating lease contracts is as follows:

| | Thousands of Euros | |
|---|--------------------|------------|
| | 2019 | 2018 |
| Office, garage & industrial plant leasing | 269 | 221 |
| Vehicles | 171 | 165 |
| Machinery, office equipment & others | 156 | 323 |
| TOTAL | 596 | 709 |

The operating lease contracts correspond mainly to the offices and a transportation vehicle of the invested company EMGRISA and are subject to some minimum non-cancellable payments amounting to 152 thousand euros on 31 December 2019 (234 thousand euros in 2018), although the planned duration of the contract is greater. The breakdown of the future minimum payments of these non-cancellable operating leases is as follows:

| | Thousands of Euros | |
|-----------------------|--------------------|------------|
| | 2019 | 2018 |
| Up to 1 year | 80 | 82 |
| Between 1 and 5 years | 72 | 152 |
| TOTAL | 152 | 234 |

For the rest of the operating leases, there are no minimum future payments expected as all the leases are annually cancellable.



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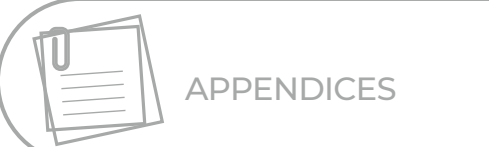
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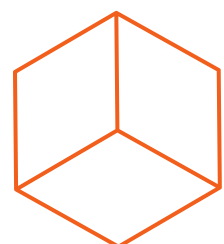
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12. FINANCIAL INSTRUMENTS

12.1. INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS TO THE GROUP'S FINANCIAL POSITION AND RESULTS

12.1.1. Consolidated Balance Sheet-related information

a) Categories of financial assets and liabilities

The book value of the Group's various financial assets and liabilities at 31 December 2019 and 2018, based on their qualification, is as follows:

a.1) Financial assets:

Thousands of Euros

| CATEGORIES OF FINANCIAL ASSETS | CLASSES OF FINANCIAL ASSETS | | | | | | | | | | TOTAL | |
|--------------------------------|-----------------------------|------------|-------------------------------|--------------|-----------------|-----------------------------|-------------------------------|---------------|------------------|---------------|---------------|---------------|
| | Long-term financial assets | | | | | Short-term financial assets | | | | | | |
| | Equity Investments | | Credits, Derivatives & Others | | Total Long-Term | | Credits, Derivatives & Others | | Total Short-Term | | | |
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Cash & cash equivalents | - | - | - | - | - | - | 42,333 | 7,485 | 42,333 | 7,485 | 42,333 | 7,485 |
| Loans and accounts receivable | - | - | 2,739 | 2,647 | 2,739 | 2,647 | 38,530 | 70,876 | 38,530 | 70,876 | 41,269 | 73,523 |
| Available-for-sale assets | | | | | | | | | | | | |
| - Appraised at cost | 268 | 268 | - | - | 268 | 268 | - | - | - | - | 268 | 268 |
| Hedge derivatives | - | - | 2,699 | 104 | 2,699 | 104 | 1,456 | 365 | 1,456 | 365 | 4,155 | 469 |
| TOTAL | 268 | 268 | 5,438 | 2,751 | 5,706 | 3,019 | 82,319 | 78,726 | 82,319 | 78,726 | 88,025 | 81,745 |



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a.2) Financial liabilities:

Thousands of Euros

| CATEGORIES OF FINANCIAL LIABILITIES | CLASSES OF FINANCIAL LIABILITIES | | | | | | | | | | | | TOTAL | |
|-------------------------------------|----------------------------------|---------------|---------------------------------------|--------------|-----------------|---------------|----------------------------------|----------------|---------------------------------------|---------------|------------------|----------------|----------------|----------------|
| | Long-term financial liabilities | | | | | | Short-term financial liabilities | | | | | | | |
| | Bank Loans | | Trade creditors, Derivatives & Others | | Total Long-Term | | Bank Loans | | Trade Creditors, Derivatives & Others | | Total Short-Term | | | |
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Debts & accounts payable | 107,354 | 19,018 | 4,133 | 3,462 | 111,487 | 22,480 | 73,549 | 183,724 | 71,369 | 76,237 | 144,918 | 259,961 | 256,405 | 282,441 |
| Hedge derivatives | - | - | 2,821 | 3,141 | 2,821 | 3,141 | - | - | 853 | 948 | 853 | 948 | 3,674 | 4,089 |
| TOTAL | 107,354 | 19,018 | 6,954 | 6,603 | 114,308 | 25,621 | 73,549 | 183,724 | 72,222 | 77,185 | 145,771 | 260,909 | 260,079 | 286,530 |



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b) Classification by maturities

The breakdown by maturity date of the financial assets and liabilities with a determined or determinable maturity, at 31 December 2019 and 2018 is as follows (it does not include financial investments in companies of the group, multi-group and associated companies):

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | | | |
|---|--------------------|------------|------------|------------|------------|--------------|-----------------|
| | Short-Term | Long-Term | | | | | Total Long Term |
| FINANCIAL ASSETS | 2020 | 2021 | 2022 | 2023 | 2024 | Rest | |
| Equity instruments (*) | - | - | - | - | - | 268 | 268 |
| Loans to Companies of the Group (Note 23) | 6,560 | - | - | - | - | - | - |
| Loans to third parties | 512 | - | - | - | - | - | - |
| Derivatives | 1,456 | 678 | 791 | 806 | 424 | - | 2,699 |
| Other financial assets | 34 | - | 13 | - | - | 2,726 | 2,739 |
| Trade debtors & other accounts receivable | 31,424 | - | - | - | - | - | - |
| Cash & cash equivalents | 42,333 | - | - | - | - | - | - |
| TOTAL | 82,319 | 678 | 804 | 806 | 424 | 2,994 | 5,706 |

(*) Without specific maturity.

| FINANCIAL LIABILITIES WITH DETERMINED MATURITY | Thousands of Euros | | | | | | |
|---|--------------------|--------------|---------------|--------------|--------------|---------------|-----------------|
| | Short-Term | Long-Term | | | | | Total Long Term |
| | 2020 | 2021 | 2022 | 2023 | 2024 | Rest | |
| Debts with Co. of Group & Associated Co. (Note23) | 549 | 560 | 544 | - | - | 2,173 | 3,277 |
| Bank loans | 73,532 | 1,705 | 91,711 | 1,886 | 2,142 | 9,902 | 107,346 |
| Financial lease creditors | 17 | 8 | - | - | - | - | 8 |
| Derivatives | 853 | - | - | - | - | 2,821 | 2,821 |
| Other financial liabilities | 2,283 | 178 | 120 | 120 | 120 | 318 | 856 |
| Trade creditors & other accounts payable | 68,537 | - | - | - | - | - | - |
| TOTAL | 145,771 | 2,451 | 92,375 | 2,006 | 2,262 | 15,214 | 114,308 |



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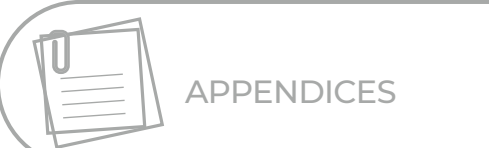
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Thousands of Euros

| FINANCIAL YEAR 2018 | Thousands of Euros | | | | | | |
|---|--------------------|-----------|-----------|----------|-----------|--------------|-----------------|
| | Short-Term | Long-Term | | | | | |
| FINANCIAL ASSETS | 2019 | 2020 | 2021 | 2022 | 2023 | Rest | Total Long Term |
| Equity instruments (*) | - | - | - | - | - | 268 | 268 |
| Loans to Companies of the Group (Note 23) | 48,992 | - | - | - | - | - | - |
| Loans to third parties | 423 | - | - | - | - | - | - |
| Derivatives | 365 | 27 | - | 7 | 41 | 29 | 104 |
| Other financial assets | 36 | - | 13 | - | - | 2,634 | 2,647 |
| Trade debtors & other accounts receivable | 21,425 | - | - | - | - | - | - |
| Cash & cash equivalents | 7,485 | - | - | - | - | - | - |
| TOTAL | 78,726 | 27 | 13 | 7 | 41 | 2,931 | 3,019 |

(*) Without specific maturity.

Thousands of Euros

| FINANCIAL LIABILITIES WITH DETERMINED MATURITY | Thousands of Euros | | | | | | |
|--|--------------------|--------------|--------------|--------------|--------------|---------------|-----------------|
| | Short-Term | Long-Term | | | | | |
| FINANCIAL LIABILITIES WITH DETERMINED MATURITY | 2019 | 2020 | 2021 | 2022 | 2023 | Rest | Total Long Term |
| Debts with Co. of Group & Associated Co. (Note 23) | 552 | 556 | 547 | 544 | - | 836 | 2,483 |
| Bank loans | 183,708 | 1,638 | 1,705 | 1,716 | 1,886 | 12,048 | 18,993 |
| Financial lease creditors | 16 | 17 | 8 | - | - | - | 25 |
| Derivatives | 948 | 8 | 39 | 19 | 14 | 3,061 | 3,141 |
| Other financial liabilities | 2,169 | 128 | 171 | 120 | 120 | 440 | 979 |
| Trade creditors & other accounts payable | 73,516 | - | - | - | - | - | - |
| TOTAL | 260,909 | 2,347 | 2,470 | 2,399 | 2,020 | 16,385 | 25,621 |



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c) Financial assets available for sale

These correspond to Equity Instruments in companies that are not considered companies of the group, multi-group or associated companies and with regard to which the Group does not have plans to dispose of them in the short term. Given that these Equity Instruments are not listed on an active market, they are assessed in the books at their cost decreased by the possible value impairment. The book value, at the close of financial years 2019 and 2018, of these financial assets is as follows:

| | Thousands of Euros | |
|--|--------------------|------------|
| | 2019 | 2018 |
| Cetramesa (*) | 195 | 195 |
| Sociedad Agraria de Transformación (participación UTE RSU) | 73 | 73 |
| | 268 | 268 |

During financial years 2019 and 2018, the Group did not receive dividends from these companies.

* Cetramesa has invested, in turn, directly and indirectly in the following companies:

| | % of interest at 31 December | |
|---|------------------------------|------|
| | 2019 | 2018 |
| Cetramesa Carburantes, S.L.U. | 100% | 100% |
| Zona de Actividades Logísticas de Salamanca, S.A. (ZALDESA) | 0% | 50% |
| Low Cost Carburantes, S.A. | 30% | 45% |

The amount of bank loans, both long-term and short-term, mostly corresponds to loans made to the controlling Company by various credit institutions for the purpose of financing the supply management, which includes the supply stocks.

Also included under this heading are the amounts corresponding to long-term bank financing for the investment in the urban solid waste treatment plant, managed through the UTE RSU (see Note 8). This financing materialised via the project-finance model. Its maximum limit is 33,000 thousand euros and the balance available at 31 December 2019 (incorporated into ENUSA accounts at its percent share in the UTE RSU) is 18,989 thousand euros (20,488 thousand euros at 31 December 2018). Its clauses include the requirement that the borrower comply with certain financial ratios as of the beginning of the project exploitation period (2012). These ratios were being met at the end of this year and the previous year and no failure to comply with them is expected in the new twelve months.

The current interest rates are market interest rates.

d) Corrections for value impairment

The analysis of the movements of the adjusting accounts representative of the losses due to value impairment originated by the credit risk (basically of clients and other debtors), for the financial year 2019 and 2018, is the following:

| | Thousands of Euros |
|------------------------------------|--------------------|
| Balance at 1 January 2018 | 6,120 |
| Allocations | 767 |
| Reversions | (15) |
| Balance at 31 December 2018 | 6,872 |
| Allocations | 718 |
| Reversions and applications | (5) |
| Balance at 31 December 2019 | 7,585 |

The allocation made in the financial year in the amount of 718 thousand euros (767 thousand euros in 2018) comes practically in its entirety from the amount allocated in the UTE RSU (integrated in ENUSA at its investment percentage therein), with it corresponding to the estimate of the possible non-payment of part of the invoices accrued in these years and pending issue at the closing thereof (related to adjustments in the payment to receive for the management of the service, according to the financial conditions borne by the UTE RSU).

The reversion registered in the financial year, amounting to 5 thousand euros is a result, basically, of excess provisions recorded in the subsidiaries ETS and EMGRISA. In 2018, the reversion, amounting to 15 thousand euros was due to the reversion of excess provision registered in the subsidiary EMGRISA.

The amount recorded under the heading “Losses, impairments and variation of provisions for trade operations” in the Consolidated Income Statement in the year 2019 in the amount of 734 thousand euros generated by the net movement of allocations and reversions of the year, of 713 thousand euros, plus the allocation of provisions for trade operations for 19 thousand euros, plus 2 thousand euros of failures (in 2018, the total of 737 thousand euros comprised by net allocation of reversions for 752 thousand euros, plus applications for trade operations in the amounts of 21 thousand euros and failures for 6 thousand euros).

12.1.2. Miscellaneous Information

a) Hedge Accounting

At 31 December 2019 and 2018, the Group had declared the following hedge derivative transactions:

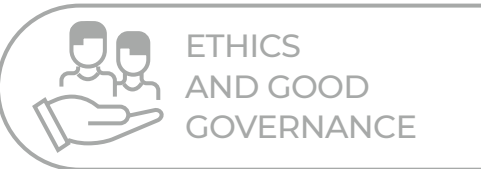
- > Interest rate swap operations in the controlling Company and in another Group company, designated as derivative financial instrument for the interest rate risk existing on financial liabilities at amortised cost (long-term bank loans).
- > Foreign currency purchase/sale operations with various entities, designated as hedging the exchange rate risk existing on highly probable planned transactions (payments to trade creditors).

All the operations meet the requirements contained in the reporting and valuation rule relative to hedge accounting, as each operation is individually documented for its designation as such and they are shown to be highly effective at both the prospective level, verifying that the expected changes in the cash flows of the hedged item that are attributable to the hedged risk will be almost completely offset by the expected changes in the cash flows of the derivative financial instrument, and at the retrospective level, on verifying that the hedge results have fluctuated within a range of variation of eighty to one hundred twenty-five percent with respect to the result of the hedged item.

The fair and notional values of the derivatives designated as derivative financial instruments, separated by class of hedge and in the years in which the cash flows are expected to occur, are as follows:



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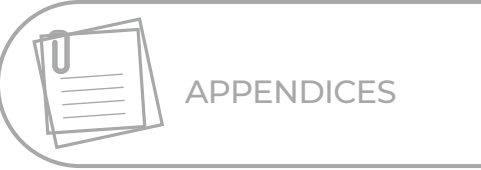
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| FINANCIAL YEAR 2019 | Thousands of Euros | Thousands in Foreign Currency Notional Amount | | | | |
|---------------------------------------|--------------------------|---|--------|--------|--------|---------------|
| | Fair Value at 31/12/2019 | 2020 | 2021 | 2022 | Rest | Total |
| ASSETS | | | | | | |
| Exchange insurance (2) | 3,577 | 26,500 | 12,000 | 12,000 | 20,500 | 71,000 |
| Exchange insurance (3) | 578 | 1,500 | 1,500 | 2,416 | 1,500 | 6,916 |
| LIABILITIES | | | | | | |
| Financial swaps on interest rates (1) | 3,550 | - | - | - | 15,502 | 15,502 |
| Exchange insurance (2) | 124 | 14,500 | - | - | - | 14,500 |

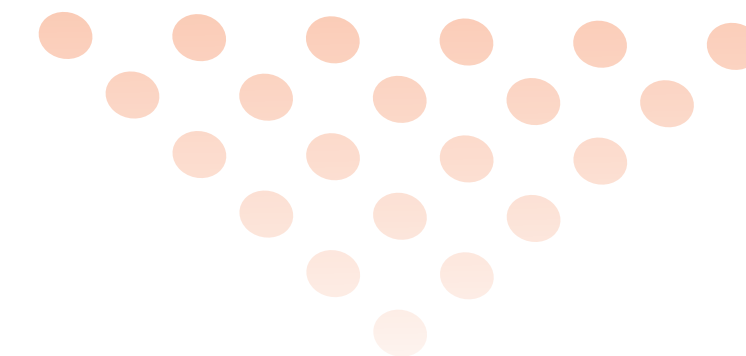
(1) Notional amount stated in thousands of euros
 (2) Notional amount stated in thousands of US Dollars
 (3) Notional amount stated in thousands of Pounds Sterling

| FINANCIAL YEAR 2018 | Thousands of Euros | Thousands in Foreign Currency Notional Amount | | | | |
|---------------------------------------|--------------------------|---|--------|--------|--------|---------------|
| | Fair Value at 31/12/2018 | 2019 | 2020 | 2021 | Rest | Total |
| ASSETS | | | | | | |
| Exchange insurance (2) | 469 | 17,483 | 11,000 | - | 26,000 | 54,483 |
| LIABILITIES | | | | | | |
| Financial swaps on interest rates (1) | 3,893 | 20,000 | - | - | 16,764 | 36,764 |
| Exchange insurance (2) | 146 | 4,996 | - | 12,000 | 5,000 | 21,996 |
| Exchange insurance (3) | 50 | 1,843 | 1,500 | 1,500 | 5,000 | 9,843 |

(1) Notional amount stated in thousands of euros
 (2) Notional amount stated in thousands of US Dollars
 (3) Notional amount stated in thousands of Pounds Sterling

The notional amount of the declared contracts does not represent the actual risk assumed by the Group companies in relation to these instruments. The fair value of the derivatives designated as derivative financial instruments is assimilated into the sum of the future cash flows originating in the instrument, deducted on the valuation date. In this respect, the Group uses commonly accepted methodology and the necessary market data to calculate the fair value, also verifying that the fair value calculated on each operation does not differ significantly from the market valuation provided by the entity with which the operation is contracted.

The fair value of these operations, net of taxes, has as balancing entry the heading "Equity -Valuation adjustments-Cash flow hedges", incorporated into the Group's equity.



The activity recorded under the heading “Equity-Valuation adjustments-Cash flow hedges” in 2019 and 2018 is as follows:

| | Thousands of Euros | |
|--|--------------------|--------------|
| | 2019 | 2018 |
| Balance at 31 December of previous year (Profits) / Losses | 2,440 | 4,219 |
| Amounts recorded in Equity for change in fair value of hedging operations | (4,447) | (1,708) |
| Amount charged to the P&L account from equity | 413 | (666) |
| - Procurements | 1,035 | 102 |
| - Other operating expenses | 28 | 32 |
| - Financing costs | (748) | (801) |
| - Fixed assets | - | 1 |
| - Advances | 94 | - |
| - Advanced expenses | 4 | - |
| Tax effect | 1,021 | 595 |
| Balance at 31 December current year (Profits) / Losses charged to net worth | (573) | 2,440 |

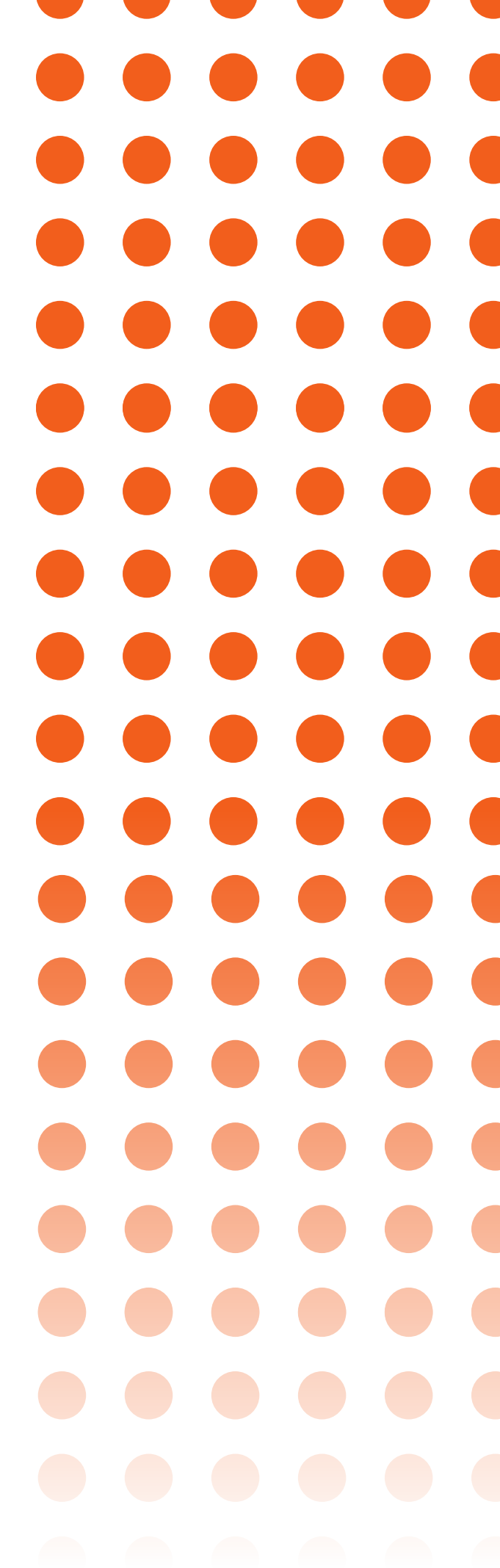
b) Fair Value

The book value of the loans and accounts receivable assets, as well as debts and accounts payable, for both trade and non-trade operations is an acceptable approximation of their fair value.

c) Sundry Information

The Group has signed credit lines with short-term maturity with different financial institutions for a limit of 94,490 thousand euros (the same amount on 31 December 2018), of which 71,545 thousand euros had been drawn down at 31 December 2019 (71,570 thousand euros at 31 December 2018).

The current interest rates on the credit lines are market interest rates.



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12.2. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

a) Credit Risk

The credit risk is produced by the possible loss caused by breach of the contractual obligations of the counterparts of the companies of the Group, that is, by the possibility of not recovering the financial assets at the book value and in the established period. In this regard, the exposure to the credit risk at 31 December is concentrated, basically, in the following items:

| | Thousands of Euros | |
|--|--------------------|---------------|
| | 2019 | 2018 |
| Customers for sales and services | 27,181 | 16,991 |
| Customers, companies of the group and associated co. | 1,333 | 2,674 |
| Loans to group and associated companies | 6,560 | 48,992 |
| TOTAL | 35,074 | 68,657 |

With respect to the relative risk of accounts receivable from customers, it should be highlighted that the controlling Company's main activities are based, on one hand, on the supply of enriched uranium to the Spanish electric utilities that own nuclear reactors and, on the other, on the manufacture and sale of fuel assemblies for nuclear-based electric power production. In this respect, the list of the controlling Company's main customers includes a leading group of large electric utilities of recognised solvency. The fuel supply and loading contracts signed with customers are long-term contracts with exact planning of dates

and volumes to enable adequate management of the sales volumes and, accordingly, of the payment periods inherent therein. Both the supply and the manufacturing contracts provide for the reception of amounts by way of advances on future sales, which constitute an element of minimising the possible risk. At 31 December 2019, the balance of advances on account received from customers by the controlling Company, to be applied in 2020, is 32,770 thousand euros (43,710 thousand euros at 31 December 2018).

In reference to Loans to group and associated companies, these correspond to the so-called "Intersepi deposits", with the amount at 31 December 2019 being 6,560 thousand euros (48,992 thousand euros at 31 December 2018). This is an instrument created by SEPI to optimise the management of its cash and that of its group of companies, through the intermediation of the supply and demand of cash surpluses. In this SEPI system, the corresponding intermediation operations are performed, acting as counterpart of both parts (fund taking entities/depositing entities). The placement of the cash surpluses of the Group companies through this mechanism is a priority option included in the "Regulating Rules of the Authorisation and Supervision System of Acts and Operations of the SEPI Group".

b) Liquidity Risk

Prudent management of the liquidity risk means keeping sufficient cash on hand and having funding available through a sufficient amount of credit facilities. In this respect, the Group strategy is to maintain the necessary flexibility in financing through the availability of both long-term loans and short-term credit lines, such that all contingencies that directly affect the Group treasury are fully hedged.



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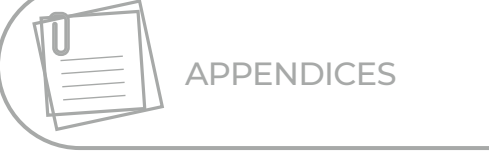
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c) Market Risk

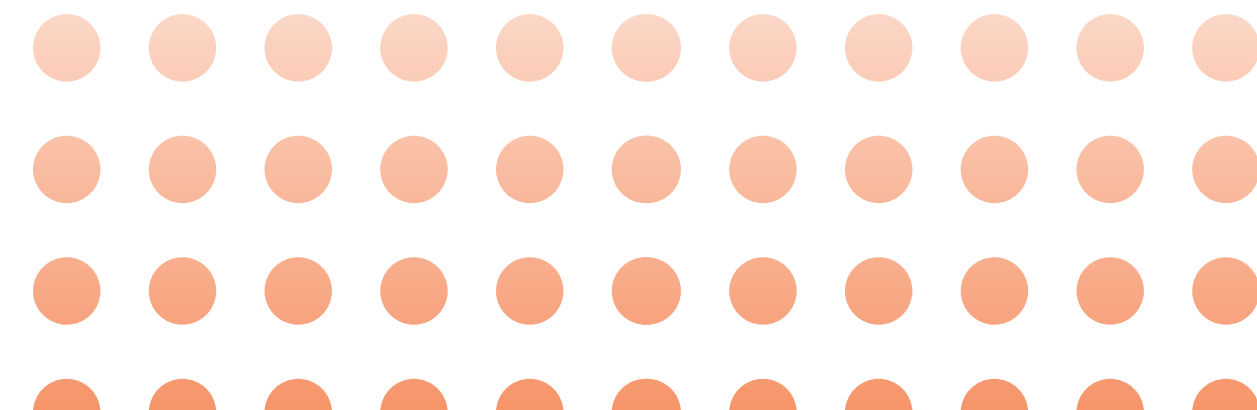
- > Interest rate risk. In relation to the total long-term debt of the controlling Company which finances the procurement management, which includes the supply stocks whose financial burden is fully transferred to the sales price of the enriched uranium, the controlling Company had chosen to hedge the interest rate risks in the part of the cited debt, by contracting interest rate swaps, which at the close of the current year, had become due. It has also chosen to hedge the interest rate risks for a part of the debt corresponding to financing the credit associated with the investment in the urban solid waste treatment plant undertaken by the UTE RSU (see Note 12.1.2.a).
- > Exchange rate risk. The need to purchase fuel assembly supplies and components on the international market, as well as the sales to be made to foreign customers in their own currency, requires the controlling Company to implement an exchange rate risk management policy. The fundamental purpose is to mitigate the negative impact of fluctuating exchange rates on its P&L account, so that it can protect itself against adverse movements and take advantage of favourable evolution, as the case may be. In this respect, the controlling Company uses the purchase/sale of foreign currencies on credit (exchange insurance) for risk management, thereby locking in a known exchange rate on a specific date for future payments; this rate can also be temporarily adjusted for adaptation and application to cash flows. The amount committed at year's end to this type of operations is itemised in note 12.1.2.a.

12.3. TOTAL CAPITAL AND RESERVES

The breakdown and activity of the consolidated capital and reserves are shown in the statement of changes in the consolidated equity corresponding to the years 2019 and 2018.

At 31 December 2019 and 2018, the controlling Company share capital is fully paid for and is composed of 200,000 common bearer shares with a nominal value of 300.51 euros each and with equal political and economic rights. The breakdown of the shareholders is as follows:

| | % Share |
|---|-------------|
| | 2019 |
| - Sociedad Estatal de Participaciones Industriales (SEPI) | 60 |
| - Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT) | 40 |
| | 100 |





13. INVENTORIES

Allocations for the Legal Reserve of the controlling Company have been made by applying 10% of the year's earnings. At 31 December 2019 and 2018, this reserve is constituted, reaching 20% of the share capital. This reserve is not freely available and can only be used to offset losses, if no other reserves are available for this purpose, and to increase the share capital in the part of its balance that exceeds 10% of the already issued capital.

In 2007, in accordance with the resolution of the General Shareholders' Meeting of the controlling Company held on 15 June, the existing balance in the Revaluation Reserve (Royal Decree-Law 7/1996 of June 7), amounting to 6,937 thousand euros, was transferred to Voluntary Reserves (previous year Reserves and Results). Of this figure, the amount corresponding to the quantities pending amortisation of the revalued assets (see Note 9) are not available.

The rest of the Voluntary Reserves (under the heading "previous year Reserves and Results") is freely available at 31 December 2019 and 2018.

The distribution of stocks of raw materials and other procurements at 31 December 2019 and 2018 is as follows:

| | Thousands of Euros | |
|----------------------------------|--------------------|----------------|
| | 2019 | 2018 |
| Procurement management stocks | 187,778 | 226,916 |
| Other industrial activity stocks | 24,313 | 24,723 |
| Other procurements | 15,722 | 12,208 |
| TOTAL | 227,813 | 263,847 |

The supply management stocks include, at 31 December 2019 and 2018, in the amount of 7,948 and 8,310 thousand euros, respectively, in financing costs.

ADDITIONAL INFORMATION ON INVENTORIES

The finished products and products in progress accounts, which are shown under the Inventories heading of the balance sheet assets, amounting to 14,848 and 7,651 thousand euros at 31 December 2019 (6,413 and 7,154 thousand euros at 31 December 2018) mostly correspond to the costs of the fuel assemblies pending delivery at year's end by the controlling Company, and they are classified into one account or the other depending on whether or not they have been completely finished.

The Advances account shown under the Inventories heading of the balance sheet assets for 5,354 and 2,106 thousand euros at 31 December 2019 and 2018, respectively, corresponds to advances to suppliers of the controlling Company industrial activities.



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The most important firm purchase commitments correspond to long-term contracts with foreign suppliers for the supply of the controlling Company's Procurement Management, and they vary in amount; therefore their economic quantification is also variable.

As for the most important firm sales commitments, these are long-term contracts of the controlling Company with electric utility customers for the sale of enriched uranium and refuelings.

Most of the inventories of the Procurement Management are located outside the national territory because of the conversion and enrichment processes required before sale, which take place outside Spain.

There is no limitation whatsoever on inventories by way of guarantees, pledges, deposits or other similar items.

The Group has taken out insurance policies to cover possible damages that could occur to the uranium inventories in its warehouses, as well as all damages that could occur during transportation and shipping of concentrates and natural and enriched uranium and to the casks required for these transports by land, sea, air or a combination of these.

The breakdown of the value corrections due to impairment of products in progress and finished products in 2019 and 2018, recorded in the consolidated P&L account, is as follows:

| | Thousands of Euros |
|------------------------------------|--------------------|
| Balance at 1 January 2018 | - |
| Allocations | 91 |
| Reversions | - |
| Balance at 31 December 2018 | 91 |
| Allocations | - |
| Reversions | (91) |
| Balance at 31 December 2019 | - |



14. FOREIGN CURRENCY

The breakdown of the amount of the asset and liability items denominated in foreign currency at 31 December 2019 and 2018 is:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | |
|--|-------------------------------------|--|----------------------------------|---------------------------------|
| | US Dollar Equivalent value in Euros | Pound Sterling Equivalent value in Euros | Other Equivalent values in Euros | Total Equivalent value in Euros |
| ASSETS DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 3,577 | 578 | - | 4,155 |
| Fixed assets | - | - | - | - |
| Trade debtors & other accounts receivable | - | - | 54 | 54 |
| Advances to suppliers | 2,060 | - | - | 2,060 |
| Other assets | - | - | 5 | 5 |
| Other cash equivalents | 6 | 5 | 847 | 858 |
| TOTAL | 5,643 | 583 | 906 | 7,132 |
| LIABILITIES DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 124 | - | - | 124 |
| Trade creditors & other accounts payable | 11 | 10 | 196 | 217 |
| TOTAL | 135 | 10 | 196 | 341 |

| FINANCIAL YEAR 2018 | Thousands of Euros | | | |
|--|-------------------------------------|--|----------------------------------|---------------------------------|
| | US Dollar Equivalent value in Euros | Pound Sterling Equivalent value in Euros | Other Equivalent values in Euros | Total Equivalent value in Euros |
| ASSETS DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 469 | - | - | 469 |
| Fixed assets | - | - | 3 | 3 |
| Trade debtors & other accounts receivable | 54 | - | 149 | 203 |
| Advances to suppliers | 1,621 | - | - | 1,621 |
| Other assets | - | - | 4 | 4 |
| Other cash equivalents | 6 | 5 | 45 | 56 |
| TOTAL | 2,150 | 5 | 201 | 2,356 |
| LIABILITIES DENOMINATED IN FOREIGN CURRENCY | | | | |
| Derivatives | 84 | 112 | - | 196 |
| Trade creditors & other accounts payable | 1,862 | 7 | 71 | 1,940 |
| TOTAL | 1,946 | 119 | 71 | 2,136 |



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The transactions carried out in foreign currency in 2019 and 2018 were:

Thousands of Euros

| FINANCIAL YEAR 2019 | US Dollar Equivalent value in Euros | Pound Sterling Equivalent value in Euros | Others Equivalent value in Euros | Total Equivalent value in Euros |
|---------------------|-------------------------------------|--|----------------------------------|---------------------------------|
| Sales | 268 | - | - | 268 |
| Services rendered | 572 | - | 319 | 891 |
| TOTAL | 572 | - | 319 | 1,159 |
| Procurements | 92,370 | 2,744 | 9 | 95,123 |
| Outsourcing | 1,521 | 120 | - | 1,641 |
| TOTAL | 93,891 | 2,864 | 9 | 96,764 |

Thousands of Euros

| FINANCIAL YEAR 2018 | US Dollar Equivalent value in Euros | Pound Sterling Equivalent value in Euros | Others Equivalent value in Euros | Total Equivalent value in Euros |
|---------------------|-------------------------------------|--|----------------------------------|---------------------------------|
| Services rendered | 700 | - | 147 | 847 |
| TOTAL | 700 | - | 147 | 847 |
| Procurements | 53,607 | 1,983 | 25 | 55,615 |
| Outsourcing | 2,313 | 120 | 85 | 2,518 |
| TOTAL | 55,920 | 2,103 | 110 | 58,133 |

The amount of the exchange differences recorded in the 2019 and 2018 P&L, classified by type of financial instrument, has been:

| Thousands of Euros | | | |
|---|--|-------------------------------|--------------|
| FINANCIAL YEAR 2019 | Exchange differences recorded in the year's P&L (+) Profits (-) Losses | | |
| | Transactions liquidated during the year | Transactions pending maturity | Total |
| ASSET CLASS | | | |
| Derivatives | 271 | - | 271 |
| Other financial assets | (1) | - | (1) |
| Trade debtors and other accounts receivable | (10) | - | (10) |
| TOTAL | 260 | - | 260 |
| LIABILITY CLASS | | | |
| Derivatives | 125 | - | 125 |
| Trade creditors and other accounts payable | (865) | (11) | (876) |
| TOTAL | (740) | (11) | (751) |
| NET | (480) | (11) | (491) |

| Thousands of Euros | | | |
|---|--|-------------------------------|--------------|
| FINANCIAL YEAR 2018 | Exchange differences recorded in the year's P&L (+) Profits (-) Losses | | |
| | Transactions liquidated during the year | Transactions pending maturity | Total |
| ASSET CLASS | | | |
| Derivatives | 75 | - | 75 |
| Trade debtors & other accounts receivable | 12 | (1) | 11 |
| TOTAL | 87 | (1) | 86 |
| LIABILITY CLASS | | | |
| Derivatives | 122 | - | 122 |
| Trade creditors & other accounts payable | (488) | 208 | (280) |
| TOTAL | (366) | 208 | (158) |
| NET | (279) | 207 | (72) |



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15. TAX POSITION

The net amount calculated for the financial year 2019, in the amount of (-363) thousand euros, is reflected in the headings of the Consolidated Balance Sheet "Current tax assets", in the amount of 394 thousand euros, and in "Current tax liabilities", in the amount of 31 thousand euros.

The net amount calculated for the financial year 2018, in the amount of (-1,240) thousand euros, was reflected in the headings of the Consolidated Balance Sheet "Current tax assets", in the amount of 1,347 thousand euros, and in "Current tax liabilities", in the amount of 107 thousand euros.

Within the Consolidated Income Statement of financial year 2019, the amount related to the Corporate Income Tax was an expense of 1,105 thousand euros (516 thousand euros in 2018), with an after-tax result of 3,819 thousand euros (4,411 miles de euros in 2018).

The following tables show the reconciliation of the net amount of the year's Income and Expenses with the taxable base of the 2019 and 2018 Corporate Income Tax:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | | | |
|--|--------------------|-----------|--|-----------|-----------|-----------|----------------|
| | P & L Account | | Income and expense directly attributed to equity | | Reserves | | Total |
| BALANCE OF YEAR'S INCOME AND EXPENSES | Increases | Decreases | Increases | Decreases | Increases | Decreases | 6,720 |
| Corporate Income Tax | 1,105 | - | 989 | - | - | - | 2,094 |
| PERMANENT DIFFERENCES | 2,791 | (3,274) | - | - | - | - | (483) |
| - Of the individual companies | 307 | (2,693) | - | - | - | - | (2,386) |
| - Of adjustments for consolidation | 2,484 | (581) | - | - | - | - | 1,903 |
| TEMPORARY DIFFERENCES | 4,329 | (2,995) | 1,927 | (5,817) | - | - | (2,556) |
| - With origin in the year | 3,765 | - | 655 | (5,014) | - | - | (594) |
| - With origin in previous years | 564 | (2,995) | 1,272 | (803) | - | - | (1,962) |
| Offsetting of negative tax bases of previous years | - | - | - | - | - | - | - |
| TAX BASE (FISCAL RESULT) | | | | | | | 5,775 |



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Thousands of Euros

| FINANCIAL YEAR 2018 | P & L Account | | Income and expense directly attributed to equity | | Reserves | | Total |
|--|---------------|-----------|--|-----------|-----------|-----------|----------------|
| | Increases | Decreases | Increases | Decreases | Increases | Decreases | |
| BALANCE OF YEAR'S INCOME AND EXPENSES | 4,411 | - | 1,604 | - | - | - | 6,015 |
| Corporate Income Tax | (516) | - | 536 | - | - | - | 20 |
| PERMANENT DIFFERENCES | 1,399 | (1,840) | - | - | - | - | (441) |
| - Of the individual companies | 252 | (1,150) | - | - | - | - | (898) |
| - Of adjustments for consolidation | 1,147 | (690) | - | - | - | - | 457 |
| TEMPORARY DIFFERENCES | 8,320 | (3,332) | 2,075 | (4,215) | - | - | 2,848 |
| - With origin in the year | 7,616 | - | 819 | (2,528) | - | - | 5,907 |
| - With origin in previous years | 704 | (3,332) | 1,256 | (1,687) | - | - | (3,059) |
| Offsetting of negative tax bases of previous years | | | | | | | |
| TAX BASE (FISCAL RESULT) | | | | | | | 8,442 |

The most important permanent differences correspond to:

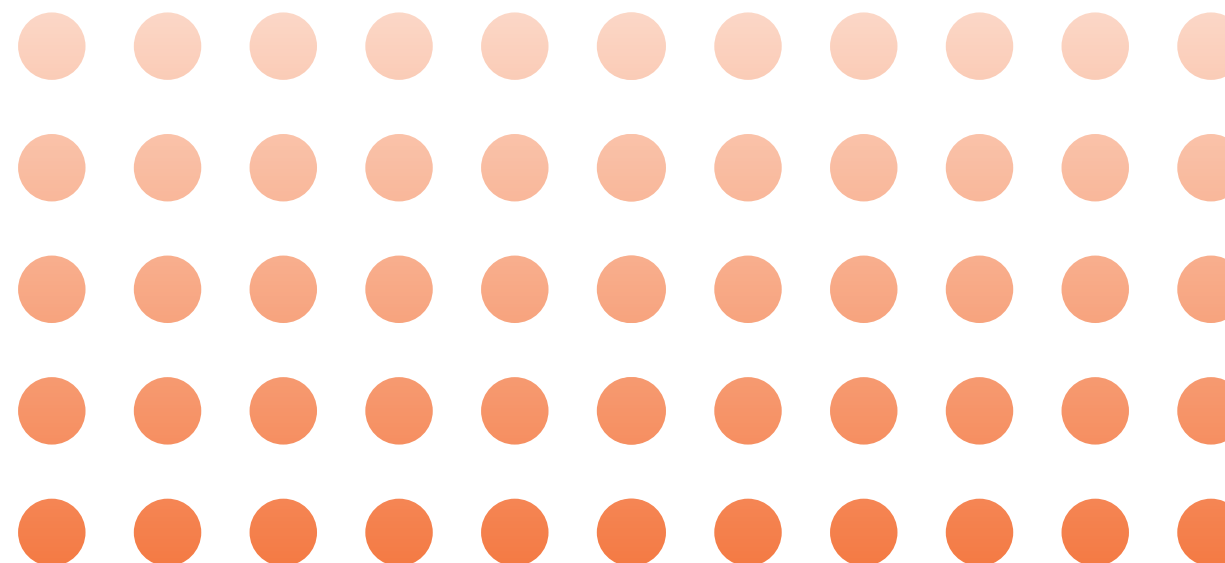
- > **Increases:** These include, among others, the adjustment corresponding to donations and contributions as per Law 49/2002 amounting to 62 thousand euros and allocations of tax bases of UTEs and AIEs amounting to 200 thousand euros, both in the controlling Company (in 2018, the adjustment corresponded to donations and contributions as per Law 49/2002 amounting to 68 thousand euros, sanctions and surcharges in the amount of 2 thousand euros, and allocations of tax bases of UTEs and AIEs in the amount of 174 thousand euros all in the controlling Company).
- > **Decreases:** These mainly include the exemption to avoid double taxation on dividends amounting to 2,262 thousand euros, in the controlling Company and 422 thousand euros in the subsidiary EMGRISA (in 2018, the adjustment mainly corresponded the exemption to avoid double taxation on dividends amounting to 739 thousand euros in the controlling Company, and the same exemption in the amount of 408 euros in the subsidiary EMGRISA).

The most significant temporary differences correspond to:

- > **Increases:** These correspond, on one hand, to non-deductible provisions and expenses of the controlling Company amounting to 4,305 thousand euros, of which the most significant amounts correspond to provisions for installation reclamation and closure in the amount of 732 thousand euros, for impairment of tangible fixed assets amounting to 1,942 thousand euros, and impairment of accounts receivable from public organisations amounting to 696 thousand Euros (in 2018, non-deductible provisions and expenses of the controlling Company, for 8,245 thousand euros of which the most significant amounts corresponded to provisions for installation reclamation and closure, amounting to 6,327 thousand euros, and for impairment of accounts receivable from public organisations of 695 thousand euros).
- > **Decreases:** Application of provisions that were not a fiscal expense in previous years, of which 1,749 thousand euros correspond to installation reclamation and closure costs, 348 thousand euros correspond to reversions of different provisions, and 360 thousand euros correspond to reversion of provisions for impairment of fixed assets, all non-deductible at the time of their allocation, all of the controlling company (in 2018, application of provisions that were not a fiscal expense in previous years, of which 2,161 thousand euros corresponded to installation reclamation and closure costs, and 31 thousand euros corresponded to reversions of diverse provisions not deductible at the time of their allocation, all in the controlling Company).

Below is the reconciliation between the income tax that would result from applying the general tax rate in effect to the Result before Consolidated Taxes and the expense recorded for the cited tax in the Consolidated Income Statement and its reconciliation with the payable tax of the Corporate Income Tax corresponding to financial years 2019 and 2018:

| | Thousands of Euros 31.12.2019 |
|---|----------------------------------|
| Pre-tax result | 4,924 |
| Permanent differences | (484) |
| Individual negative tax bases | - |
| Group negative tax bases | - |
| Adjusted result | 4,440 |
| Tax rate at 25,00% | 1,110 |
| Deductions | (300) |
| Corporate income tax | 810 |
| Negative adjustment in the corporate income tax | 712 |
| Positive adjustment in the corporate income tax | (417) |
| Expense/(Income) for corporate income tax in P & L account | 1,105 |





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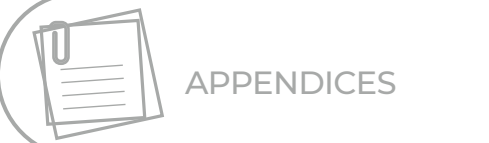
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| | Thousands of Euros 31.12.2018 |
|---|----------------------------------|
| Pre-tax result | 3,895 |
| Permanent differences | (441) |
| Individual negative tax bases | - |
| Group negative tax bases | - |
| Adjusted result | 3,454 |
| Tax rate at 25,00% | 864 |
| Deductions | (550) |
| Corporate income tax | 314 |
| Negative adjustment in the corporate income tax | 300 |
| Positive adjustment in the corporate income tax | (1,128) |
| Expense/(Income) for corporate income tax in P & L account | (514) |

The tax deductions applied in 2019 and 2018 correspond, basically, to deductions for research and development expenses, generated in previous years and not applied by the fiscal group to which the companies of the Group belonged.

The negative adjustments in the income tax recorded in 2019 correspond, basically, to the removal of deferred tax assets for deductions not applied and on where there are doubts that they can be applied in the upcoming financial years, and to not capitalising the negative tax bases generated in the financial year.

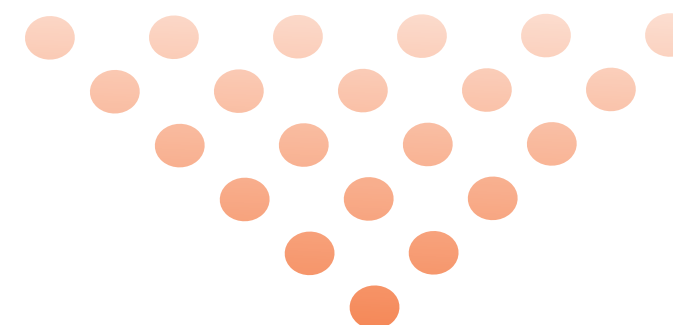
The negative adjustments in the income tax recorded in 2018 corresponded, basically, to the removal of deferred tax assets with maturity over 10 years, and to not capitalising the negative tax bases generated in the year.

The positive adjustments in the income tax recorded in 2019 correspond, basically, to the recovery of deferred tax assets generated by temporary differences and whose predicted reversion period is not over 10 years. The positive adjustment in the income tax recorded in 2018 corresponded to the capitalisation of deductions pending application in upcoming years.

The deferred taxes are recorded in the Consolidated Balance Sheet at 31 December 2019 and 2018, classified in the following accounts, according to their reversion period:

| | Thousands of Euros | |
|---|--------------------|---------------|
| DEFERRED TAX ASSETS: | 31.12.2019 | 31.12.2018 |
| Long-term deductible temporary differences | 12,073 | 11,674 |
| Long-term deductions pending application | 538 | 1,128 |
| Short-term deductible temporary differences | 1,948 | 1,855 |
| TOTAL | 14,559 | 14,657 |

| | Thousands of Euros | |
|--|--------------------|--------------|
| DEFERRED TAX LIABILITIES: | 31.12.2019 | 31.12.2018 |
| Long-term taxable temporary differences | 2,764 | 2,219 |
| Short-term taxable temporary differences | 475 | 272 |
| TOTAL | 3,239 | 2,491 |





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The origin of the deferred taxes recorded in the year-end balance sheets of 2019 and 2018 is as follows:

| DEFERRED TAX ASSETS ORIGINATING IN: | Thousands of Euros | |
|--|--------------------|---------------|
| | 31.12.2019 | 31.12.2018 |
| Financial hedges of the controlling Company | 849 | 949 |
| Deductions pending application of the controlling Company | 538 | 1,128 |
| Controlling Company provisions | 12,217 | 11,497 |
| Controlling Company amortisation deductibility limitation | 512 | 615 |
| Other provisions & expenses of subsidiary companies | 59 | 75 |
| Subsidiary companies amortisation deductibility limitation | 40 | 49 |
| Negative tax bases | 344 | 344 |
| TOTAL | 14,559 | 14,657 |

| DEFERRED TAX LIABILITIES ORIGINATING IN: | Thousands of Euros | |
|--|--------------------|--------------|
| | 31.12.2019 | 31.12.2018 |
| Financial hedges of the controlling Company | 1,039 | 117 |
| Unrestricted amortisation of the controlling Company | 527 | 662 |
| Subsidiaries of the controlling Company | 28 | 60 |
| Unrestricted amortisation of subsidiary companies | 32 | 37 |
| Financial leases of subsidiary companies | 2 | 3 |
| Subsidiaries of subsidiary companies | 1,611 | 1,612 |
| TOTAL | 3,239 | 2,491 |

The transactions of the deferred tax headings of the consolidated Balance Sheet corresponding to 31 December 2019 and 2018 are as follows:

| | Thousands of Euros | |
|---|---------------------|--------------------------|
| | Deferred tax assets | Deferred tax liabilities |
| Balance at 31/12/17 | 13,160 | 2,669 |
| Generated in 2018 | 1,904 | - |
| Recovered in 2018 | (834) | (176) |
| Net variation in financial derivatives | (539) | 56 |
| Net variation in subsidiaries | - | (58) |
| Pos./neg. adjustments (adjust. Def. Tax Assets/ Liabilities for deductions pending application) | 1,128 | - |
| Pos./neg. (Adjustment in Def. Tax Assets for reversion at more than 10 years) | (162) | - |
| Balance at 31/12/18 | 14,657 | 2,491 |
| Generated in 2019 | 941 | - |
| Recovered in 2019 | (749) | (142) |
| Net variation in financial derivatives | (100) | 922 |
| Net variation in subsidiaries | - | (32) |
| Pos./neg. adjustments (adjust. Def. Tax Assets/ Liabilities for deductions pending application) | (590) | - |
| Pos./neg. (Adjustment in Def. Tax Assets for reversion at more than 10 years) | 400 | - |
| Balance at 31/12/19 | 14,559 | 3,239 |

Up to the financial year 2015, for purposes of payment of the Corporate Income Tax, the Company was part of consolidated group no. 9/86, formed by the Sociedad Estatal de Participaciones Industriales and the companies based in Spanish territory that formed part of its consolidated financial group, pursuant to the provisions of Articles 42 and following of the Code of Commerce and in accordance with the provisions of Public Corporations Act 5/1996 of 10 January.

ENUSA and its subsidiary companies were excluded from the above mentioned fiscal group effective from the financial year 2016, due to the fact that, as from this financial year, it was no longer possible to apply the special rule of delimitation of the Fiscal Group SEPI set forth in Section 14.2 of the law according to which it was created (Law 5/1996, of January 10, on the creation of certain entities of public law), pursuant to which the Group shall consist of SEPI itself and the companies thereof located in Spanish territory which, in turn, are part of its Financial Group pursuant to the provisions set forth in Section 42 of the Code of Commerce, as long as the debt generated by the National Institute of Industry (then SEPI) has not been fully amortised. The amortisation of the above mentioned debt definitively took place at the end of the financial year 2015.

Therefore, from the cited tax period the rules of general delimitation were applicable, which were established in Chapter VI of Title VII of the Law 27/2014, of 27 November, the Corporate Income Tax Law (LIS), among which it is included that the controlling Company shall have a direct or indirect investment of at least 75 percent of the share capital and shall own the majority of the voting rights on the first day of the tax period in which this system may be applicable.

Consequently, and since the direct investment of SEPI in the capital of ENUSA is 60%, the latter was excluded from the SEPI Tax Group, and was obliged to be taxed individually since financial year 2016.

As a result of the exclusion, and in accordance with Article 74 of the LIS, the Company assumed the right to offset the negative tax bases and apply the tax deductions generated while they formed part of the Tax Group that had not been applied by it, in the proportion in which they had contributed to its formation.



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The breakdown of the tax bases and the tax deductions received and applied up to the current financial year is as follows:

| | Thousands of Euros | | | | |
|---|--|-------------------------|---------------------------------|--------------------------------|---------------------------------|
| | Incorporated after leaving the tax group | Applied in 2016 to 2018 | Pending application at 31/12/18 | Applied in financial year 2019 | Pending application at 31/12/19 |
| Tax bases | 2,595 | 826 | 1,769 | - | 1,769 |
| DEDUCTIONS | | | | | |
| For internal double taxation | 868 | 700 | 168 | - | 168 |
| For research and development | 7,341 | 884 | 6,457 | 173 | 6,284 |
| For vocational training | 82 | 16 | 66 | 9 | 57 |
| For environmental protection | 117 | 48 | 69 | 8 | 61 |
| For exporting companies | 143 | 23 | 120 | 28 | 92 |
| For investment in navigation and location systems | 5 | 5 | - | - | - |
| For contributions to pension plans | 272 | 43 | 229 | 43 | 186 |
| For re-investment of extraordinary profit | 357 | 5 | 352 | - | 352 |
| For reversion of temporary measures | 7 | 7 | - | - | - |
| For contributon to non-profit entities | 343 | 343 | - | - | - |
| TOTAL DEDUCTIONS | 9,535 | 2,074 | 7,461 | 261 | 7,200 |

| | Thousands of Euros | | | | |
|---|--|-----------------|-----------------|-----------------|---------------------------------|
| | Incorporated after leaving the tax group | Applied in 2016 | Applied in 2017 | Applied in 2018 | Pending application at 31/12/18 |
| Tax bases | 2,595 | 826 | - | - | 1,769 |
| DEDUCTIONS | | | | | |
| For internal double taxation | 868 | 700 | - | - | 168 |
| For research and development | 7,341 | 422 | 72 | 390 | 6,457 |
| For vocational training | 82 | - | - | 16 | 66 |
| For environmental protection | 117 | 43 | - | 5 | 69 |
| For exporting companies | 143 | - | - | 23 | 120 |
| For investment in navigation and location systems | 5 | 5 | - | - | - |
| For contributions to pension plans | 272 | - | - | 43 | 229 |
| For re-investment of extraordinary profit | 357 | 3 | - | 2 | 352 |
| For reversion of temporary measures | 7 | 7 | - | - | - |
| For contributon to non-profit entities | 343 | 334 | 9 | - | - |
| TOTAL DEDUCTIONS | 9,535 | 1,514 | 81 | 479 | 7,461 |



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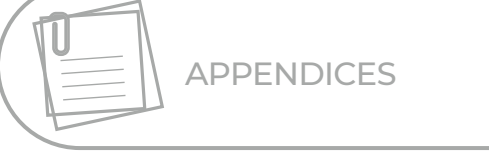
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At the time of incorporating the above mentioned rights in the financial year 2016, the existing doubts regarding the possibility of generating future tax profits which would allow the application of the cited deductions led to the non-recognition of any deferred tax assets. However, at the end of the financial year 2018, the controlling Company, based on current forecasts of future profit tax, estimated that part of these deductions could be applied in the following years, proceeding to the corresponding recording in the books of the deferred tax asset in the amount of 1,128 thousand euros. At the closing of financial year 2019, the estimate of future application is of 538 thousand euros, for which reason the corresponding deferred tax asset in the amount of 590 thousand euros was removed.

Until the year 2015 the application of the consolidated tax system supposed that the individual credits and debits for the Corporate Income Tax were integrated in the controlling entity of the tax group (Sociedad Estatal de Participaciones Industriales), as well as the right to obtain compensation for the tax credits incorporated to the consolidation. As for the individual debit, each company had to pay for this tax to the Sociedad Estatal de Participaciones industriales.

Since financial year 2016, the balances corresponding to the current tax are generated directly by each company in relation to the Tax Administration. Nonetheless, the possibility of offsetting negative tax bases generated in previous years within the tax group entails the obligation of repurchasing this tax credit from SEPI, generating the corresponding debt with it.

The breakdown of the balances related to Other credits and Other debts with Public Administrations, included in the consolidated Balance Sheet, is the following:

| | Thousands of Euros | |
|---|--------------------|------------|
| OTHER CREDITS WITH THE PUBLIC ADMINISTRATIONS | 31.12.2019 | 31.12.2018 |
| Value added tax | 590 | 238 |
| Subsidies | 150 | 262 |
| Others | 7 | 1 |
| TOTAL | 747 | 501 |

| | Thousands of Euros | |
|---|--------------------|--------------|
| OTHER DEBTS WITH THE PUBLIC ADMINISTRATIONS | 31.12.2019 | 31.12.2018 |
| Value added tax | 94 | 306 |
| Withholding | 997 | 927 |
| Social Security | 949 | 1,007 |
| Taxes and duties | 539 | 136 |
| Others | 55 | - |
| TOTAL | 2,634 | 2,376 |

The years subject to inspection by the tax authorities in relation to the most significant taxes the controlling Company and the subsidiaries must pay include the last four years. It is not expected that, in the event of an inspection, any further significant liabilities will arise.



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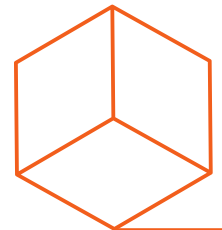
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16. INCOME AND EXPENSES

The “Consumption of Merchandise and Consumption of Raw Materials and Other Consumables” item in the consolidated Income Statement is broken down as follows:

| | Thousands of Euros | |
|--------------------------|--------------------|----------------|
| | 2019 | 2018 |
| Purchases | 192,426 | 103,664 |
| Variation in inventories | 36,034 | 35,757 |
| TOTAL | 228,460 | 139,421 |

The breakdown of Group purchases on the national market and of imports in 2019 and 2018 is as follows:

| | Thousands of Euros | |
|---------------------------|--------------------|----------------|
| | 2019 | 2018 |
| National purchases | 3,710 | 3,235 |
| Intra-community purchases | 72,903 | 31,335 |
| Imports | 115,813 | 69,094 |
| TOTAL | 192,426 | 103,664 |

The net amounts of Group turnover by markets in 2019 and 2018 are as follows:

| | Thousands of Euros | |
|-----------------|--------------------|----------------|
| | 2019 | 2018 |
| National Market | 287,013 | 204,739 |
| Foreign Market | 36,871 | 46,390 |
| TOTAL | 323,884 | 251,129 |

The breakdown of Social Charges in 2019 and 2018 is as follows:

| | Thousands of Euros | |
|-----------------------|--------------------|--------------|
| | 2019 | 2018 |
| Social Security | 8,602 | 8,251 |
| Other social benefits | 1,159 | 1,168 |
| TOTAL | 9,761 | 9,419 |

The breakdown of “Outsourced services”, included in the item “Other operating expenses”, in the year 2019 and 2018 is the following:

| | Thousands of Euros | |
|---|--------------------|---------------|
| | 2019 | 2018 |
| Year's research and development expenses | 408 | 202 |
| Leases and duties | 2,494 | 2,541 |
| Repairs and preservation | 2,601 | 8,388 |
| Independent professional services | 76 | 86 |
| Transports | 436 | 108 |
| Insurance premiums | 1,253 | 1,200 |
| Bank services and similar | 65 | 81 |
| Advertising, publicity and public relations | 368 | 374 |
| Procurements | 1,858 | 1,741 |
| Other services | 8,424 | 7,999 |
| TOTAL | 17,983 | 22,720 |



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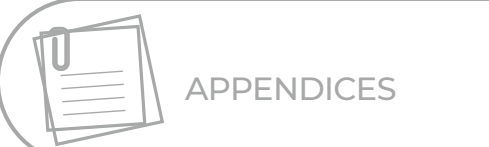
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The breakdown of extraordinary results, included in the item “Other operating results”, in 2019 and 2018 is as follows:

| | Thousands of Euros | |
|------------------------------|--------------------|------------|
| | 2019 | 2018 |
| Santions and surcharges | 34 | - |
| Dismantling offices | - | 26 |
| Judicial claims | 183 | 60 |
| Expenses caused by accidents | 9 | 37 |
| Other extraordinary expenses | 47 | 26 |
| TOTAL EXPENSES | 273 | 149 |

| | Thousands of Euros | |
|--|--------------------|------------|
| | 2019 | 2018 |
| Tax refund of AEAT tariffs | 956 | - |
| Income from accidents and payments from insurance policies | 189 | 172 |
| Income from sentences | 279 | - |
| Penalties collected from suppliers | 1,381 | - |
| Refund from Tax Agency for IGIC | 47 | - |
| Other exceptional income | 78 | 14 |
| TOTAL INCOME | 2,930 | 186 |



17. PROVISIONS AND CONTINGENCIES

The movement of the Provisions accounts during 2019 and 2018 has been as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | | | | Balance at 31/12/2019 |
|---|-----------------------|--------------------------------------|---------------------------|----------------|----------------|-----------------------|
| | Balance at 31/12/2018 | Allocations & Financial Restatements | Applications & Reversions | Transfers | Others | |
| LONG-TERM PROVISIONS | | | | | | |
| Long-term personnel obligations | 14 | - | (5) | - | - | 9 |
| Environmental activities (Note 18 c) | 42,084 | 1,631 | - | (2,128) | (1,084) | 40,503 |
| Restructuring provisions | 338 | 36 | - | - | - | 374 |
| Fuel assembly warranties and Plant services | 9,153 | - | (348) | - | - | 8,805 |
| Misc. provisions UTE RSU | 4,951 | 813 | (99) | - | - | 5,665 |
| TOTAL LONG-TERM PROVISIONS | 56,540 | 2,480 | (452) | (2,128) | (1,084) | 55,356 |
| SHORT-TERM PROVISIONS | | | | | | |
| Environmental activities (Note 18 c) | 4,816 | - | (1,851) | 2,128 | - | 5,093 |
| Provisions for other obligations | 1,212 | 101 | (387) | - | - | 926 |
| Misc. provisions UTE RSU | 308 | - | (308) | - | - | - |
| TOTAL SHORT-TERM PROVISIONS | 6,336 | 101 | (2,546) | 2,128 | - | 6,019 |

| FINANCIAL YEAR 2018 | Thousands of Euros | | | | | Balance at 31/12/2018 |
|---|-----------------------|--------------------------------------|-----------------------------|----------------|--------------|-----------------------|
| | Balance at 31/12/2017 | Allocations & Financial Restatements | Applications and Reversions | Transfers | Others | |
| LONG-TERM PROVISIONS | | | | | | |
| Long-term personnel obligations | 14 | - | - | - | - | 14 |
| Environmental activities (Note 18 c) | 38,043 | 6,923 | - | (2,361) | (521) | 42,084 |
| Restructuring provisions | 364 | 1 | (27) | - | - | 338 |
| Fuel assembly warranties and Plant services | 9,229 | 276 | (352) | - | - | 9,153 |
| Misc. provisions UTE RSU | 4,079 | 1,523 | (240) | (411) | - | 4,951 |
| TOTAL LONG-TERM PROVISIONS | 51,729 | 8,723 | (619) | (2,772) | (521) | 56,540 |
| SHORT-TERM PROVISIONS | | | | | | |
| Environmental activities (Note 18 c) | 4,703 | - | (2,248) | 2,361 | - | 4,816 |
| Provisions for other obligations | 1,665 | 15 | (468) | - | - | 1,212 |
| Misc. provisions UTE RSU | - | - | (103) | 411 | - | 308 |
| TOTAL SHORT-TERM PROVISIONS | 6,368 | 15 | (2,819) | 2,772 | - | 6,336 |



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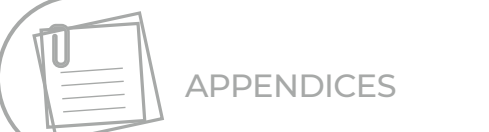
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The calculation of restructuring provisions in the controlling Company is based on the expected annual payments for indemnities to personnel. The activity recorded in the financial year corresponds, basically, to the new estimate made according to the schedule of planned removals.

As in previous years, fuel assembly warranty provisions are calculated on the basis of the useful life of refuelings and statistical data, the latter based on historical information of the controlling Company and information from the technology suppliers on failure rate in the fuel assemblies. In the year 2019 an excess of provision, in the amount of 263 thousand euros (276 thousand euros of allocation in 2018) as a consequence of the estimate made at the end of the year.

The provisions for other responsibilities include, mainly, those derived from lawsuits in which the controlling Company is immersed. The most significant movements produced in the financial year correspond to allocations for new risks, in the amount of 101 thousand euros (15 thousand euros in 2018), excesses for risks allocated in previous years amounting to 270 thousand euros (422 thousand euros in 2018) and applications that amount to 116 thousand euros (46 thousand euros in 2018).

The provisions of the UTE RSU correspond, mainly, to provisions related to forecast actions on the operating infrastructure (replacement of fixed assets, expansion of the landfill, security and surveillance, etc.).

The amount of the allocations and financial restatements corresponding to these provisions was 813 thousand euros (amount integrated at the percentage of participation of the controlling Company in the UTE). Within the allocations made in the year, the amount recorded against the corresponding fixed asset (sealing and surveillance of the landfill and construction of new cells therein) was 584 thousand euros (see Note 10). The amount of the allocations and financial restatements corresponding to these provisions in 2018 was 1,523 thousand euros (an amount integrated at the percentage of participation of the controlling Company in the UTE).

The total applications of provisions made in the financial year 2019 for the controlling Company was the amount of 3,545 thousand euros (3,509 thousand euros in 2018), with these payments being reflected in the Consolidated Cash Flow Statement under the heading "Other Payments", within Other Cash Flows of the consolidated operating activities.

The provision excesses recorded in the year 2019 also corresponded to the controlling Company, amounting to 532 thousand euros in 2019 (429 thousand euros in 2018), corresponding, mainly, to reversions referring to risks for lawsuits in the amount of 269 thousand euros and to warranties in the amount of 263 thousand euros (402 thousand euros for reversion of fiscal risks in 2018).



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18. ENVIRONMENTAL INFORMATION

a) Assets Subject to Environmental Activities:

In relation to the nuclear fuel manufacturing business conducted in the facilities that the controlling Company owns in Juzbado (Salamanca), it is not possible to determine an itemised description and value of the equipment and installations used for environmental protection and enhancement.

This is explained by the fact that it is a complex, specialised facility where it must be ensured that all processes conform to environmental regulations.

The controlling Company ceased its uranium concentrate production business at the end of 2002. Consequently, the value of the assets subject to mining operations is amortised almost in full, and the only activity carried out is the one corresponding to reclamation and decommissioning tasks.

The value of the most significant assets and installations assigned to these reclamation and decommissioning tasks, and which focus on environmental protection and enhancement, at 31 December 2019 and 2018 is as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | |
|---|--------------------|--------------------------|----------------|
| | Cost | Accumulated Depreciation | Net Book Value |
| Constructions | 7,877 | 7,351 | 526 |
| Technical installations & other tangible fixed assets | 6,181 | 5,494 | 687 |
| TOTAL | 14,058 | 12,845 | 1,213 |

| FINANCIAL YEAR 2018 | Thousands of Euros | | |
|---|--------------------|--------------------------|----------------|
| | Cost | Accumulated Depreciation | Net Book Value |
| Constructions | 7,877 | 7,315 | 562 |
| Technical installations & other tangible fixed assets | 6,021 | 5,400 | 621 |
| TOTAL | 13,898 | 12,715 | 1,183 |

b) Environmental Expenses:

The breakdown of expenses accrued by the Group in financial years 2019 and 2018, the purpose of which has been environmental protection and enhancement, is as follows:

| | Thousands of Euros | |
|---|--------------------|------------|
| | 2019 | 2018 |
| Waste management expenses | 79 | 23 |
| Dismantling & reclamation of natural spaces | 53 | 131 |
| Environmental certifications | 8 | 9 |
| Environmental audit | 2 | 2 |
| TOTAL EXPENSES | 142 | 165 |

c) Provisions for Environmental Risks:

The breakdown of the main provisions established by the Group for environmental activities and their movement during 2019 and 2018 are as follows (see Note 17):

| | Thousands of Euros | | | | | |
|--|-----------------------|--|-----------------------------|----------------|----------------|-----------------------|
| FINANCIAL YEAR 2019 | Balance at 31/12/2018 | Allocations and Financial Restatements | Applications and Reversions | Transfers | Others | Balance at 31/12/2019 |
| Long-term reclamation & decommissioning of mining sites | 31,541 | 696 | - | (2,128) | - | 30,109 |
| Intermediate- & low-level solid waste management costs | 8,585 | 502 | (364) | - | - | 8,723 |
| Costs of dismantling the nuclear fuel factory | 8,845 | 432 | - | - | - | 9,277 |
| Value of Enresa Fund | (6,980) | - | 364 | - | (1,084) | (7,700) |
| Dismantling of other equipment | 93 | 1 | - | - | - | 94 |
| TOTAL LONG-TERM PROVISIONS | 42,084 | 1,631 | - | (2,128) | (1,084) | 40,503 |
| Short-term reclamation & decommissioning of mining sites | 4,816 | - | (1,851) | 2,128 | - | 5,093 |
| TOTAL LONG- & SHORT-TERM ENVIRONMENTAL PROVISIONS | 46,900 | 1,631 | (1,851) | - | (1,084) | 45,596 |

| | Thousands of Euros | | | | | |
|--|-----------------------|--|-----------------------------|----------------|--------------|-----------------------|
| FINANCIAL YEAR 2018 | Balance at 31/12/2017 | Allocations and Financial Restatements | Applications and Reversions | Transfers | Others | Balance at 31/12/2018 |
| Long-term reclamation & decommissioning of mining sites | 27,576 | 6,326 | - | (2,361) | - | 31,541 |
| Intermediate- & low-level solid waste management costs | 8,112 | 473 | - | - | - | 8,585 |
| Costs of dismantling the nuclear fuel factory | 8,722 | 123 | - | - | - | 8,845 |
| Value of Enresa Fund | (6,459) | - | - | - | (521) | (6,980) |
| Dismantling of other equipment | 92 | 1 | - | - | - | 93 |
| TOTAL LONG-TERM PROVISIONS | 38,043 | 6,923 | - | (2,361) | (521) | 42,084 |
| Short-term reclamation & decommissioning of mining sites | 4,703 | - | (2,248) | 2,361 | - | 4,816 |
| TOTAL LONG- & SHORT-TERM ENVIRONMENTAL PROVISIONS | 42,746 | 6,923 | (2,248) | - | (521) | 46,900 |

As in previous years, the provisions for environmental activities have been calculated on the basis of the amounts planned for dismantling and retiring installations, restated at a discount rate of assets not at risk, in a period similar to that of future payments.

The purpose of the provision for reclamation and decommissioning of mining sites is to complete the work of reclaiming natural spaces and to cover mining centre decommissioning costs.

In May 2003, the ENUSA Management decided to submit a definitive Reclamation Project for the mining installations of the Saelices el Chico Centre (Salamanca) to the Territorial Service for Industry, Trade and Tourism of the Castilla y León regional government. It was approved by this territorial agency on 13 September 2004, thus authorising ENUSA to execute the project. This project replaced the reclamation and decommissioning project for cessation of activities submitted in November 2002, as the Administration considered that project as a strategic shutdown and not as a definitive closure of the mining operations. ENUSA has been working on the tasks of reclaiming the natural spaces and decommissioning the installations located in the mining operations since January 2001.

Part of the mining centre reclamation and decommissioning costs will be paid by the Empresa Nacional de Residuos Radiactivos (ENRESA). In 2019 and 2018, provisions worth 1,851 and 2,248 thousand euros, respectively, have been applied to cover the costs incurred by the controlling Company during these years by way of this item.

At the end of each financial year, the controlling Company reviews the economic study of the reclamation project to re-estimate the expected cost of the necessary outstanding activities and adjust it to different resolutions of official authorities and to the commitments acquired with them, as well as the estimated time of the decommissioning. On the basis of the data of the economic study, which is based on work and date assumptions similar to those estimated at the end of the previous year, in 2019 an allocation of provision of 219 thousand Euros was recorded (5,875 thousand euros of excess provision in 2018).

The provision for solid waste management costs in the Juzbado factory includes the estimated cost of managing these kinds of wastes. In this respect, the controlling Company has signed a contract with ENRESA for the treatment of these wastes. The same criterion used in previous years has been maintained, adapting it to the fact that solid wastes are classified as either intermediate level or low level, as provided in the new regulations issued in 2010 by the Nuclear Safety Council. As a result, a 502 thousand euro provision, corresponding to the wastes generated in 2019 has been recorded (473 thousand euros in 2018).

The provision for the nuclear fuel factory dismantling costs includes the controlling Company's current obligation, calculated at the current net value at year's end, relative to the costs that in the future the proper dismantling of this facility will represent. The controlling Company has signed a contract with ENRESA to execute the dismantling work.



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The aforesaid contracts included the periodic payments that ENUSA had to make to ENRESA until 2027 for setting up a Fund that would cover the costs stemming from both activities: the management of operating wastes generated every year and the cost of dismantling the Juzbado factory. The value of this Fund, financed by the ENUSA contributions and the corresponding financial restatements shown in the contracts, was recorded in the Consolidated Balance Sheet Assets under the heading “Long-term investments in companies of the group and associated companies – Loans to companies”.

Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, introduced, effective as of 1 January 2010 and via point 1 of its 9th Final Provision, article 38 bis to Nuclear Energy Act 25/1964.

Furthermore, Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Corporations, modified, effective as of 1 January 2010 and via point 2 of its 9th Final Provision, the 6th Additional Provision of Electric Power Sector Act 54/1997.

The “Third” section of point 9 of the 6th Additional Provision of the Electric Power Sector Act reads as follows:

“Three: Tax on the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities.

a) Taxable event: *The taxable event of the tax is the provision of management services for radioactive wastes resulting from fuel assembly manufacture, including the dismantling of the manufacturing facilities. The taxable*

event of this tax also includes the anticipated cessation of operation of a fuel assembly manufacturing facility at the owner’s initiative, with respect to the provisions set down in the General Radioactive Waste Plan.

b) Tax base: *The tax base of the tax is the amount of nuclear fuel manufactured each calendar year, measured in metric tons (MT) and stated with two decimals; the remaining decimals are rounded to the second decimal place.”*

In practice, this rule means that the contributions that ENUSA had been making to ENRESA, pursuant to the contracts signed between the two companies, was replaced with the payment of a tax (*), with the destination of this tax being the same: to increase the Fund allocated to covering the costs of managing operating wastes and dismantling the Juzbado factory. Therefore, payments of this tax have been made since 2010 and the value of this Fund has continued to rise.

The value of the Fund is shown in the Consolidated Balance Sheet as a reduction in the amount of provisions to which it was allocated.

(*) Pursuant to what is indicated in the eleventh final provision of the Law 9/2017, of 8 November, of Public Sector Contracts, which modifies the first additional provision of the Law 58/2003, of 17 December, General Tax Act, the mentioned tax, as compensation received for the services rendered by ENRESA, now has the legal nature of non-tax public financial benefit.

d) Contingencies and Obligations Related to Environmental Protection and Enhancement:

The Group considers there are no significant contingencies or obligations related to environmental protection and enhancement other than those mentioned in paragraph (c) above.



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19. LONG-TERM PERSONNEL REMUNERATIONS

In 1995, the controlling Company set up, with a Pension Fund agent, an employee Pension Plan based on a defined, taxable contribution, with contributions from the promoter and participants pursuant to the regulatory rules of the Plan. This Plan is currently governed by the provisions of the Revised Text of the Pension Plan and Pension Fund Act approved by Royal Legislative Decree 1/2002 of 29 November and Royal Decree 304/2004 of 20 February, whereby the Pension Plan and Pension Fund Regulation is approved, and by any other applicable regulatory provisions. This commitment is still standing in current Collective Bargaining agreements.

Between 1995 and 2011, the controlling Company had been contributing various amounts to this Plan as its promoter.

Legislative-Royal Decree 24/2018, of 21 December, which approved the urgent measures on the subject of remunerations in the area of the public sector, in relation to remuneration increases for the year 2019, established in its Article 3, sections 2 and 3, that contributions to employment pension plans or collective insurance policies could be made as long as they did not exceed the global increment laid out in the cited section 2. No contribution has been made by the controlling Company in 2019 and 2018.

e) Investments Made During the Year for Environmental Reasons:

The investments in environment-related assets made by the controlling Company in 2019 and 2018, primarily in the Juzbado fuel assembly factory, have amounted to 404 and 1,382 thousand Euros, respectively.

f) Compensations to be received from Third Parties:

No income has been earned from environmental activities in financial years 2019 and 2018.

No subsidies have been received by way of this item in 2019 and 2018.



20. SUBSIDIES, DONATIONS AND BEQUESTS

The amounts recorded under the heading Subsidies, Donations and Bequests in the consolidated balance sheet at 31 December 2019 and 2018 correspond, mostly, to subsidies received by the affiliate EMGRISA from various public agencies to finance the acquisition of different fixed asset items, which were applied to the acquisition of REMESA and CETRANSA. These subsidies are included in those corresponding to the Ministry of the Environment, in the information shown below.

The movement of this heading during 2019 and 2018 is as follows:

FINANCIAL YEAR 2019

| Item | Thousands of Euros | | | | | Balance 31/12/19 |
|---------------------------------------|--------------------|------------|------------|------------------------|------------|------------------|
| | Balance 31/12/18 | Others (*) | Concession | Allocations to results | Tax effect | |
| Junta de Extremadura subsidies | 11 | - | - | (2) | 2 | 11 |
| Junta de Castilla-La Mancha subsidies | 17 | - | - | (1) | - | 16 |
| Ministry of Environment subsidies | 4,809 | - | - | - | - | 4,809 |
| European Commission subsidy | 49 | - | - | (53) | 14 | 10 |
| CDTI subsidy | 75 | - | - | - | - | 75 |
| IDAE subsidy | 56 | - | - | (74) | 18 | - |
| Other subsidies and donations | 288 | (1) | - | - | - | 287 |
| TOTAL | 5,305 | (1) | - | (130) | 34 | 5,208 |

(*) Incorporation of subsidies of companies integrated by equity method and allocation to minority interests

FINANCIAL YEAR 2018

| Item | Thousands of Euros | | | | | Balance 31/12/18 |
|---------------------------------------|--------------------|------------|------------|------------------------|------------|------------------|
| | Balance 31/12/17 | Others (*) | Concession | Allocations to results | Tax effect | |
| Junta de Extremadura subsidies | 13 | - | - | (2) | - | 11 |
| Junta de Castilla-La Mancha subsidies | 17 | - | - | (1) | 1 | 17 |
| Ministry of Environment subsidies | 4,809 | - | - | - | - | 4,809 |
| European Commission subsidy | 97 | - | - | (64) | 16 | 49 |
| CDTI subsidy | 196 | - | - | (161) | 40 | 75 |
| IDAE subsidy | 63 | - | - | (9) | 2 | 56 |
| Other subsidies and donations | 287 | 1 | - | - | - | 288 |
| TOTAL | 5,482 | 1 | - | (237) | 59 | 5,305 |

(*) Incorporation of subsidies of companies integrated by equity method and allocation to minority interests

In addition, an amount of 55 thousand euros (39 thousand euros in 2018) corresponding to contributions of entities belonging to the State Administration has been allocated directly to P&L to offset operating costs in the areas of personnel training.



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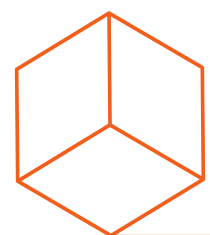
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21. NON-CURRENT ASSETS HELD FOR SALE

The breakdown of the assets and their net book value at 31 December 2019 and 2018 is as follows:

| | Thousands of Euros | |
|---------------------|--------------------|----------|
| | 2019 | 2018 |
| Biogas plant assets | 1,609 | - |
| TOTAL | 1,609 | - |

On 18 November 2019 the controlling company published in the Public Sector Contracting Platform the tender announcement and specifications that will govern the selling process of the set of assets, there not being any associated liabilities, that make up the biogas Plant in Juzbado owned by the controlling Company, proceeding, therefore, to restate the value of these assets under this heading (see Note 9).

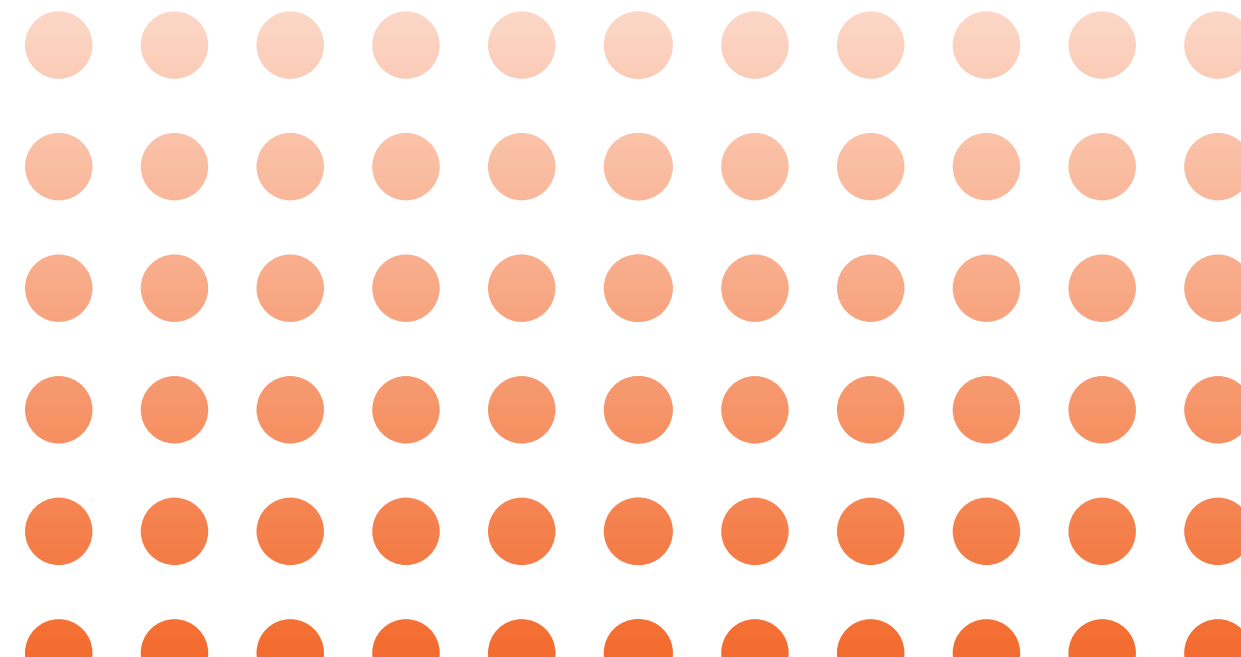
Prior to the date of drawing up these Consolidated Financial Statements, the amount of the bids received by the controlling Company exceed the restated net book value.

The controlling Company expects to carry out the sale during the first quarter of 2020.



22. EVENTS SUBSEQUENT TO YEAR'S END

On the date of preparing the consolidated financial statements, no events subsequent to the end of the financial year 2019 have occurred that required being broken down and which have an impact on these consolidated statements, even though the award of the sale of the Biogas Plant has taken place (see Note 21) by the contracting body of the controlling Company, deeming that the formalisation of the contract will take place at the end of the first quarter of 2020, once this award is ratified by the Board of Directors. The sale price is significantly above the book value of the Plant (1,609 thousand euros) and the minimum amount set in the tender process (2,100 thousand euros).



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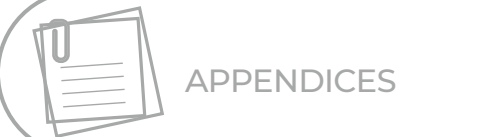
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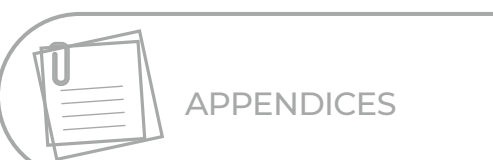
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23. RELATED-PARTY TRANSACTIONS

a) Operations with the controlling enterprise (SEPI) and group and associated companies of the SEPI Group

The related parties with which the companies of the Group have carried out transactions during the financial years 2019 and 2018, as well as the nature of this relationship, are the following:

| | Nature of the relationship |
|--------------------|--|
| SEPI | Direct Controlling Company |
| EQUIPOS NUCLEARES | SEPI Group Company |
| ENWESA OPERACIONES | SEPI Group Company |
| CORREOS | SEPI Group Company |
| CORREOS EXPRESS | SEPI Group Company |
| GENUSA | ENUSA Group/ associated by equity method |
| ENUSA-ENSA AIE | ENUSA Group/ associated by equity method |
| SNGC AIE | ENUSA Group/ associated by equity method |
| CETRANSA | ENUSA Group/ associated by equity method |
| REMESA | ENUSA Group/ associated by equity method |
| ENRESA | SEPI Group/ associated by equity method |
| DIRECTORS | Board Members |
| SENIOR MANAGEMENT | Directors |



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The operations carried out with the controlling enterprise (SEPI) and group and associated companies of the SEPI Group during 2019 and 2018, as well as their effect on the financial statements, have been as follows:

| FINANCIAL YEAR 2019 | Thousands of Euros | | |
|---|---------------------------|------------------------|------------------------------------|
| | Controlling Entity (SEPI) | Companies of the Group | Multi-group & Associated Companies |
| ASSET BALANCES | | | |
| Short-term loans (*) | 6,560 | - | - |
| Trade debtors & other accounts receivable | - | 5 | 3,876 |
| Supplier advances | - | 245 | - |
| TOTAL ASSET BALANCES | 6,560 | 250 | 3,876 |
| LIABILITY BALANCES | | | |
| Long-term debts | 3,277 | - | - |
| Short-term debts | 549 | - | - |
| Trade creditors & other accounts payable | - | 228 | 1,260 |
| TOTAL LIABILITY BALANCES | 3,826 | 228 | 1,260 |
| TRANSACTIONS | | | |
| Purchases and own work | - | 625 | 6,891 |
| Services received | - | 13 | 28 |
| Interest costs | 26 | - | - |
| Capitalisation of fixed asset purchase cost | - | - | - |
| Sales and services rendered | - | 165 | 12,460 |
| Interest income | 48 | - | 287 |
| Income from diverse services | - | - | 3,017 |

(*) Corresponds to Inter-SEPI deposits with maturity of less than three months and classified in Loans with companies of the group in the Consolidated Balance Sheet Assets.

| FINANCIAL YEAR 2018 | Thousands of Euros | | |
|--|---------------------------|------------------------|------------------------------------|
| | Controlling Entity (SEPI) | Companies of the Group | Multi-group & Associated Companies |
| ASSET BALANCES | | | |
| Short-term loans (*) | 48,992 | - | - |
| Trade debtors & other accounts receivable | - | 99 | 3,987 |
| Supplier advances | - | 89 | - |
| TOTAL ASSET BALANCES | 48,992 | 188 | 3,987 |
| LIABILITY BALANCES | | | |
| Long-term debts | 2,483 | - | - |
| Short-term debts | 552 | - | - |
| Trade creditors & other accounts payable | - | 217 | 4,259 |
| TOTAL LIABILITY BALANCES | 3,035 | 217 | 4,259 |
| TRANSACTIONS | | | |
| Purchases and own work | - | 1,225 | 6,815 |
| Services received | - | 28 | 101 |
| Interest costs | - | 17 | - |
| Capitalisation costs for fixed asset purchases | - | 232 | - |
| Sales and services rendered | - | 80 | 11,696 |
| Interest income | 49 | - | 106 |
| Non-core income | - | - | 2,683 |

(*) Corresponds to Inter-SEPI deposits with maturity of less than three months and classified in Loans with companies of the group in the Consolidated Balance Sheet Assets.



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The most significant operations and balances with multi-group and associated companies in 2019 and 2018 correspond to the controlling Company with the following companies:

- > Trade debtors and other accounts receivable: 2,448 thousand euros with ENRESA (1,008 thousand euros in 2018) and 1,154 thousand euros with ENUSA-ENSA, AIE (2,114 thousand in 2018).
- > Trade creditors and other accounts payable: 1,261 thousand euros with ENUSA-ENSA, AIE (4,225 thousand euros in 2018).
- > Purchases and own work: 6,922 thousand euros with ENUSA-ENSA, AIE (6,455 thousand euros in 2018).
- > Sales and services rendered: 7,596 thousand euros with GENUSA (7,317 thousand euros in 2018).

The conditions of the transactions with related parties are equivalent to those conducted under market conditions.

b) Board of Directors

The Board of Directors of the controlling Company is composed of 11 people (5 women and 6 men) at the end of 2019.

The remuneration of the controlling Company Board Members, in their capacity as such, consists of per diems received to attend the Board meetings. The controlling Company's Board Member per diems have amounted to a total of 84 thousand euros in 2019 (87 thousand Euros in 2018).

The Chairman of the controlling Company Board of Directors is, in turn, a salaried employee of the controlling Company, sits on the Executive Committee of the controlling Company (see point c) and does not receive any per diems to attend the Board meetings.

The controlling Company has no advances or loans granted to any of the Board Members (except for the Chairman, whose personal facts are reported in point c, together with those of the rest of the controlling Company's Executive Committee members).

The members of the governing bodies of the different affiliated companies do not receive any remuneration in their capacity as such.

During financial year 2019 civil liability insurance premiums on the administrators and directors of the controlling Company have been paid to cover damages caused in the exercise of the post in the amount of 19 thousand euros (same figure in 2018).



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The members of the ENUSA Board of Directors, during this year, have not received any remuneration, except that indicated in preceding paragraphs, and they have not carried out any transactions with the Company. Moreover, they have not used the company's name or invoked their condition as Director in order to influence unduly the realisation of private transactions, and they have not made use of the company assets, including the confidential information of the Company, for private purposes. In addition they have not obtain advantages or remunerations from third parties other than the Company and its group associated with the performance of their posts, and they have not carried out activities on their own behalf or for others that involve effective competition, whether current or potential, with the Company, or that, in any way have situated them in a permanent conflict with the Company's interests. Therefore, in compliance with the provisions of Article 229.3 of the Legislative-Royal Decree 1/2010, of 2 July, of the rewritten text of the Capital Companies' Act, the Directors report that they are not in personally or through a related person, any situation of conflict of interest, direct or indirect, with the Company's interest, except the following members who hold the posts that are detailed below in companies that carry out an activity complementary to that of ENUSA:

| Name | Post |
|--------------------------------|--|
| Mr. Carlos Alejaldre Losilla | Vice Chairman and Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA) |
| Mr. José Manuel Redondo García | Member of the Board of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA) |
| Mrs. Elena Pastor Les | Member of the board of Equipos Nucleares, S.A., S.M.E. (ENSA) |

c) Executive Committee

Effective as of 2012, all the members of the controlling Company's Executive Committee formalised senior management contracts with the controlling Company, and therefore they are considered as senior management personnel beginning that year (2012).

The controlling Company's Executive Committee is formed by 8 people (2 woman and 6 men).

The only remunerations accrued in favour of the aforesaid personnel were short-term payments amounting to 1,121 thousand euros during the 2019 financial year (1,085 thousand euros during 2018).

The only balances held by the members of the controlling Company's Executive Committee with the Company correspond to loans in the amount of 18 thousand euros (1 thousand euros in 2018) and 8 thousand euros (18 thousand euros in 2018) corresponding to advances of a personal nature, regulated by collective bargaining agreements.

Likewise, there is a balance of guarantees at 31 December 2019 for the aforesaid personnel amounting to 20 thousand euros (25 thousand euros at 31 December 2018).

There have been no promoter contributions to pension plans during 2019.

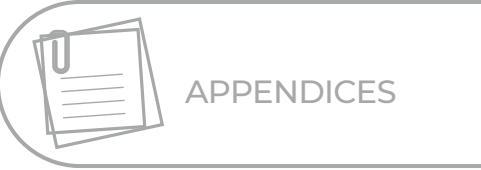
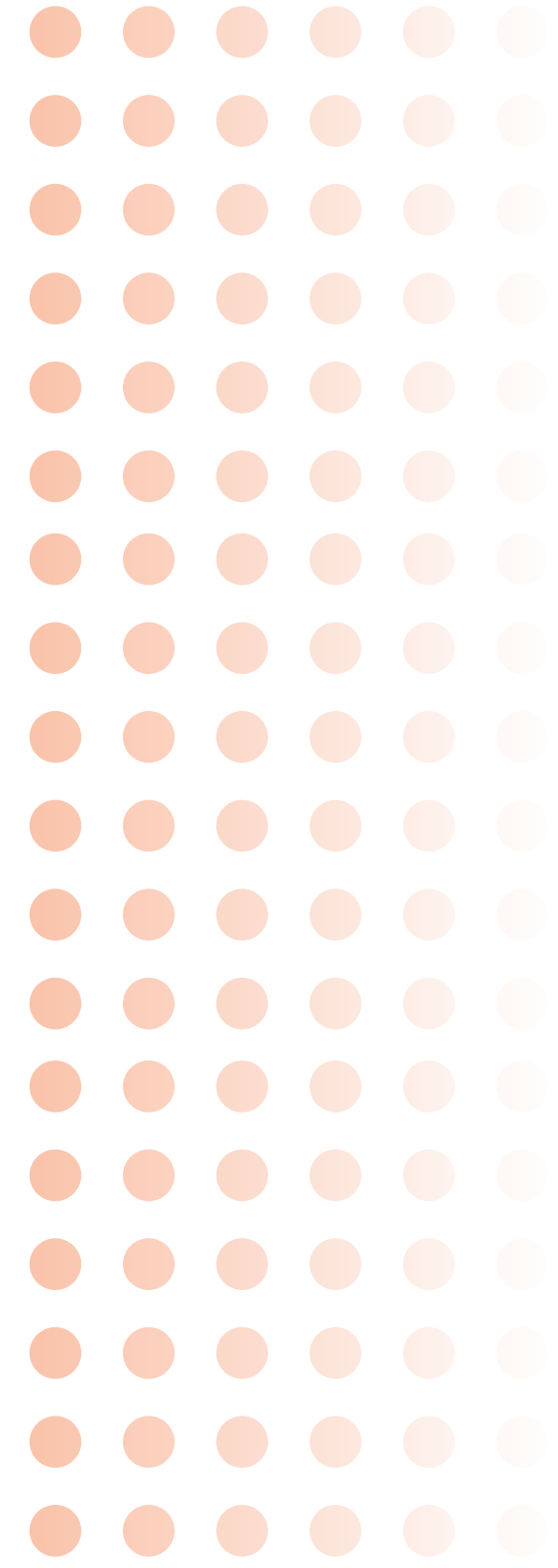


24. INFORMATION ON AVERAGE PAYMENT PERIOD TO SUPPLIERS

In compliance with the obligation set forth in the Additional Third Provision of the Law 15/2010, of 5 July, which modified Law 3/2004, of 29 December, which established measures to combat late payments in trade operations, and according to the Resolution of the ICAC (Spanish Accounting and Auditing Institution) of 29 January 2016 (applicable to the annual accounts of the financial years beginning 1 January 2015), it is hereby reported that the payments made in the financial year and the figures pending payment on the date of the closing of the balance sheet, are the following:

| | 2019 | 2018 |
|--|--------------------------------|---------|
| | Days | |
| Average payment period to suppliers | 34 | 36 |
| Ratio of paid transactions | 34 | 37 |
| Ratio of transactions pending payments | 39 | 20 |
| | Amount (Thousands of Euros) | |
| Total payments made | 246,164 | 173,855 |
| Total payments pending | 2,684 | 9,644 |

In the maximum legal payment period applicable to the companies of the group, according to the Law 3/2004, of 29 December, by which measures are established to fight against late payments in trade operations, is 30 days, unless there is an agreement between the parties up to a maximum of 60 days.





25. ENDORSEMENTS AND GUARANTEES

The guarantees granted by different financial institutions to the companies of the Group at 31 December 2019 and 2018 are the following:

| Date granted | Beneficiary | | Thousands of Euros Guaranteed amount | |
|--------------|---|-----|---|------------|
| | | | 31.12.2019 | 31.12.2018 |
| 09/07/2003 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 2,261 | 2,261 |
| 15/07/2003 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 300 | 300 |
| 15/07/2003 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 442 | 442 |
| 15/07/2003 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 145 | 145 |
| 04/07/2005 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 287 | 287 |
| 10/12/2009 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 152 | 152 |
| 02/02/2010 | Consortio del Plan Zonal de Residuos de la Zona I | (1) | 605 | 605 |
| 31/10/2011 | Iberdrola Distribución Eléctrica, S.A.U. | (1) | 15 | 15 |
| 25/05/2018 | Consorti per l'execució de les previsions del Pla Zonal de Residus de la Zona 1 | (1) | 658 | 658 |
| 09/06/2006 | Ayuntamiento de Salamanca | (2) | 15 | 15 |
| 23/07/2007 | Ayto. Jerez de la Frontera | (2) | 100 | 100 |
| 19/06/2008 | Consejería de Turismo. Dirección General de Infraestructura Turística. Gobierno de Canarias. | (2) | 29 | 29 |
| 27/03/2009 | Ayto. Palma de Cervelló | (2) | - | 6 |
| 18/12/2009 | UTE Corelsa (Corsan-Corviam Construcción, S.A. y Elsamex, S.A. UTE) | (2) | 3 | 3 |
| 20/07/2015 | Mº Medio Ambiente, Rural y Marino (Direc. Gral. Agua) | (2) | 7 | 7 |
| 28/05/1993 | Delegación Territorial de Economía de la Junta de Castilla y León | (3) | 135 | 135 |
| 29/10/1997 | Delegación Territorial de Economía de la Junta de Castilla y León | (3) | 24 | 24 |
| 29/06/2015 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | - | 450 |
| 14/01/2016 | Empresa Nacional de Residuos Radiactivos - ENRESA | (3) | 36 | 36 |
| 18/05/2017 | Ayuntamiento de Madrid | (3) | - | 1 |
| 29/01/2018 | China Nuclear Energy Industry Corporation | (3) | - | 660 |

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| Date granted | Beneficiary | | Thousands of Euros Guaranteed amount | |
|--------------|---|-----|---|--------------|
| | | | 31.12.2019 | 31.12.2018 |
| 13/11/2018 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | 450 | 450 |
| 26/11/2018 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | 200 | 200 |
| 25/06/2019 | Empresa Nacional de Residuos Radiactivos - ENRESA | (3) | 39 | - |
| 09/09/2019 | Departamento de Aduanas e Impuestos Especiales de la Agencia Estatal de Administración tributaria | (3) | 250 | - |
| 16/11/2000 | Solred, S.A. | (4) | 4 | 4 |
| 21/06/2006 | Consejería Medio Ambiente - Comunidad de Madrid | (4) | 7 | 7 |
| 15/11/2006 | Consejería Agricultura y Medio Ambiente - Justa de Castilla - La Mancha | (4) | 39 | 39 |
| 22/11/2006 | Consejería Agricultura y Medio Ambiente - Justa de Castilla - La Mancha | (4) | 3 | 3 |
| 25/03/2010 | AENA, S.A. | (4) | 10 | 10 |
| 23/01/2013 | Consejería Agricultura y Medio Ambiente - Justa de Castilla - La Mancha | (4) | 3 | 3 |
| 18/01/2016 | AENA, S.A. | (4) | 5 | 5 |
| 15/04/2010 | CES Seguros y Reaseguros | (4) | 116 | 116 |
| 06/11/2013 | RENFE - Operadora | (4) | 100 | 100 |
| 17/03/2014 | Consejería de Agricultura, Desarrollo rural, Medio Ambiente y Energía | (4) | 35 | 35 |
| 09/06/2014 | Consejería de Agricultura de Castilla La Mancha | (4) | 10 | 10 |
| 24/06/2014 | AENA Aeropuertos, S.A. | (4) | 2 | 2 |
| 22/09/2017 | POCH Ambiental Chile (110 miles de USD) | (4) | 96 | 96 |
| 09/10/2017 | RENFE Fabricación y Mantenimiento, S.A. | (4) | 100 | 100 |
| 11/11/2016 | Consejería Agricultura y Medio Ambiente - Justa de Castilla - La Mancha | (4) | 23 | 23 |
| 17/07/2017 | AENA, S.A. | (4) | 36 | 36 |
| 26/04/2018 | Southern copper Peru (19 miles de Soles) | (4) | 8 | 5 |
| 24/04/2018 | POCH Ambiental Chile (29 miles de USD) | (4) | 25 | 25 |
| 03/04/2017 | Departamento de Desarrollo Rural y Sostenibilidad del Gobierno de Aragón | (4) | 65 | 65 |
| 20/12/2017 | FNMT - RCM | (4) | 5 | 5 |
| 27/09/2018 | Transportadora de gas del Peru (4 miles de Soles) | (4) | 1 | 1 |
| 14/12/2018 | Consejería Agricultura y Medio Ambiente - Justa de Castilla - La Mancha | (4) | 4 | 4 |
| 10/04/2008 | Consejería de Medio Ambiente de la Junta de Andalucía | (4) | 198 | 198 |
| 02/08/2002 | Solred, S.A. | (5) | 80 | 80 |
| 15/11/2017 | Empresa Nacional de Residuos Radiactivos - ENRESA | (5) | 264 | 264 |
| TOTAL | | | 7,392 | 8,217 |

(1) Related to the activity of the UTE RSU
(2) Related to the activity of TECONMA (Affiliate of ENUSA with which it merged in the FY 2013)
(3) Related to the activity of ENUSA
(4) Related to the activity of EMGRISA
(5) Related to the activity of ETSA



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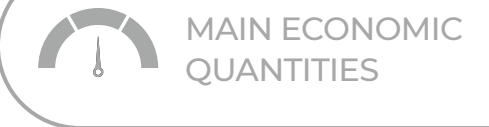
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The comfort letters issued by the companies of the Group at 31 December 2019 and 2018 are the following:

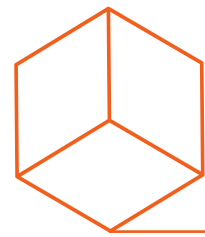
| Date granted | Co. of Group | Beneficiary | Thousands of Euros Guaranteed amount | |
|--------------|--------------|-----------------|--------------------------------------|------------|
| | | | 31.12.2019 | 31.12.2018 |
| 08/11/2017 | ETSA | CAIXABANK, S.A. | 264 | 264 |
| TOTAL | | | 264 | 264 |

Other guarantees granted by the companies of the Group at 31 December 2019 and 2018 are the following:

| | Thousands of Euros | |
|---|--------------------|------------|
| | 31.12.2019 | 31.12.2018 |
| Guarantee in loans to employees for the acquisition or renovation of dwelling as included in Collective Bargaining Agreement of the controlling Company (*) | 419 | 509 |
| TOTAL | 419 | 509 |

(*) It corresponds to the amounts initially guaranteed. The maximum risk for the controlling Company would be that derived from the amounts pending repayment of the guaranteed loans. These amounts are 120 and 161 thousand euros at 31 December 2019 and 2018, respectively.

The Group deem that no significant risks will be derived from the presented guarantees that are no provisioned at the close of the year.



26. OTHER INFORMATION

The average number of employees of the Group in the financial years 2019 and 2018, distributed by professional categories, is the following:

| FINANCIAL YEAR 2019 | PERMANENT PERSONNEL | | TEMPORARY PERSONNEL | | TOTAL AVERAGE STAFF | | DISABILITY >= 33% |
|--|---------------------|------------|---------------------|------------|---------------------|------------|----------------------|
| | WOMEN | MEN | WOMEN | MEN | WOMEN | MEN | |
| Category | | | | | | | |
| Senior management | 2 | 6 | - | - | 2 | 6 | - |
| Other directors, technicians & similar | 103 | 251 | 37 | 54 | 140 | 305 | 3 |
| Clerks and assistants | 31 | 21 | 12 | 6 | 43 | 27 | 3 |
| Other personnel | 3 | 114 | 1 | 72 | 4 | 186 | 2 |
| TOTAL AVERAGE STAFF | 139 | 392 | 50 | 132 | 189 | 524 | 8 |

| FINANCIAL YEAR 2018 | PERMANENT PERSONNEL | | TEMPORARY PERSONNEL | | TOTAL AVERAGE STAFF | | DISABILITY >= 33% |
|--|---------------------|------------|---------------------|------------|---------------------|------------|----------------------|
| | WOMEN | MEN | WOMEN | MEN | WOMEN | MEN | |
| Category | | | | | | | |
| Senior management | 1 | 6 | - | - | 1 | 6 | - |
| Other directors, technicians & similar | 96 | 252 | 25 | 54 | 121 | 306 | 2 |
| Clerks and assistants | 33 | 21 | 11 | 5 | 44 | 26 | 3 |
| Other personnel | 4 | 112 | 3 | 69 | 7 | 181 | 2 |
| TOTAL AVERAGE STAFF | 134 | 391 | 39 | 128 | 173 | 519 | 7 |

The figures related to 2019 and 2018 include, in both years, an average 13 persons corresponding to the personnel of the UTE RSU (integrated at the percentage of share of ENUSA in it).



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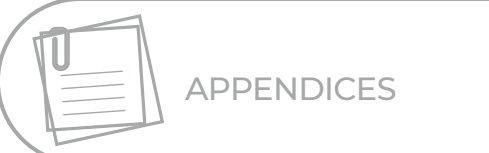
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The distribution by sex of the Group's personnel at 31 December 2019 and 2018, broken down by categories and levels, is as follows:

| FINANCIAL YEAR 2019 | No. of Employees | | |
|--|------------------|------------|------------|
| | Women | Men | Total |
| Board members | - | 1 | 1 |
| Senior management | 2 | 5 | 7 |
| Other directors, technicians and similar | 154 | 334 | 488 |
| Clerks and assistants | 50 | 34 | 84 |
| Other personnel | 6 | 211 | 217 |
| TOTAL | 212 | 585 | 797 |

| FINANCIAL YEAR 2018 | No. of Employees | | |
|--|------------------|------------|------------|
| | Women | Men | Total |
| Board members | - | 1 | 1 |
| Senior management | 2 | 5 | 7 |
| Other directors, technicians and similar | 142 | 331 | 473 |
| Clerks and assistants | 53 | 34 | 87 |
| Other personnel | 6 | 206 | 212 |
| TOTAL | 203 | 577 | 780 |

The figures related to 31 December 2019 and 2018 include 13 and 14 persons, respectively, corresponding to the personnel of the UTE RSU (integrated at the percentage of share of ENUSA in it).

In compliance with its legal obligations, the controlling Company, in addition to having 8 workers with disabilities on the staff, has made donations as an alternative measure, in the amount of 58 thousand euros (same amount in 2018).

The fees of Grant Thornton, S.L.P., Sociedad Unipersonal for auditing the 2019 annual accounts and for other services for the various Group member companies amount to 48 thousand euros (the same amount in 2018).

The amounts above indicated correspond to the expenses accrued in 2019 and 2018, regardless of when they were billed.



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27. SEGMENTATION INFORMATION

The Group divides its activities into the following business segments:

- > **Nuclear Business.** Traditional core business conducted through the controlling Company and its two affiliates, ENUSA-ENSA, A.I.E and Spanish Nuclear Group for Cooperation, A.I.E.
- > **Environmental activities.** Business conducted entirely by the affiliate Empresa para la Gestión de Residuos Industriales, S.A, S.M.E., M.P. as well as certain services related to these activities carried out by the controlling Company through its Technical Environmental Office, the Saelices-Ciudad Rodrigo Environmental Centre and the UTE RSU.
- > **Transport of radioactive products.** Business conducted entirely by the affiliate Express Truck, S.A.U., S.M.E.
- > **Financial investments.** Controlling Company investments in non-consolidated companies.

As each business segment coincides in practice with independent companies, the assignment and allocation criteria used to determine the information of each segment are based on the individual Financial Statements of each company. In the particular case of ENUSA, in which there are activities applicable to various segments, the income and expenses corresponding to each one of them are identified separately.

The criterion used to fix the inter-segment transfer prices is the market price criterion.

Following is the information on turnover by geographical areas in 2019 and 2018:

| | Thousands of Euros | | | |
|---------------------|--------------------|----------------|-------------------|----------------|
| FINANCIAL YEAR 2019 | Spain | European Union | Rest of the World | Total Segments |
| Net turnover | 290,101 | 33,661 | 3,210 | 326,972 |
| External customers | 287,013 | 33,661 | 3,210 | 323,884 |
| Inter-segment | 3,088 | - | - | 3,088 |

| | Thousands of Euros | | | |
|---------------------|--------------------|----------------|-------------------|----------------|
| FINANCIAL YEAR 2018 | Spain | European Union | Rest of the World | Total Segments |
| Net turnover | 207,650 | 45,075 | 1,315 | 254,040 |
| External customers | 204,739 | 45,075 | 1,315 | 251,129 |
| Inter-segment | 2,911 | - | - | 2,911 |



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The breakdown of the turnover by segment in 2019 and 2018 is as follows:

Thousands of Euros

| FINANCIAL YEAR 2019 | Front end of the nuclear fuel cycle | Environmental activities | Transports of radioactive products | Controlling Co. structure & financial surpluses | Total Segments |
|---------------------|-------------------------------------|--------------------------|------------------------------------|---|----------------|
| Net turnover | 296,977 | 16,006 | 13,989 | - | 326,972 |
| External customers | 296,977 | 15,583 | 11,324 | - | 323,884 |
| Inter-segment | - | 423 | 2,665 | - | 3,088 |

Thousands of Euros

| FINANCIAL YEAR 2018 | Front end of the nuclear fuel cycle | Environmental activities | Transports of radioactive products | Controlling Co. structure & financial surpluses | Total Segments |
|---------------------|-------------------------------------|--------------------------|------------------------------------|---|----------------|
| Net turnover | 227,130 | 15,099 | 11,811 | - | 254,040 |
| External customers | 227,130 | 14,639 | 9,360 | - | 251,129 |
| Inter-segment | - | 460 | 2,451 | - | 2,911 |

The most significant items of the Consolidated Income Statement of financial years 2019 and 2018, broken down by business segments, are as follows:

Thousands of Euros

| FINANCIAL YEAR 2019 | Front end of nuclear fuel cycle | Environmental activities | Transport of radioactive products | Controlling Co. structure & financial surpluses | Total Segments | Intra-group transaction adjustments | Total Consolidated |
|--|---------------------------------|--------------------------|-----------------------------------|---|------------------|-------------------------------------|--------------------|
| Net turnover | 296,977 | 16,006 | 13,989 | - | 326,972 | (3,088) | 323,884 |
| Procurements | (250,523) | (3,608) | (8,824) | (6) | (262,961) | 270 | (262,691) |
| Personnel expenses | (24,888) | (4,597) | (1,745) | (8,601) | (39,831) | - | (39,831) |
| Fixed asset depreciation/amortisation | (3,851) | (2,708) | (275) | (711) | (7,545) | - | (7,545) |
| Losses, impairment and changes in provisions | (1,681) | 357 | - | 260 | (1,064) | - | (1,064) |
| OPERATING RESULT | 5,296 | 606 | 1,990 | (531) | 7,361 | (24) | 7,337 |
| Financial income | 2,437 | 7 | 3 | (1,940) | 507 | - | 507 |
| Financial costs | (1,340) | (2,105) | (1) | (77) | (3,523) | - | (3,523) |
| PRE-TAX PROFIT/LOSS | 5,974 | (470) | 1,992 | (2,548) | 4,948 | (24) | 4,924 |

Thousands of Euros

| FINANCIAL YEAR 2019 | Front end of nuclear fuel cycle | Environmental activities | Transport of radioactive products | Structure | Total Consolidated |
|-----------------------|---------------------------------|--------------------------|-----------------------------------|-----------|--------------------|
| Segment's assets | 354,073 | 73,248 | 7,778 | 10,478 | 445,577 |
| Segment's liabilities | 253,614 | 72,516 | 1,311 | - | 327,441 |
| Segment's equity | 9,288 | 1,965 | 1,992 | 104,891 | 118,136 |



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| FINANCIAL YEAR 2018 | Front end of nuclear fuel cycle | Environmental activities | Transport of radioactive products | Controlling Co. structure & financial surpluses | Total Segments | Intra-group transaction adjustments | Total Consolidated |
|--|---------------------------------|--------------------------|-----------------------------------|---|------------------|-------------------------------------|--------------------|
| Net turnover | 227,130 | 15,099 | 11,811 | - | 254,040 | (2,911) | 251,129 |
| Procurements | (161,666) | (3,065) | (7,422) | (5) | (172,158) | 313 | (171,845) |
| Personnel expenses | (24,119) | (4,071) | (1,757) | (7,903) | (37,850) | - | (37,850) |
| Fixed asset depreciation/amortisation | (3,947) | (2,617) | (244) | (704) | (7,512) | - | (7,512) |
| Losses, impairment and changes in provisions | 219 | 28 | - | 126 | 373 | - | 373 |
| OPERATING RESULT | 9,603 | (5,180) | 1,311 | (619) | 5,115 | - | 5,115 |
| Financial income | 651 | 8 | 3 | 1,245 | 1,907 | - | 1,907 |
| Financial costs | (2,176) | (2,195) | (1) | (2) | (4,374) | - | (4,374) |
| PRE-TAX PROFIT/LOSS | 8,279 | (6,320) | 1,312 | 624 | 3,895 | - | 3,895 |

Thousands of Euros

| FINANCIAL YEAR 2018 | Front end of nuclear fuel cycle | Environmental activities | Transport of radioactive products | Structure | Total Consolidated |
|-----------------------|---------------------------------|--------------------------|-----------------------------------|-----------|--------------------|
| Segment's assets | 378,145 | 72,879 | 8,670 | 10,432 | 470,126 |
| Segment's liabilities | 278,123 | 75,137 | 1,710 | - | 354,970 |
| Segment's equity | 8,823 | (4,016) | 1,312 | 109,037 | 115,156 |

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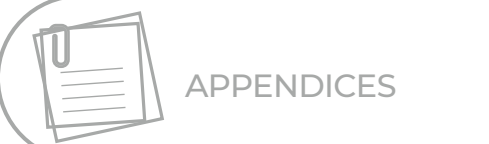
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Addition Information on the Group Member Companies at 31 December 2019 (thousands of Euros)

| | Direct | Indirect | Stated Capital | Reserves | Partner Contributions | Subsidiaries | Value Change Adjustments | P&L | Auditor |
|--|--------|-----------|----------------|----------|-----------------------|--------------|--------------------------|-------|----------|
| SUBSIDIARY COMPANIES | | | | | | | | | |
| EXPRESS TRUCK, S.A.U., S.M.E. | 100.00 | - | 301 | 4,676 | - | - | - | 1,492 | GT |
| EMGRISA, S.A., S.M.E., M.P. | 99.62 | - | 7,813 | 3,723 | - | 4,836 | (32) | 67 | GT |
| MULTI-GROUP COMPANIES | | | | | | | | | |
| ENUSA-ENSA, A.I.E. | 50.00 | - | 421 | 208 | - | - | 6 | 17 | GT |
| ASSOCIATED COMPANIES | | | | | | | | | |
| GNF ENUSA NUCLEAR FUEL, S.A. | 49.00 | - | 108 | 22 | - | - | - | 120 | KPMG |
| SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E. | 25.00 | - | 24 | 35 | 32 | - | - | (36) | - |
| CETRANSA | - | 29.89 (1) | 1,202 | 3,692 | - | - | - | 386 | Deloitte |
| REMESA | - | 49.81 (1) | 12,549 | 1,802 | - | 614 | - | 656 | KPMG |

(1) Companies invested indirectly through EMGRISA. Cetransa incorporate results from Gestión y Protección Ambiental, S.A. which it owns at 100%. The data from Cetransa as well as those from Remesa are provisional.

This Appendix is an integral part of Notes 1.2 and 2 of the 2019 Consolidated Annual Report and should be read with it.

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Additional information on the Group Member Companies at 31 December 2018 (thousands of Euros)

| | Direct | Indirect | Stated Capital | Reserves | Partner Contributions | Subsidies | Value Change Adjustments | P&L | Auditor |
|--|--------|-----------|----------------|----------|-----------------------|-----------|--------------------------|-----|----------|
| SUBSIDIARY COMPANIES | | | | | | | | | |
| EXPRESS TRUCK, S.A.U., S.M.E. | 100.00 | - | 301 | 5,676 | - | - | - | 984 | GT |
| EMGRISA, S.A., S.M.E., M.P. | 99.62 | - | 7,813 | 3,574 | - | 4,837 | (17) | 149 | GT |
| MULTI-GROUP COMPANIES | | | | | | | | | |
| ENUSA-ENSA, A.I.E. | 50.00 | - | 421 | 12 | - | - | 112 | 393 | - |
| ASSOCIATED COMPANIES | | | | | | | | | |
| GNF ENUSA NUCLEAR FUEL, S.A. | 49.00 | - | 108 | 22 | - | - | - | 136 | KPMG |
| SPANISH NUCLEAR GROUP FOR COOPERATION A.I.E. | 25.00 | - | 24 | 20 | 32 | - | - | 15 | - |
| CETRANSA | - | 29.89 (1) | 1,202 | 3,692 | - | - | - | 433 | Deloitte |
| REMESA | - | 49.81 (1) | 12,549 | 1,805 | - | 614 | - | 479 | KPMG |

(1) Companies invested indirectly through EMGRISA. Cetransa incorporate results from Gestión y Protección Ambiental, S.A. which it owns at 100%. The data from Cetransa as well as those from Remesa are provisional.

This Appendix is an integral part of Notes 1.2 and 2 of the 2018 Consolidated Annual Report and should be read with it.



AUDIT REPORT FOR THE CONSOLIDATED ANNUAL ACCOUNTS



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INFORME DE AUDITORÍA DE CUENTAS ANUALES CONSOLIDADAS EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E.

Opinión

Hemos auditado las cuentas anuales consolidadas de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. (Sociedad dominante) y sus sociedades dependientes (el Grupo), que comprenden el balance a 31 de diciembre de 2019, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria, todos ellos consolidados, correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales consolidadas adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2019, así como de sus resultados y flujos de efectivo, todos ellos consolidados, correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 3 de la memoria consolidada adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas de nuestro informe.

Somos independientes del Grupo de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales consolidadas del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales consolidadas en su conjunto, y en la formación de nuestra opinión sobre estas, y no expresamos una opinión por separado sobre estos riesgos.

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AUDIT REPORT FOR THE CONSOLIDATED ANNUAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of ENUSA Industrias Avanzadas, S.A., S.M.E.

Opinion

We have audited the consolidated annual statements of ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. (Controlling company) and its subsidiary companies (the Group), comprised by the balance sheet at 31 December 2018, the income statement, the statement of changes in equity, the cash flow statement and the annual report, all consolidated, for the year ending on that date.

In our opinion, the attached annual statements show, in all meaningful aspects, the true and accurate image of the assets and financial situation of the Company on 31 December 2019, as well as its results and cash flows, all consolidated, corresponding to the year ending on this date, in accordance with the applicable legal framework for financial reporting (identified in Note 3 of the attached consolidated annual report) and in particular, with the accounting principles and criteria it contains.

Grounds for the opinion

We have carried out our audit in accordance with the applicable Spanish regulatory law for the activity of account auditing. Our responsibilities in terms of these regulations are explained below in the section on Auditor Responsibilities with regard to the auditing of the consolidated annual statements in our report.

We are independent of the Group, as required on ethical grounds, including those of independence, which apply to our audit of the annual accounts in Spain as requested by the regulatory law that applies to the activity of account auditing. In this sense, we have not provided any other service other than that of account auditing nor have any situations or circumstances arisen that, in accordance with the stipulations of this regulatory law, have affected the necessary independence so that it has been compromised.

We consider that the evidence for the audit that we obtained provides a sufficient and suitable base for our opinion.

Most important aspects of the audit

The most important aspects of the audit are those which, in our professional opinion, are considered those with the most significant risks of material misstatements in our audit of the consolidated annual statements of the current period. These risks have been dealt with in the context of our audit of the consolidated annual statements as a whole, and in the formation of our opinion on these, so we shall not give our opinion on these risks separately.

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Evaluación de las existencias y valoración de las provisiones:

Tal y como se indica en la nota 17 de la memoria consolidada adjunta, el Grupo tiene registradas provisiones por actuaciones medioambientales y otras provisiones en el largo y corto plazo por importe de 61.375 miles de euros al 31 de diciembre de 2019.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en la nota 5.10 de la memoria consolidada adjunta, las provisiones se reconocen cuando el Grupo tiene una obligación presente, ya sea legal, contractual, implícita o tácita, como resultado de un suceso pasado, es probable que exista una salida de recursos que incorpore beneficios económicos futuros para cancelar tal obligación y se puede realizar una estimación fiable del importe de la obligación. El efecto financiero de las provisiones se reconoce como gastos financieros en la cuenta de pérdidas y ganancias consolidada.

Hemos considerado este área como aspecto relevante de la auditoría en relación a que el registro de las provisiones implica un alto grado de juicio y de estimación de la Dirección.

Como parte de nuestra auditoría y en respuesta al riesgo comentado, hemos realizado los siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento aplicado por el Grupo en relación a la determinación de sus obligaciones e hipótesis aplicadas por el Grupo para la estimación de la existencia y valoración de las diferentes provisiones así como para la aplicación del adecuado tratamiento contable.
- Hemos mantenido diferentes reuniones con la Dirección del Grupo al objeto de entender la naturaleza e hipótesis utilizadas en las diferentes provisiones, corroborando la información que se incorpora en los diferentes informes técnicos y acuerdos que sustentan las principales hipótesis empleadas.
- Hemos realizado procedimientos analíticos y de detalle consistentes en el entendimiento de la evolución de las diferentes provisiones, atendiendo a su naturaleza y obteniendo suficiente documentación soporte de los principales movimientos que se han producido durante el ejercicio 2019.
- Hemos realizado una revisión de la metodología utilizada en la actualización financiera realizada en las diferentes provisiones.
- Obtención de las confirmaciones de los asesores legales y fiscales, tanto internos como externos del Grupo, donde se detallan los litigios y reclamaciones que se encuentran abiertas a 31 de diciembre de 2019 y que se han cerrado durante dicho ejercicio.
- Hemos comprobado que la información revelada en las cuentas anuales consolidadas es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Valoración a través de instrumentos financieros derivados:

Tal y como se indica en las notas 5.13 y 12 de la memoria consolidada adjunta, el Grupo utiliza instrumentos financieros derivados como parte de su estrategia para disminuir su exposición al riesgo de tipo de interés y tipo de cambio, utilizando la contabilidad de coberturas, siendo el importe registrado en el activo de 4.155 miles de euros y en el pasivo de 3.674 miles de euros.

De acuerdo con el marco normativo de información financiera que resulta de aplicación y tal como se indica en la nota 5.10 de la memoria consolidada adjunta, la contabilización de las operaciones de cobertura solo resulta de aplicación cuando se espera que la cobertura sea altamente eficaz al inicio de la cobertura y en los ejercicios siguientes para compensar los cambios en el valor razonable o en los flujos de efectivo atribuibles al riesgo cubierto, durante el período para el que se ha designado la misma (análisis prospectivo) y la eficacia real se encuentra en un rango de 80-125% (análisis retrospectivo) y puede ser determinada con fiabilidad.

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Assessment of the existence and valuation of provisions:

As indicated in Note 17 of the attached consolidated annual report, the Group has registered provisions for environmental activities and other short and long-term provisions amounting to 61,375 thousand euros on 31 December 2019.

In accordance with the applicable legal framework for financial reporting and as indicated in Note 5.16 of the attached consolidated annual report, provisions are recognised when the Group has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event, it is likely that an outflow of resources that incorporate future financial profits will be used to cancel such obligation, and a reliable estimate of the amount of the obligation can be made. The financial effect of the provisions is recorded as financial costs in the consolidated profit and loss account.

We have considered this area as an important aspect of the audit inasmuch as the registration of provisions implies a high degree of judgement and estimation by the Management.

As part of our audit and in response to the risk mentioned, we carried out the following procedures:

- We made a study of the procedure applied by the Group in its determination of the criteria and hypothesis applied by the Group when estimating the existence and valuation of the different provisions and the application of the appropriate accounting treatment.
- We have held several meetings with the Group's Management in order to understand the nature of the hypotheses used for the different provisions, confirming the information incorporated in the different technical and financial reports that uphold the main hypotheses applied.
- We have carried out detailed analytical procedures consisting of understanding the changes in the different provisions in view of their type and obtaining a number of supporting documents for the main movements that occurred in the financial year 2019.
- We have reviewed the methods used in the financial restatements made for the various provisions.
- We obtained the confirmation from the Group's internal and external legal and tax advisors, listing the legal actions and claims open on 31 December 2019 and those closed during the year in question.
- We have checked that the information disclosed in the consolidated annual accounts is sufficient and suitable in accordance with the applicable regulatory framework for financial information.

Evaluation and registration of financial derivatives:

As shown in Notes 5.10 and 12 of the attached consolidated annual report, the Group uses financial derivatives as part of its strategy to reduce its exposure to interest rate and exchange rate risks, using hedge accounting, with the amount registered among assets as 4,155 thousand euros and liabilities of 3,674 thousand euros.

In accordance with the standard applicable framework for financial information, as indicated in Note 5.10 of the attached consolidated annual report, the accounting of the hedging operations only applies when this hedging is expected to be highly efficient at the start of the hedge and in the following years to succeed in offsetting the changes in the fair value or in the cash flows attributable to the hedged risk, during the period for which it has been designated (prospective analysis), and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

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We have considered this area as an important aspect of the audit because the estimation of the fair value and the categorisation of the derivative require a high degree of judgement on the part of the Management and may have a significant impact on the attached consolidated balance sheet and consolidated income statement.

As part of our audit and in response to the mentioned risk, we carried out the following procedures:

- We made a study of the procedure established by the Group to ensure the proper valuation and accounting treatment of the derivative instruments.
- We obtained the confirmation from the banks of the valuation of the derivatives related to the interest rate.
- We have carried out, on a representative sample, contrasting procedures of the fair value and have verified the correct accounting treatment on the basis of the proper classification of the derivative instrument. For this procedure we have had the help of our experts in financial instruments.
- We have checked that the information disclosed in the consolidated annual statements is sufficient and suitable in accordance with the applicable regulatory framework for financial reporting.

Other information: Consolidated management report

The other information exclusively contains the management report for 2019, whose preparation is the responsibility of the directors of the controlling Company and which does not form part of the consolidated annual statements.

Our audit opinion of the consolidated annual accounts does not cover the management report. Our responsibility for the information included in the management report is defined in the regulatory standards for account auditing, which establishes two distinct levels for this:

- A specific level which applies to the statement of consolidated non-financial information, consisting of only checking that the information in question has been provided in the management report, or where relevant, the reference corresponding to the separate report on non-financial information has been included in the way described in the regulations and, if not, to report on this.
- A general level that applies to the rest of the information included in the consolidated management report, consisting of evaluating and reporting the concordance between this information and the consolidated annual statements, based on the knowledge of the Group obtained from carrying out the audit of these cited consolidated statements and without including information other than that obtained as evidence during this process, and to evaluate and report whether the content and presentation of this part of the consolidated management report is in accordance with the applicable law. If we conclude from the work carried out that there are material misstatement, we are obliged to report them.

Using the work carried out as described previously, we have checked that the consolidated management report includes a reference related to the fact that the information mentioned in section a) above is submitted in the separate report "Statement of Consolidated Non-Financial Information 2019" which includes reference to the consolidated management report and that the rest of the information contained in the consolidated management report agrees with that of the consolidated annual statements of financial year 2019 and its content and presentation are according to the applicable regulations.

Responsibility of the directors in relation to the consolidated annual accounts

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Hemos considerado este área como un aspecto relevante de nuestra auditoría, en relación a que la estimación del valor razonable así como la categorización del instrumento derivado requieren de un nivel elevado de juicio por parte de la Dirección y puede tener un impacto significativo en el balance consolidado y cuenta de pérdidas y ganancias consolidadas adjuntas.

Como parte de nuestra auditoría y en respuesta al riesgo comentado, hemos realizado los siguientes procedimientos:

- Hemos llevado a cabo un entendimiento del procedimiento establecido por el Grupo para asegurar la adecuada valoración y tratamiento contable de los instrumentos derivados.
- Hemos obtenido la confirmación de la valoración de los derivados relativos al tipo de interés de las entidades bancarias.
- Hemos realizado, para una muestra representativa, procedimientos de contraste del valor razonable y verificado el correcto tratamiento contable sobre la base de la adecuada clasificación del instrumento derivado. Para este procedimiento hemos contado con el apoyo de nuestros expertos en instrumentos financieros.
- Hemos comprobado que la información revelada en las cuentas anuales consolidadas es suficiente y adecuada de acuerdo con el marco normativo de información financiera aplicable.

Otra información: Informe de gestión consolidado

La otra información comprende exclusivamente el informe de gestión consolidado del ejercicio 2019, cuya formulación es responsabilidad de los administradores de la Sociedad dominante y no forma parte integrante de las cuentas anuales consolidadas.

Nuestra opinión de auditoría sobre las cuentas anuales consolidadas no cubre el informe de gestión consolidado. Nuestra responsabilidad sobre la información contenida en el informe de gestión consolidado se encuentra definida en la normativa reguladora de la actividad de auditoría de cuentas, que establece dos niveles diferenciados sobre la misma:

- Un nivel específico que resulta de aplicación al resto de la información no financiera consolidada, que consiste en comprobar únicamente que la citada información se ha facilitado en el informe de gestión consolidado, o en su caso, que se ha incorporado en éste la referencia correspondiente al informe separado sobre la información no financiera en la forma prevista en la normativa, y en caso contrario, a informar sobre ello.
- Un nivel general aplicable al resto de la información incluida en el informe de gestión consolidado, que consiste en evaluar e informar sobre la concordancia de la citada información con las cuentas anuales consolidadas, a partir del conocimiento del Grupo obtenido en la realización de la auditoría de las citadas cuentas consolidadas y sin incluir información distinta de la obtenida como evidencia durante la misma, así como evaluar e informar de su contenido y presentación de esta parte del informe de gestión consolidado sin conformarse a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito anteriormente, hemos comprobado que el informe de gestión consolidado incluye una referencia relativa a que la información mencionada en el apartado a) anterior se presenta en el informe separado "Estado de Información no Financiera Consolidado 2019" el cual se incluye referencias al informe de gestión consolidado y que el resto de la información que contiene el informe de gestión consolidado concuerda con la de las cuentas anuales consolidadas del ejercicio 2019 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los administradores en relación con las cuentas anuales consolidadas

Los administradores de la Sociedad dominante son responsables de formular las cuentas anuales consolidadas adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados del Grupo, de conformidad con el marco normativo de información financiera aplicable a la entidad en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales consolidadas libres de información material, de fraude o error.

En la preparación de las cuentas anuales consolidadas, los administradores de la Sociedad dominante son responsables de la valoración de la capacidad del Grupo para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento, excepto si los administradores de la Sociedad dominante tienen intención de liquidar el Grupo o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales consolidadas en su conjunto están libres de información material, de fraude o error, y emitir un informe de auditoría que contenga nuestra opinión. Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa regulatoria de la actividad de auditoría de cuentas vigente en España siempre detecte una información material cuando existe. Las incertidumbres pueden deberse a fraude o error y en condiciones realistas si, individualmente o de forma agregada, pueda prevenirse razonablemente que influyan en las decisiones administrativas que los usuarios toman basándose en las cuentas anuales consolidadas.

Como parte de una auditoría de conformidad con la normativa regulatoria de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de información material en las cuentas anuales consolidadas, de fraude o error, de fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una información material de fraude o error es más elevado que en el caso de una información material de fraude o error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manipulaciones intencionalmente engañosas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno del Grupo.
- Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por los administradores de la Sociedad dominante.
- Concluimos sobre si es adecuada la utilización, por los administradores de la Sociedad dominante, del proceso contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad del Grupo para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales consolidadas o, si dichas incertidumbres no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que el Grupo deje de ser una empresa en funcionamiento.

- Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales consolidadas, incluida la información revelada, y si las cuentas anuales consolidadas representan las transacciones y hechos subyacentes de un modo que figure expone la imagen fiel.
- Obtenemos evidencia suficiente y adecuada en relación con la información financiera de las entidades o actividades empresariales dentro del Grupo para expresar una opinión sobre las cuentas anuales consolidadas. Somos responsables de la dirección, supervisión y realización de la auditoría del Grupo. Somos los únicos responsables de nuestra opinión de auditoría.

Nos comunicamos con los administradores de ENUSA INDUSTRIAS AVANZADAS, S.A. S.M.E. en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificada y los riesgos significativos de la auditoría, así como cualquier evidencia significativa del control interno que identifiquemos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación a los administradores de la Sociedad dominante, destacamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales consolidadas del periodo actual y que, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohiban revelar públicamente la cuestión.

Grant Thornton, S.L.P., Sociedad Unipersonal
ROAC A° 50231



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The controlling Company's directors are responsible for preparing the attached consolidated annual statements, in such a way as they express the true and accurate image of the equity, the financial situation and the results of the group, in accordance with the regulatory framework of financial reporting applicable to the entity in Spain, and of the internal control that they consider necessary to allow the preparation of the consolidated annual statements free of material misstatement, due to fraud or error.

In the preparation of the consolidated annual statements, the controlling Company's directors are responsible for the valuation of the Group's capacity to continue operating as an going business, disclosing, as the case may be, any issues related with a going enterprise and using the going concern accounting principles, except when these directors of the controlling Company intend to liquidate the Group or cease operations, or there is no other realistic alternative.

Responsibilities of the auditor in relation with the audit of the annual statements

Our objective is to obtain reasonable assurance that the annual accounts as a whole are free of material misstatement due to fraud or error, and to issue an audit report that contains our opinion. Reasonable assurance is a high degree of security but does not guarantee that an audit performed in accordance with the current regulatory standards that apply to accounting auditing in Spain will always detect a material misstatement when one exists. Misstatements may occur due to fraud or error, and are considered material when, individually or collectively, they may reasonably be assumed to influence financial decisions taken by the users based on the consolidated annual statements.

As part of an audit in accordance with current regulatory standards that apply to accounting audits in Spain, we apply our professional judgement and maintain an attitude of professional scepticism for the duration of the audit. Also:

- We identify and evaluate any risk of material misstatement in the annual accounts due to fraud or error, we design and apply auditing procedures to respond to these risks and obtain sufficient and suitable auditing evidence to support our opinion. The risk of not detecting a material misstatement due to fraud is higher than a case of material misstatement due to error, because fraud may imply collusion, falsification, deliberate omission, intentionally misleading statements or the avoidance of internal controls.
- We gather information about significant internal controls for our audits in order to design auditing procedures that are suited to the circumstances, not in order to give an opinion about the effectiveness of the entity's internal controls.
- We assess whether the accounting policies applied are appropriate and that the accounting estimates and the corresponding information disclosed by the directors of the controlling Company are reasonable.
- We reach a conclusion about the appropriate use, by the directors of the controlling Company, of the going concern accounting principle and, based on the evidence obtained from the audit, we decide whether there is material uncertainty in relation to the facts or conditions that may generate significant doubts about the Group's capacity to continue as a going concern. If we decide that there is material uncertainty, we must call attention in our audit report to the information revealed in the annual statements, or if this information is not sufficient, we must give a modified opinion. Our conclusions are based on the evidence of the audit obtained up to the date of our audit report. Subsequent facts or conditions, however, may be the cause for the Company to cease to be a going concern.

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- We evaluate the global presentation, structure and content of the annual statements, including the information revealed, and whether the annual statements represent the underlying transactions and facts in such a way that they show a true and accurate image.

We contact the directors of ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E. in relation to the planned scope and timing of the audit, among other issues, as well as any significant findings or defects in internal controls detected in the course of the audit.

We determine which of the significant risks detected in the annual accounts for the current period and communicated to the directors of the controlling Company are the most important and should therefore be considered the most significant risks.

We shall describe these risks in our audit report unless the legal or regulatory provisions forbid the public disclosure of this question.

Grant Thornton, S.L.P., Sociedad Unipersonal
ROAC no. 50231

[Signature]

José Manuel López
ROAC no. 22480

24 March 2020

Seal:
AUDITORS
SPANISH INSTITUTE OF AUDITORS AND ACCOUNTING

GRANT THORNTON, S.L.P.

2020 NO. 01/20/00902
96.00 EUR

CORPORATE SEAL:
Accounting audit report subject to
Spanish or international account
auditing regulations



LETTER FROM THE CHAIRMAN & CEO



ETHICS AND GOOD GOVERNANCE



MAIN ECONOMIC QUANTITIES



ENUSA GROUP STRUCTURE



REPORT PARAMETERS



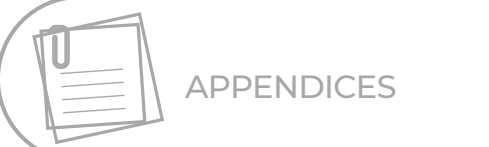
ECONOMIC PERFORMANCE Group Accounts



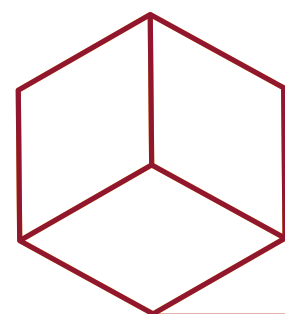
SOCIAL PERFORMANCE



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MAIN SUCCESSES, DEFICIENCIES, RISKS AND OPPORTUNITIES

SUCCESSES:

- > Extensive experience in the nuclear, environmental business and transport of radioactive materials.
- > Signing of the agreements with 5 PWR (Ascó I and II, Almaraz I and II and Vandellós II) for the supply of fuel and associated services up to 2027.

DEFICIENCIES:

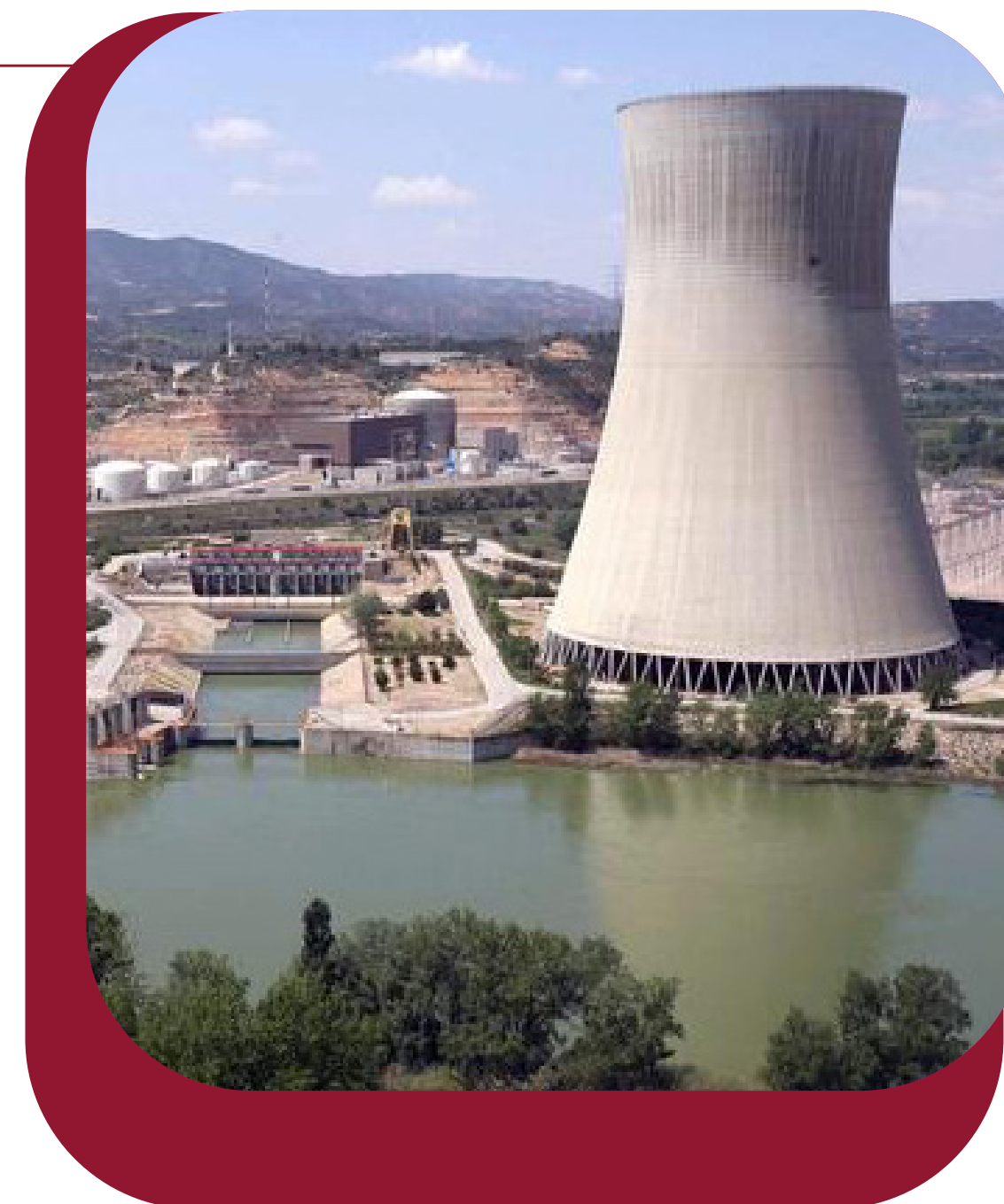
- > Small size compared to the sector.
- > Technology licensees.

RISKS:

- > Strong offer of fuel manufacturing in Europe.
- > Reduction of useful life of the nuclear power plants.

OPPORTUNITIES:

- > Alliances and positioning in the market with respect to the dismantling of the nuclear sector.
- > Internationalisation and promotion of R&D&I.



LETTER FROM THE CHAIRMAN & CEO



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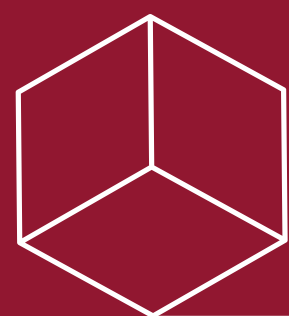
SOCIAL PERFORMANCE



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OBJECTIVES

2019

DEGREE OF FULFILMENT

Consolidation of the ENUSA-ENSA AIE or its transformation in a commercial company.

Total

Formalisation of a partnership for dismantling services.

Total

Achieving the fuel results identified in the annual budget.

Total

2020

Signing with Westinghouse the EFG agreement in order to include the volume distribution contracted in the French market in the 2021-2024 period.

Contracting of a first service related to the dismantling activities in the framework of the ENUSA ENSA Agreements.

Achieving the fuel results identified in the AOP for the year (annual budget).



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- Outstanding collaborations
- Corporate Volunteering

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- Presence in social networks
- Collaboration with other areas
- Visits
- Conferences and fairs

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11. OBJECTIVES

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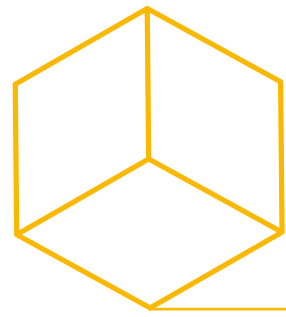
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STAFF

STAFF COMPOSITION

At the closing of the financial year 2019, the staff of ENUSA was composed of 618 active workers in the company's three work centres, distributed as follows: 207 employees in Madrid, where the head offices are located, 387 employees in the Juzbado fuel assembly factory, and 24 in Saelices El Chico. The latter two centres are located in the province of Salamanca, which means that almost 70% of the ENUSA staff works in the province of Salamanca, and from which the close relationship of the company with this area since its origin is deduced (further information in the section "Adding Value to Our Communities", page 342).

To these 618 active employees are added the 46 that are in a situation of active partial retirement (15 in Madrid, 28 in Juzbado and 3 in Saelices). Therefore, the total staff of ENUSA amounts to 664 workers. This is the reference figure for all the tables and graphs shown below.

The information referring to the UTE RSU Castellón [Castellón Municipal Solid Waste Joint Venture] is reflected only for accounting consolidation, since its personnel is contracted directly by the UTE and not by ENUSA. For the correct interpretation of the graphs that are shown below, it should be taken into account that ENUSA has an 85.69% share in the Castellón UTE-RSU (which would represent 13 workers).



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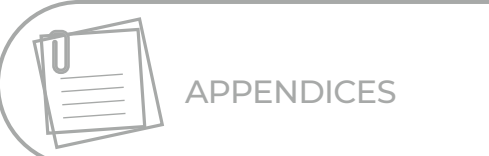
ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE



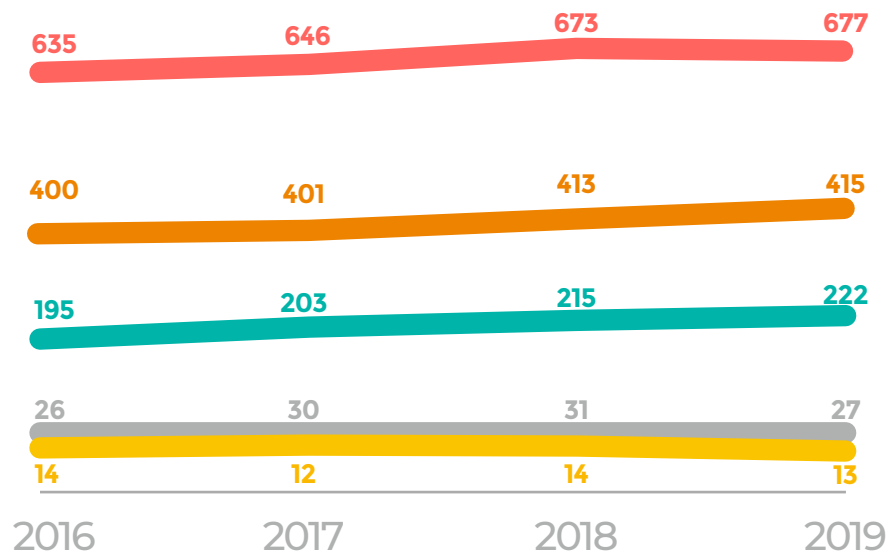
ENVIRONMENTAL PERFORMANCE



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STAFF OF ENUSA BY WORK CENTRES

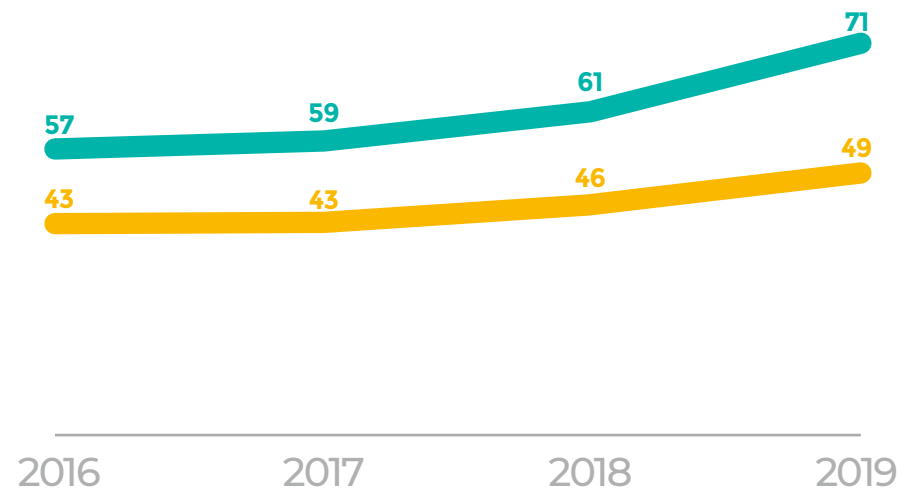
- Total
- Juzbado
- Madrid
- Saelices
- UTE RSU Castellón



The subsidiary companies, for their part, on 31 December, have a total of 120 workers (71 EMGRISA and 49 ETSA), and their changes can be observed in the following graph:

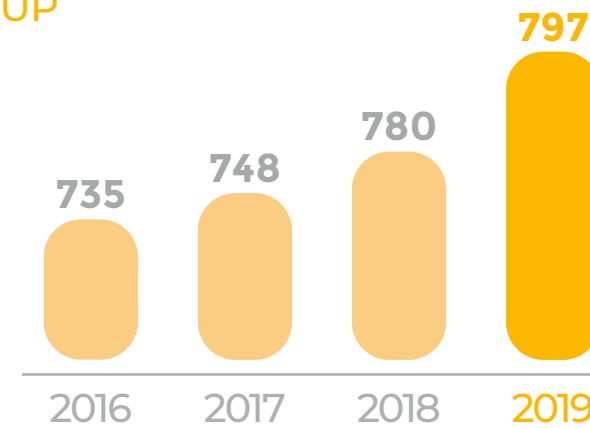
STAFF OF THE SUBSIDIARY COMPANIES OF THE ENUSA GROUP

- EMGRISA
- ETSA

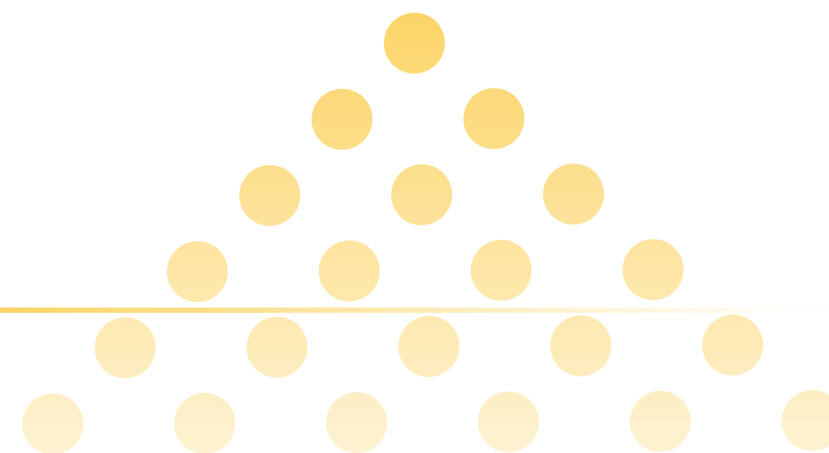


On 31 December 2019, the ENUSA Group has, therefore, 797 employees, of which 84.94% correspond to the controlling company.

EVOLUTION OF THE OVERALL STAFF OF THE ENUSA GROUP



There are also external workers in the work centres of the ENUSA Group, coming from contractors who provide maintenance, cleaning and security services (in all the ENUSA work centres), gardening (Juzbado and Saelices), laundry (Juzbado), driving and transport (Madrid), cleaning and IT services (ETSA).





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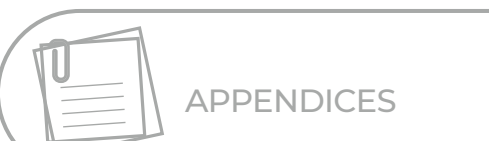
ECONOMIC PERFORMANCE



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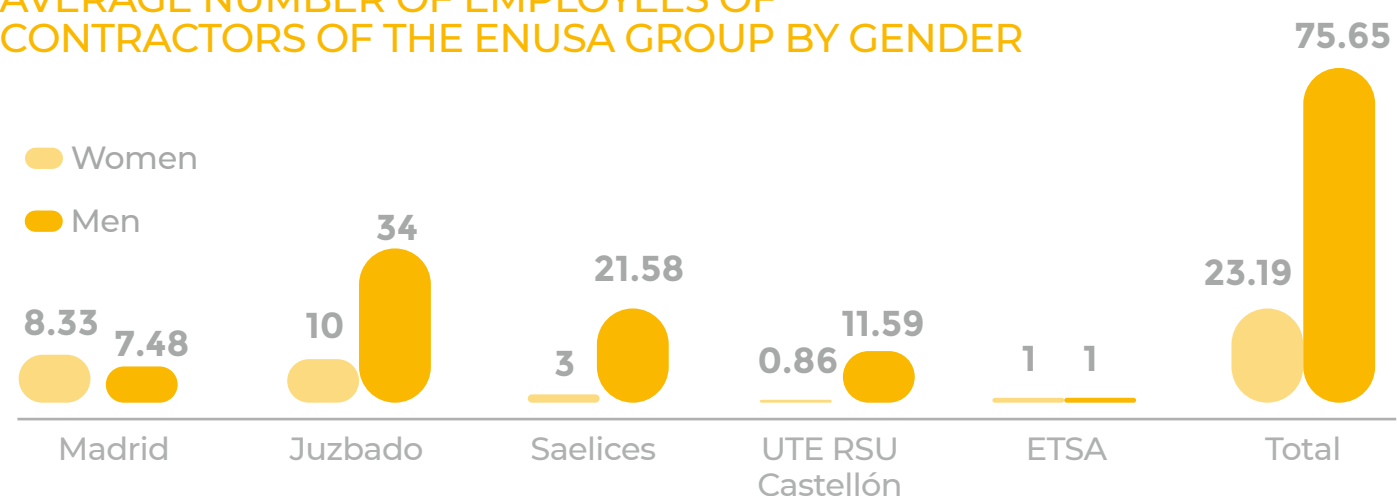
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The average staff of employees of contractors that have worked in 2019 in ENUSA's facilities amounts to:

AVERAGE NUMBER OF EMPLOYEES OF CONTRACTORS OF THE ENUSA GROUP BY GENDER

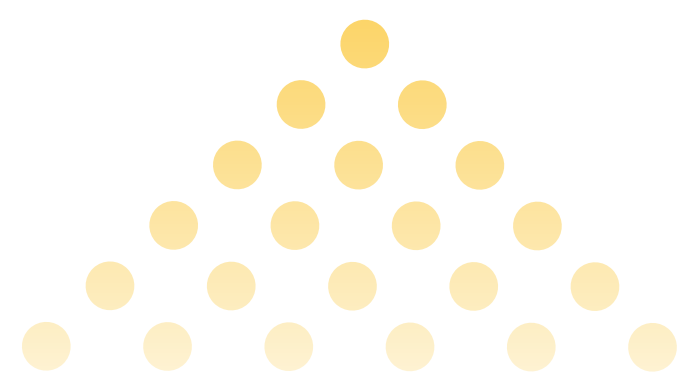


The subsidiary EMGRISA has not reported data on contractors' employees in 2019.

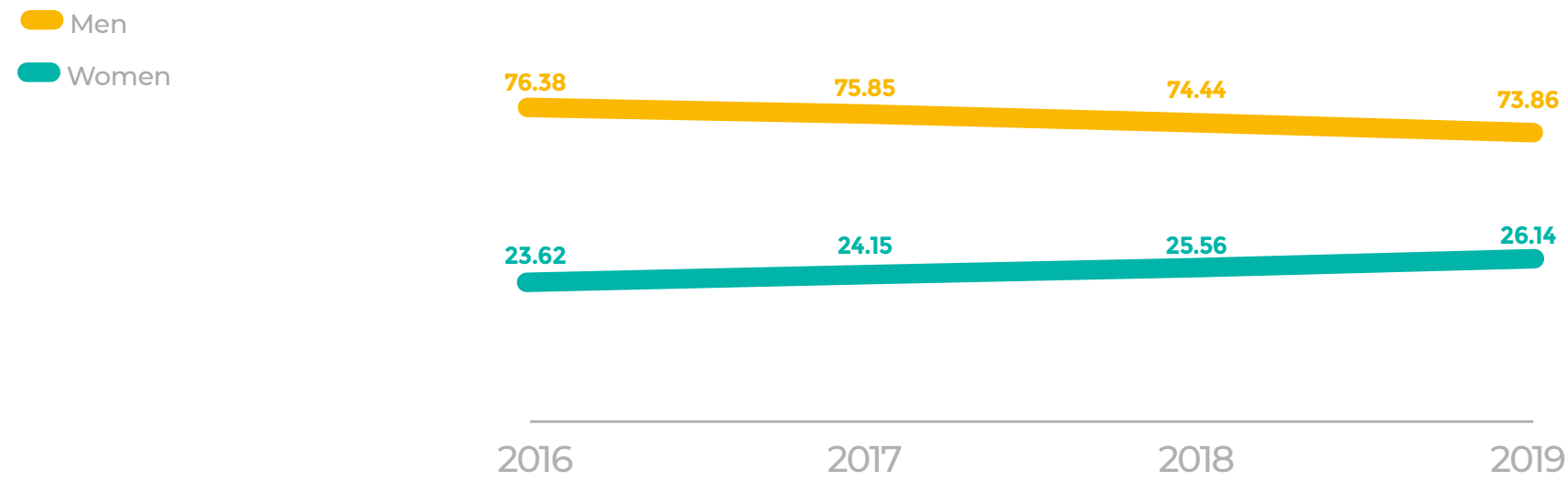
On the following pages are a series of tables and graphs showing different breakdowns of the workforce of ENUSA and its subsidiaries in relation to different aspects such as: gender, age, work centres, autonomous regions, professional categories, types of employment contract, etc. Where possible the data from the last four years are given so that changes in the workforce can be observed. All the data are presented for 31 December 2019.

ENUSA GROUP STAFF BROKEN DOWN BY GENDER

| | 2016 | | | 2017 | | | 2018 | | | 2019 | | |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | M | W | TOTAL | M | W | TOTAL | M | W | TOTAL | M | W | TOTAL |
| Madrid | 116 | 79 | 195 | 119 | 84 | 203 | 118 | 97 | 215 | 120 | 102 | 222 |
| Juzbado | 338 | 62 | 400 | 337 | 64 | 401 | 347 | 66 | 413 | 349 | 66 | 415 |
| Saelices | 21 | 5 | 26 | 26 | 4 | 30 | 27 | 4 | 31 | 23 | 4 | 27 |
| UTE RSU Castellón | 10 | 4 | 14 | 8 | 4 | 12 | 9 | 5 | 14 | 8 | 5 | 13 |
| TOTAL ENUSA | 485 | 150 | 635 | 490 | 156 | 646 | 501 | 172 | 673 | 500 | 177 | 677 |
| EMGRISA | 37 | 20 | 57 | 38 | 21 | 59 | 38 | 23 | 61 | 42 | 29 | 71 |
| ETSA | 35 | 8 | 43 | 35 | 8 | 43 | 38 | 8 | 46 | 43 | 6 | 49 |
| TOTAL SUBSIDIARIES | 72 | 28 | 100 | 73 | 29 | 102 | 76 | 31 | 107 | 85 | 35 | 120 |
| TOTAL GROUP | 557 | 178 | 735 | 563 | 185 | 748 | 577 | 203 | 780 | 585 | 212 | 797 |



PERCENTAGE OF ENUSA'S STAFF ACCORDING TO GENDER



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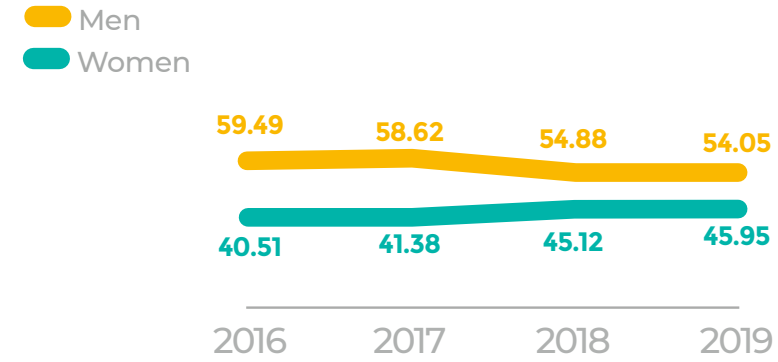
ECONOMIC PERFORMANCE

SOCIAL PERFORMANCE

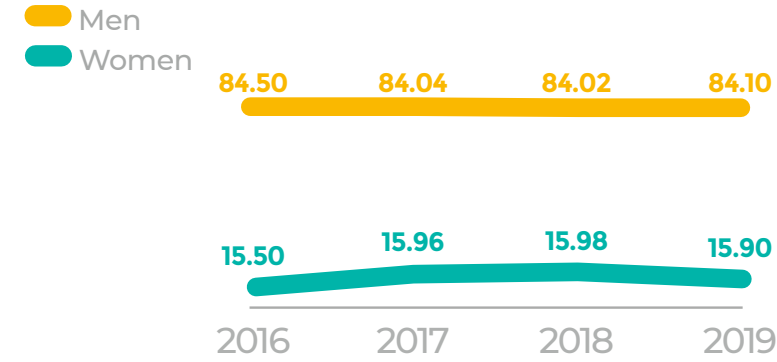
ENVIRONMENTAL PERFORMANCE

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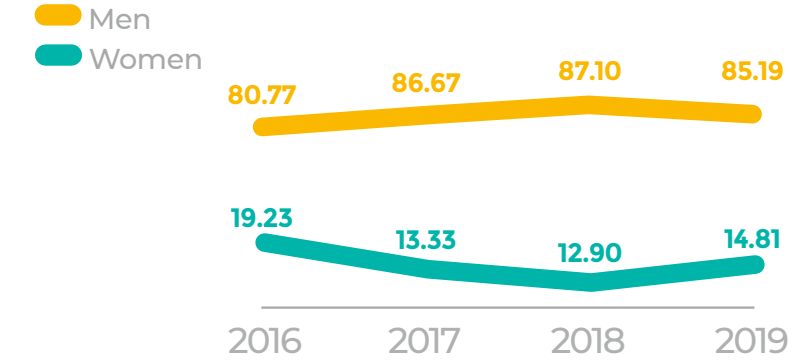
PERCENTAGE OF STAFF BY GENDER IN MADRID



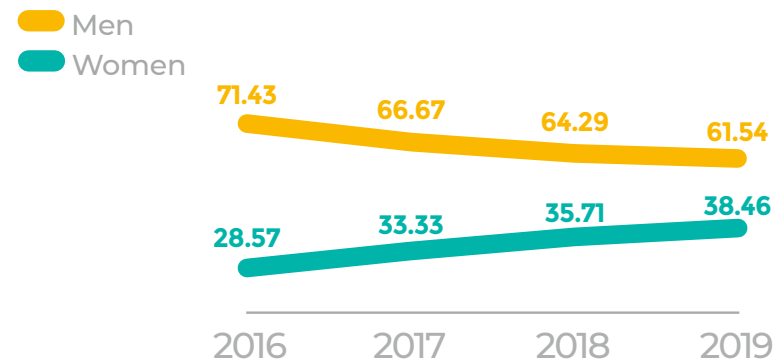
PERCENTAGE OF STAFF BY GENDER IN JUZBADO



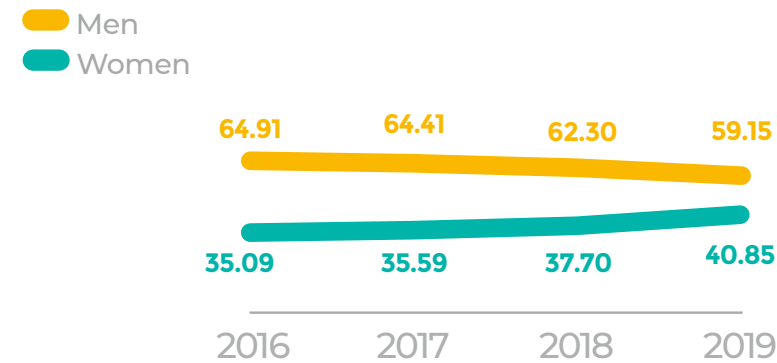
PERCENTAGE OF STAFF BY GENDER IN SAELICES



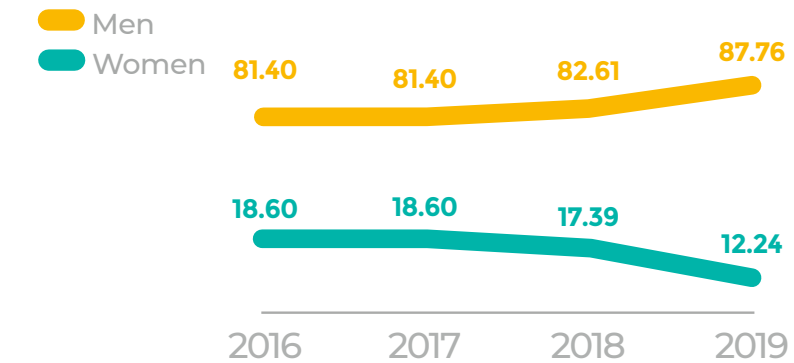
PERCENTAGE OF STAFF BY GENDER AT UTE RSU CASTELLÓN



PERCENTAGE OF STAFF BY GENDER AT EMGRISA



PERCENTAGE OF STAFF BY GENDER AT ETSA



STAFF OF ENUSA GROUP BROKEN DOWN BY GENDER, AGE RANGE AND AUTONOMOUS REGION

| | REGION OF MADRID | | | | CASTILLA Y LEÓN | | | | | | | | REGION OF VALENCIA | | TOTAL | |
|--------------|------------------|------------|-------------|-----------|-----------------|-----------|-----------|----------|-----------|----------|------------------------|-----------|--------------------|----------|------------|------------|
| | Madrid | | EMGRISA (*) | | Juzbado | | Saelices | | ETSA | | SUM OF Castilla y León | | UTE RSU Castellón | | | |
| Age | M | W | M | W | M | W | M | W | M | W | M | W | M | W | M | W |
| > 60 | 34 | 16 | 3 | 1 | 58 | 4 | 3 | 1 | 1 | - | 62 | 5 | - | - | 99 | 22 |
| 56 – 60 | 15 | 12 | 2 | - | 54 | 11 | - | 1 | 7 | - | 61 | 12 | - | - | 78 | 24 |
| 51 – 55 | 15 | 11 | 7 | 3 | 21 | 5 | 4 | - | 7 | - | 32 | 5 | 1 | - | 55 | 19 |
| 41 – 50 | 16 | 23 | 16 | 13 | 34 | 13 | 2 | 1 | 13 | 2 | 49 | 16 | 1 | 5 | 81 | 57 |
| 31 – 40 | 23 | 22 | 12 | 10 | 95 | 20 | 5 | 1 | 8 | 2 | 108 | 23 | 3 | - | 147 | 55 |
| < 31 | 17 | 18 | 2 | 2 | 87 | 13 | 9 | - | 7 | 2 | 103 | 15 | 3 | - | 125 | 35 |
| TOTAL | 120 | 102 | 42 | 29 | 349 | 66 | 23 | 4 | 43 | 6 | 415 | 76 | 8 | 5 | 585 | 212 |

(*) For the purpose of this table EMGRISA is included in the Region of Madrid, although the geographical distribution of the workforce is as follows: Region of Madrid 79%, Castilla-La Mancha 6%, Extremadura 4%, Aragon 3%, Castilla y Leon 1%, and foreign 7%.

EVOLUTION IN ENUSA GROUP STAFF BY AGE RANGE AND SEX

| Age | 2016 | | | 2017 | | | 2018 | | | 2019 | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | M | W | TOTAL | M | W | TOTAL | M | W | TOTAL | M | W | TOTAL |
| > 60 | 83 | 17 | 100 | 95 | 14 | 109 | 97 | 17 | 114 | 99 | 22 | 121 |
| 56 – 60 | 103 | 21 | 124 | 92 | 20 | 112 | 91 | 27 | 118 | 78 | 24 | 102 |
| 51 – 55 | 85 | 21 | 106 | 69 | 23 | 92 | 58 | 17 | 75 | 55 | 19 | 74 |
| 41 – 50 | 75 | 49 | 124 | 79 | 52 | 131 | 80 | 58 | 138 | 82 | 57 | 139 |
| 31 – 40 | 124 | 51 | 175 | 123 | 51 | 174 | 138 | 50 | 188 | 146 | 53 | 199 |
| < 31 | 87 | 19 | 106 | 105 | 25 | 130 | 113 | 34 | 147 | 125 | 37 | 162 |
| TOTAL | 557 | 178 | 735 | 563 | 185 | 748 | 577 | 203 | 780 | 585 | 212 | 797 |



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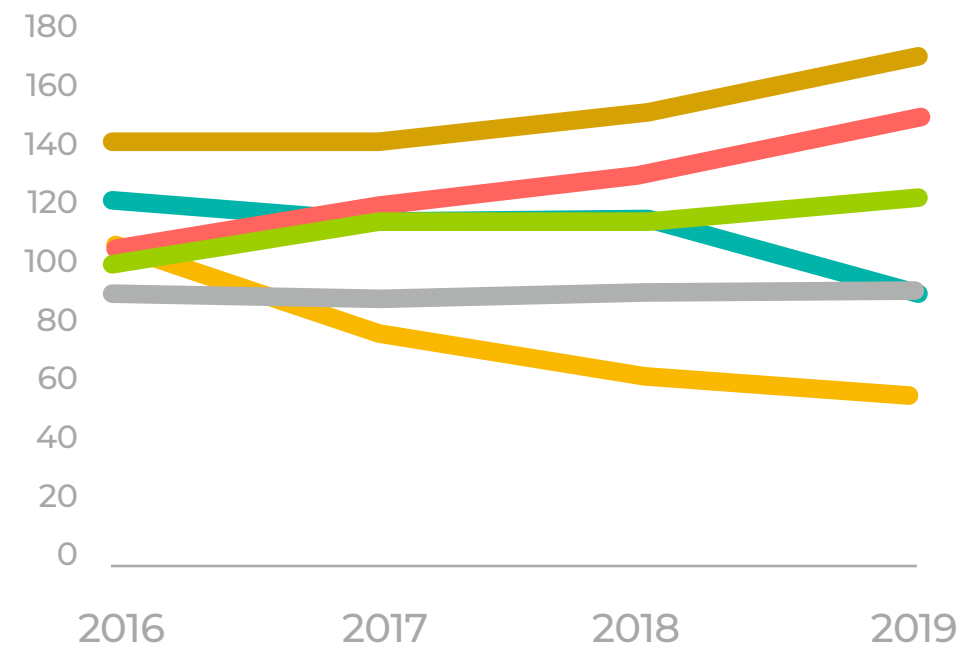
 SOCIAL PERFORMANCE

 ENVIRONMENTAL PERFORMANCE

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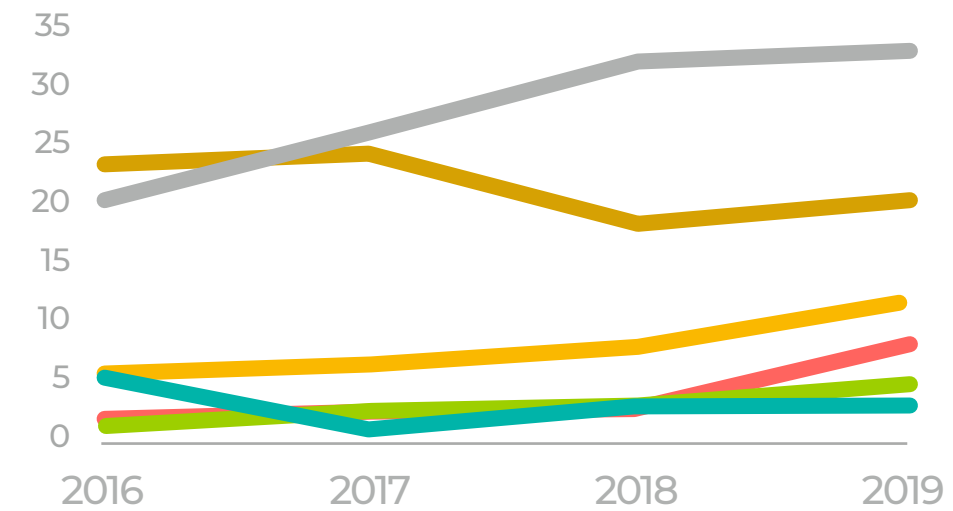
CHANGES IN ENUSA STAFF BY AGE RANGES

- <31
- 31-40
- 41-50
- 51-55
- 56-60
- >60



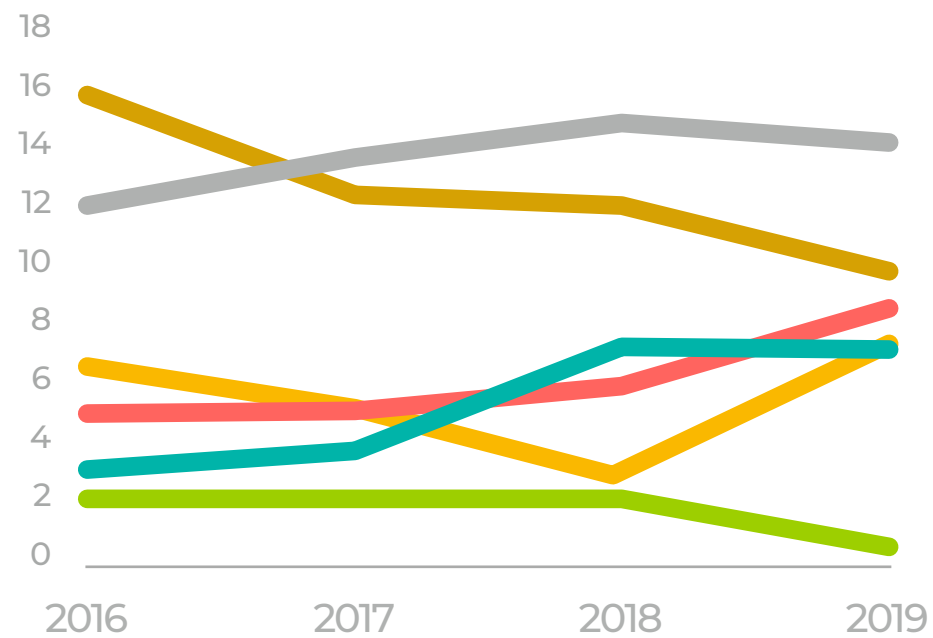
CHANGES IN EMGRISA BY AGE RANGES

- <31
- 31-40
- 41-50
- 51-55
- 56-60
- >60



CHANGES IN ETSA STAFF BY AGE RANGES

- <31
- 31-40
- 41-50
- 51-55
- 56-60
- >60



PERCENTAGE ENUSA GROUP STAFF BY PROFESSIONAL CATEGORY AND GENDER (%)

| Professional Category | ENUSA | | | | | | | | EMGRISA | | ETSA | |
|------------------------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| | Madrid | | Juzbado | | Saelices | | UTE RSU Castellón | | M | H | M | H |
| | M | H | M | H | M | H | M | H | M | H | M | H |
| Degree holders | 43.1 | 56.9 | 28 | 72 | 22.2 | 77.8 | 33.3 | 66.7 | 44.2 | 55.8 | 36.4 | 63.6 |
| Administrative personnel (*) | 59.1 | 40.9 | 53.6 | 46.4 | 50 | 50 | 100 | 0 | 66.7 | 33.3 | 20 | 80 |
| Production management | 25 | 75 | 2.6 | 97.4 | 0 | 100 | 33.3 | 66.7 | 0 | 100 | 0 | 100 |
| Laboratory and control | - | - | 14.1 | 85.9 | - | - | - | - | - | - | - | - |
| TOTAL | 46 | 54 | 15.9 | 84.1 | 14.8 | 85.2 | 38.5 | 61.5 | 40.8 | 59.2 | 12.2 | 87.8 |

(*) In the case of ETSA: administration, traffic and workshop supervisors. Unlike previous years, the professional categories in this table have been adapted to the professional classification reflected in the rest of the tables in the section "Staff".

PRESENCE OF WOMEN IN THE ENUSA GROUP (%)

| | 2016 | 2017 | 2018 | 2019 | Δ% |
|----------------------------|--------------|--------------|--------------|-------------|-------------|
| % OF WOMEN ON STAFF | 24.22 | 24.73 | 26.03 | 26.6 | 0.57 |
| Madrid | 40.5 | 41.4 | 45.1 | 46 | 0.9 |
| Juzbado | 15.5 | 16 | 16 | 15.9 | -0.1 |
| Saelices el Chico | 19.2 | 13.3 | 12.9 | 14.8 | 1.9 |
| UTE RSU Castellón | 28.6 | 33.3 | 35.7 | 38.5 | 2.8 |
| EMGRISA | 35.1 | 35.6 | 37.7 | 40.9 | 3.2 |
| ETSA | 18.6 | 18.6 | 17.4 | 12.2 | -5.2 |

% OF WOMEN IN MANAGEMENT POSTS (*)

| | | | | | |
|-------------------|------|------|------|------|------|
| Madrid | 24.1 | 21.4 | 18.6 | 17.7 | -0.9 |
| Juzbado | 16.1 | 17.2 | 16.7 | 16.7 | 0 |
| Saelices el Chico | 40 | 50 | 25 | 50 | 25 |
| UTE RSU Castellón | 25 | 25 | 20 | 20 | 0 |
| EMGRISA | 30 | 30 | 30 | 47 | 17 |
| ETSA | 50 | 50 | 50 | 50 | 0 |

% OF WOMEN IN THE EXECUTIVE COMMITTEE

| | | | | | |
|---------|------|------|------|------|---|
| ENUSA | 12.5 | 12.5 | 25 | 25 | 0 |
| EMGRISA | 33.3 | 33.3 | 33.3 | 33.3 | 0 |
| ETSA | 0 | 0 | 0 | 0 | 0 |

% OF WOMEN ON THE BOARD OF DIRECTORS

| | | | | | |
|---------|------|----|------|------|---|
| ENUSA | 41.7 | 50 | 45.4 | 45.4 | 0 |
| EMGRISA | 0 | 0 | 0 | 0 | 0 |
| ETSA | 0 | 0 | 0 | 0 | 0 |

(*) % over the total number of senior and middle management posts.

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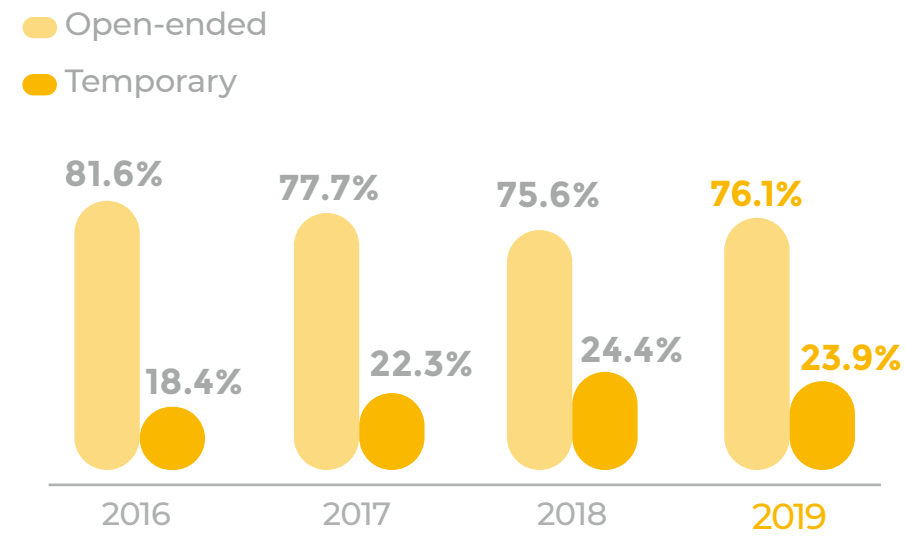
ECONOMIC PERFORMANCE

SOCIAL PERFORMANCE

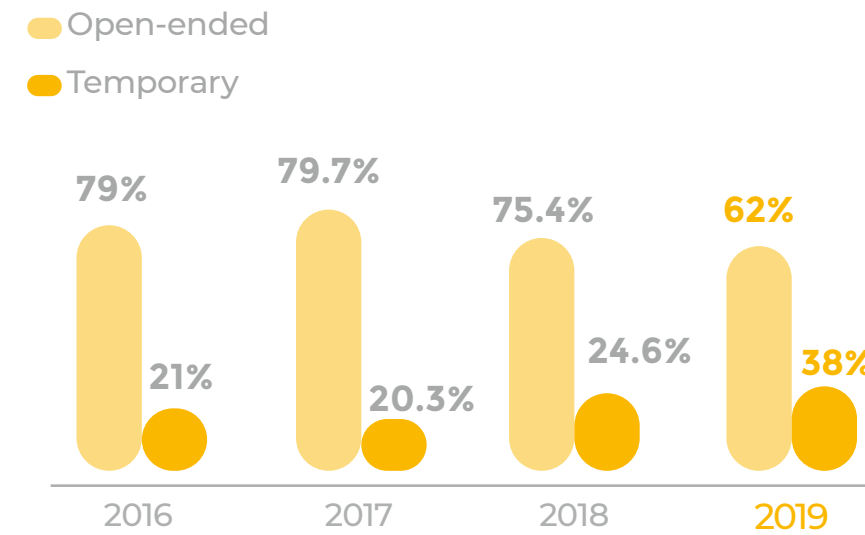
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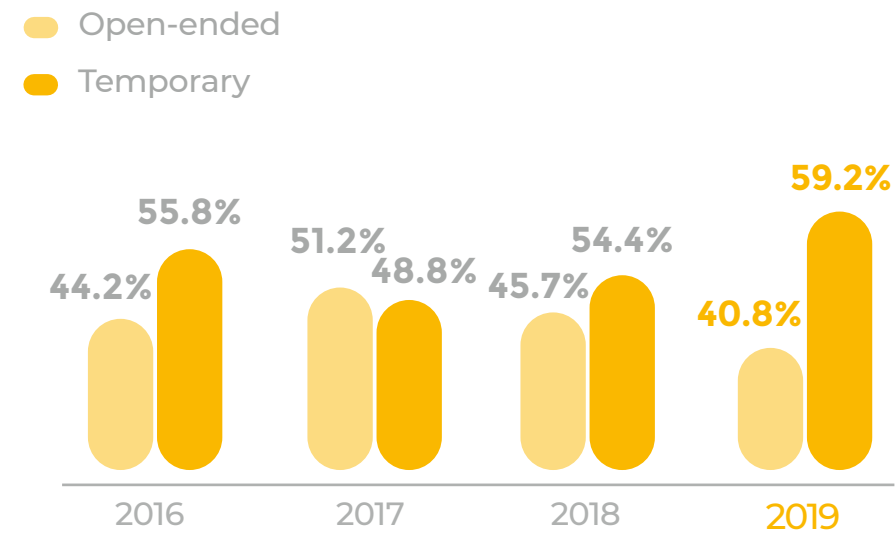
PERCENTAGE OF STAFF BY CONTRACT TYPE ENUSA



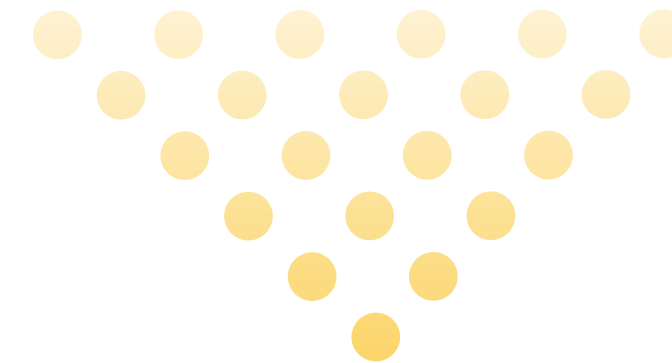
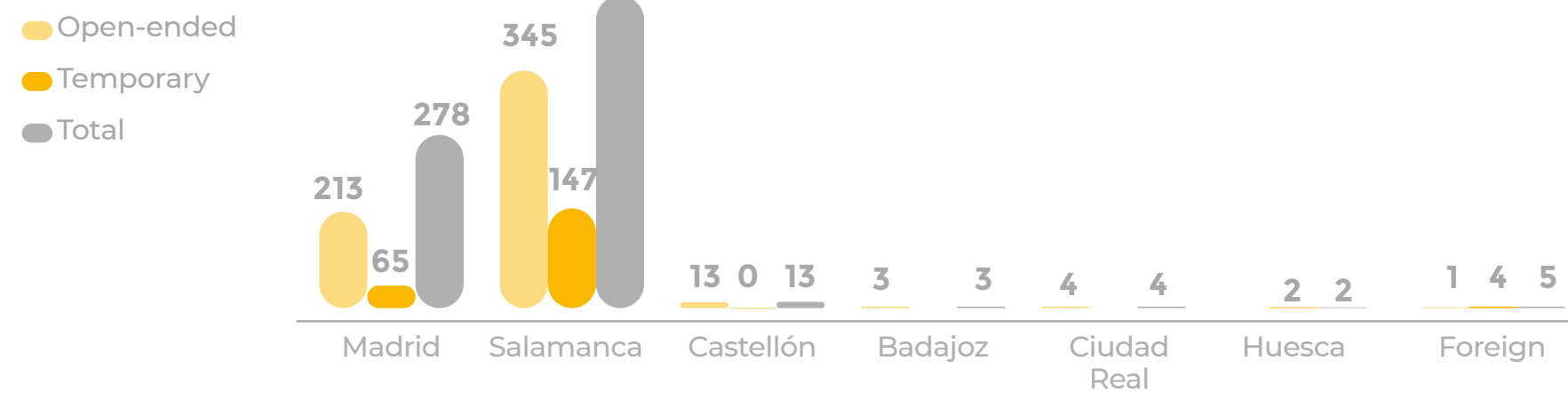
PERCENTAGE OF STAFF BY CONTRACT TYPE EMGRISA



PERCENTAGE OF STAFF BY CONTRACT TYPE ETSA



STAFF OF ENUSA GROUP BY CONTRACT TYPE AND BY REGION 2019



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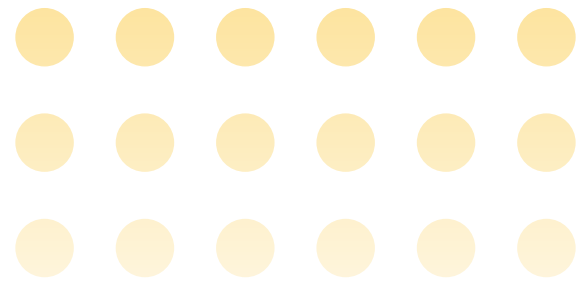
REPORT PARAMETERS

ECONOMIC PERFORMANCE

SOCIAL PERFORMANCE

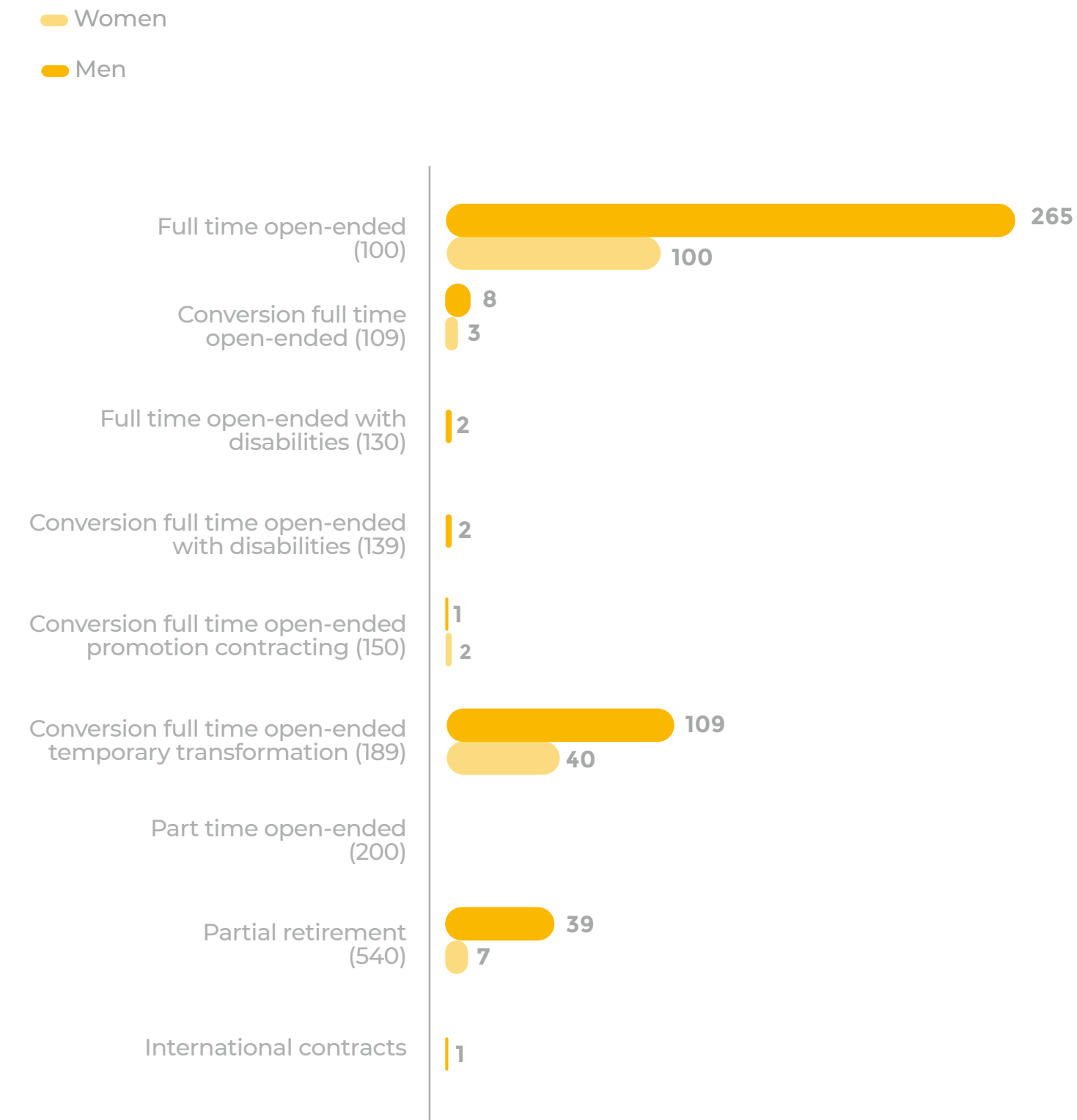
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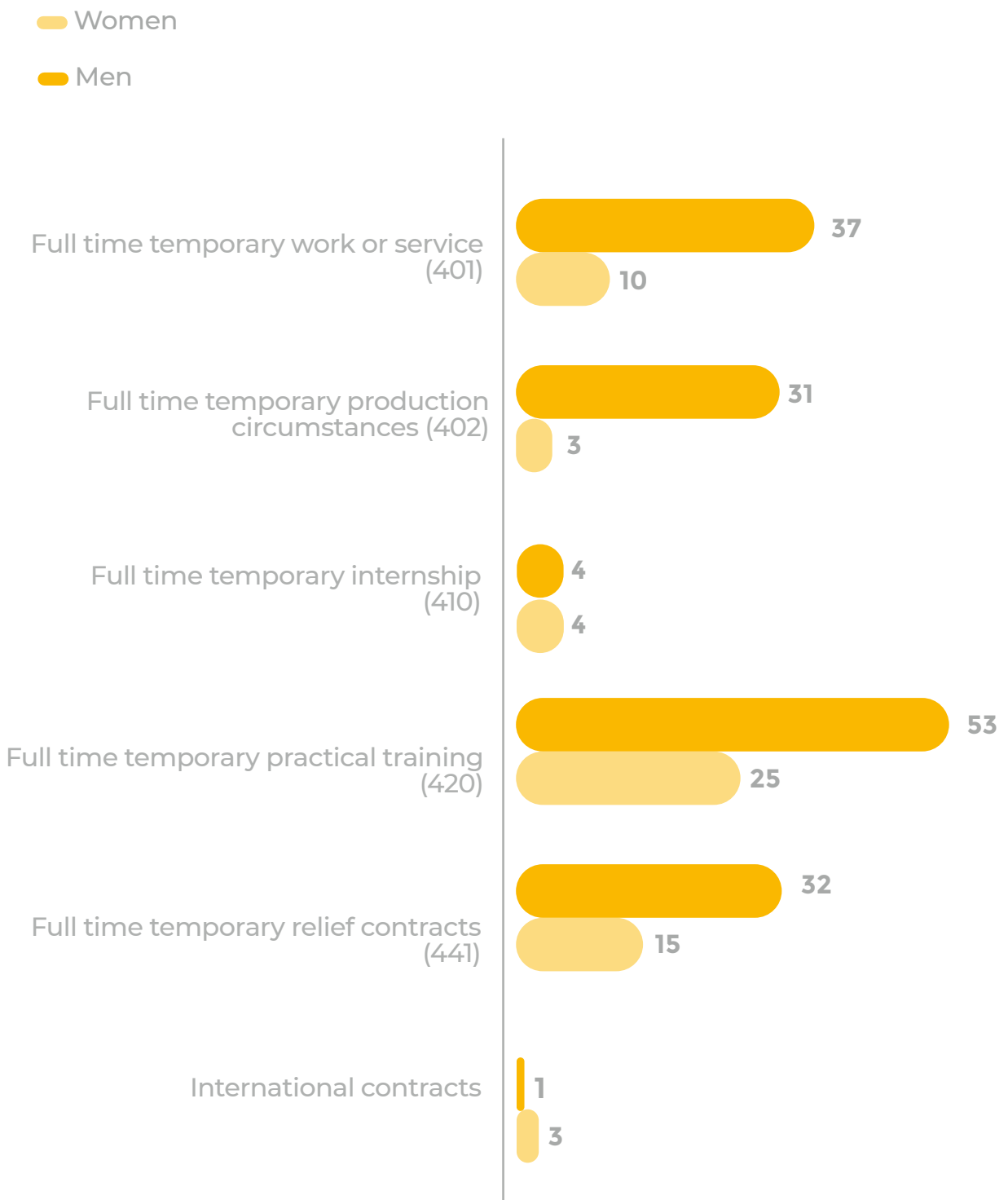


Total number and distribution of employment contract modalities in the ENUSA Group:

OPEN-ENDED CONTRACTS - ENUSA GROUP



TEMPORARY EMPLOYEES IN ENUSA GROUP



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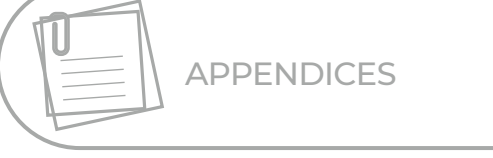
ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE

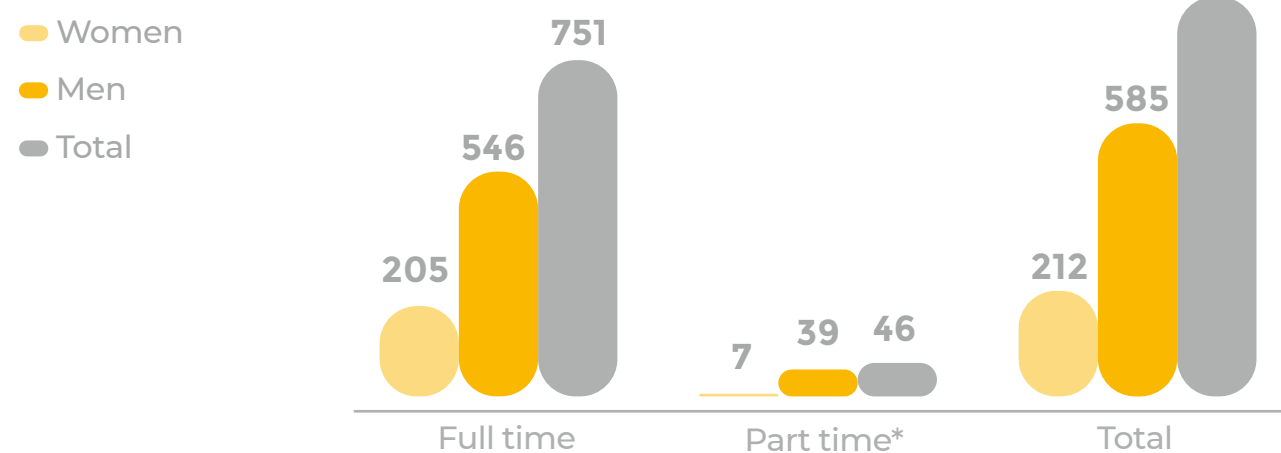


ENVIRONMENTAL PERFORMANCE



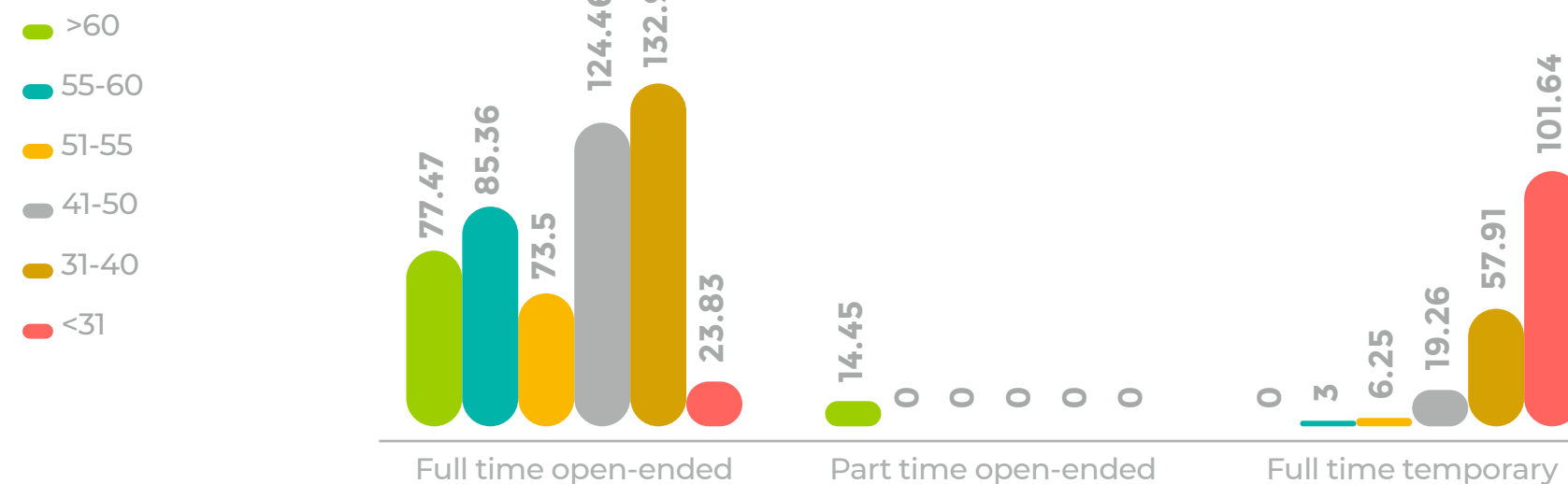
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STAFF OF ENUSA GROUP BY CONTRACT TYPE AND GENDER 2019



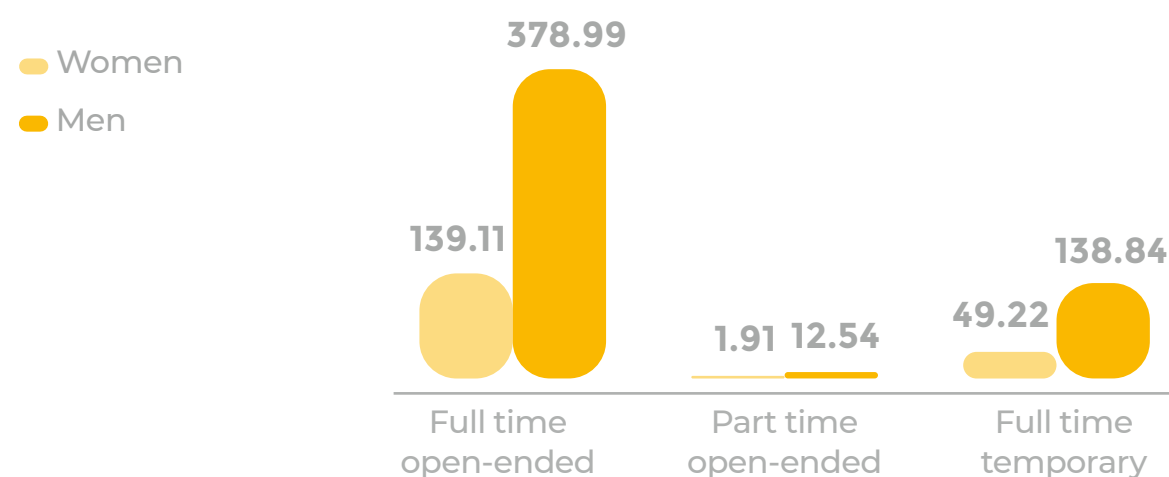
* Part time contracting includes those persons who are incorporated to the partial retirement plan for relief contract. According to the above, 94.22% of the ENUSA Group staff works full time.

ANNUAL AVERAGE OF OPEN-ENDED, TEMPORARY AND PART TIME CONTRACTS BY AGE IN ENUSA GROUP



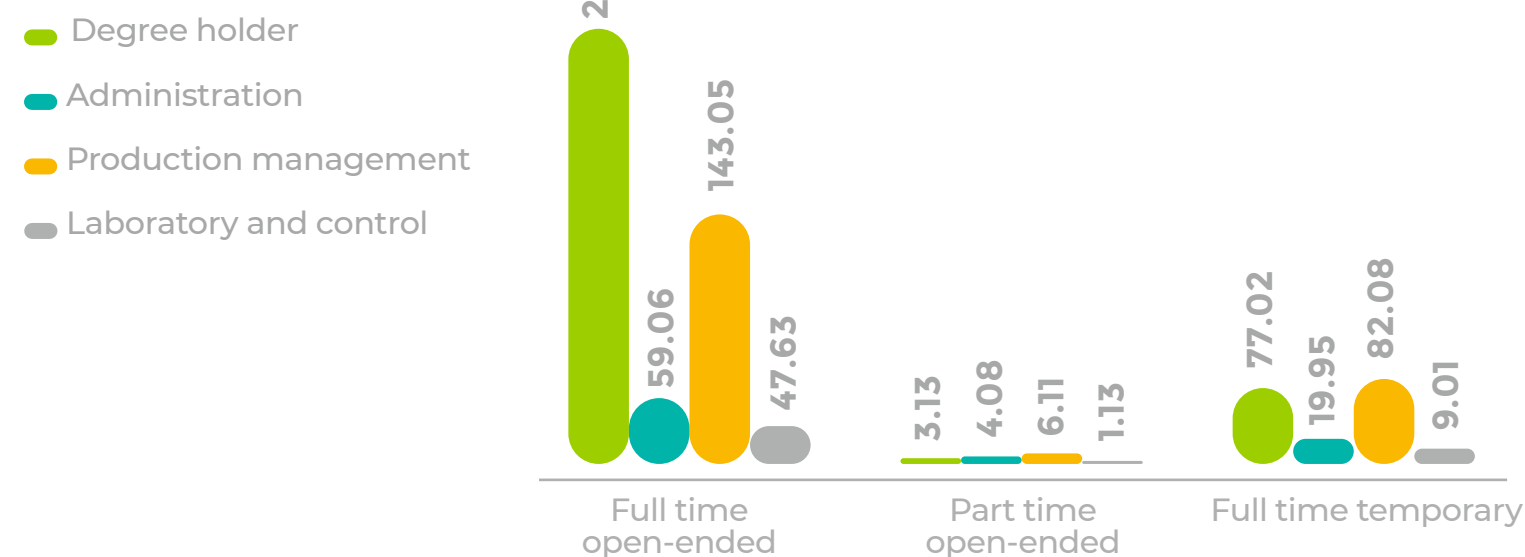
In the year 2019 there are no part time temporary contracts in the ENUSA Group.

ANNUAL AVERAGE NUMBER OF OPEN-ENDED, TEMPORARY AND PART TYPE CONTRACTS BY GENDER OF THE ENUSA GROUP



In the year 2019 there are no part time temporary contracts in the ENUSA Group.

ANNUAL AVERAGE OF OPEN-ENDED, TEMPORARY AND PART TIME CONTRACTS BY PROFESSIONAL CLASSIFICATION OF THE ENUSA GROUP



In the year 2019 there are no part time temporary contracts in the ENUSA Group.



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136 hirings in the ENUSA Group

EMPLOYMENT

The employment policies of the ENUSA Group since 2012 have been adapted to the framework set annually by the State General Budgets Act. Hiring is essentially in the modalities of temporary contracts, mainly for internships, and open-ended contracts based on application of the replacement rate legally stipulated for a company with profits in the last two years.

In 2019, 136 people have been hired in the ENUSA Group, with the following breakdown by company, sex and age:

HIRING, AGE AND GENDER OF THE ENUSA GROUP

| Age range | ENUSA | | | | | | | | | | EMGRISA | | ETSA | | TOTAL ENUSA GROUP | |
|--------------|-----------|-----------|-----------|-----------|----------|----------|-------------------|----------|-------------|-----------|-----------|----------|-----------|----------|-------------------|-----------|
| | Madrid | | Juzbado | | Saelices | | UTE RSU Castellón | | TOTAL ENUSA | | M | W | M | W | M | W |
| | M | W | M | W | M | W | M | W | M | W | M | W | M | W | M | W |
| 16 to 19 | | | | | | | | | | | | | | | | |
| 20 to 24 | | 2 | 14 | 1 | 1 | | | | 15 | 3 | 1 | | | 1 | 16 | 4 |
| 25 to 30 | 8 | 6 | 42 | 5 | | 1 | | | 50 | 12 | 1 | 2 | 5 | | 56 | 14 |
| 31 to 39 | 1 | 4 | 11 | 5 | | | | | 12 | 9 | 3 | 4 | 1 | | 16 | 13 |
| 40 to 44 | | | 1 | | | | | | 1 | - | 1 | | 3 | | 5 | 0 |
| 45 to 49 | | | 1 | | | | 1 | | 1 | 1 | 1 | | 2 | | 4 | 1 |
| 50 to 59 | 1 | 1 | | | | | | | 1 | 1 | 3 | | 2 | | 6 | 1 |
| 60 to 64 | | | | | | | | | - | - | | | | | - | - |
| >65 | | | | | | | | | - | - | | | | | - | - |
| TOTAL | 10 | 13 | 69 | 11 | 1 | 1 | - | 1 | 80 | 26 | 10 | 6 | 13 | 1 | 103 | 33 |
| SUM | 23 | | 80 | | 2 | | 1 | | 106 | | 16 | | 14 | | 136 | |

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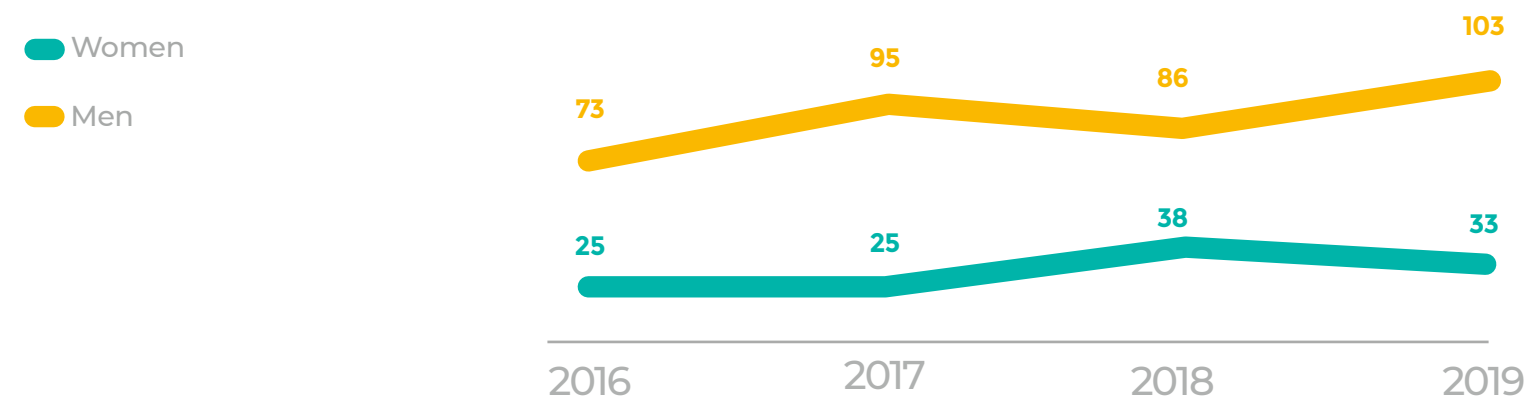
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Shown below is the evolution in hiring by gender in the ENUSA Group:

EVOLUTION OF HIRING BY GENDER IN THE ENUSA GROUP



Below is the personnel turnover rate for 2019 corresponding to ENUSA, broken down by gender and age:

TURNOVER RATE IN ENUSA (%)

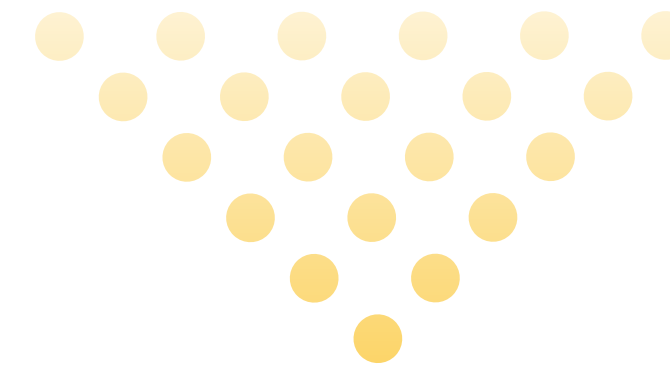
| Age range | Madrid | | Juzbado | | Saelices | | UTE RSU Castellón | | Sum of Centres | |
|--------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|-------------|----------------|-------------|
| | M | W | M | W | M | W | M | W | M | W |
| 16 to 19 | | | | | | | | | - | - |
| 20 to 24 | | | 0.72 | | 3.70 | | 7.69 | | 0.74 | - |
| 25 to 30 | 2.25 | 1.35 | 8.67 | 0.72 | 7.41 | 3.70 | | | 6.35 | 1.03 |
| 31 to 39 | 1.35 | 1.35 | 4.58 | 2.41 | 7.41 | | | | 3.55 | 1.92 |
| 40 to 44 | | 0.45 | 0.96 | | | | | | 0.59 | 0.15 |
| 45 to 49 | | 0.45 | 0.24 | | 3.70 | | 7.69 | | 0.30 | 0.30 |
| 50 to 59 | | 0.90 | 0.24 | | | | | | 0.15 | 0.30 |
| 60 to 64 | 0.45 | 0.45 | 1.93 | 0.24 | 14.81 | | | | 1.92 | 0.30 |
| >65 | 0.90 | 0.45 | 1.93 | 0.24 | | | | | 1.48 | 0.30 |
| TOTAL | 4.95 | 5.41 | 19.28 | 3.61 | 37.04 | 3.70 | 7.69 | 7.69 | 15.07 | 4.28 |
| SUM | 10.36 | | 22.89 | | 40.47 | | 15.38 | | 19.35 | |

Below is the personnel rotation rate of 2019 corresponding to the ENUSA Group broken down by gender and age:

TURNOVER RATE IN THE ENUSA GROUP (%)

| Age range | ENUSA | | EMGRISA | | ETSA | | Total ENUSA Group | |
|--------------|--------------|-------------|-------------|---|--------------|-------------|-------------------|-------------|
| | M | W | M | W | M | W | M | W |
| 16 to 19 | | | | | | | - | - |
| 20 to 24 | 0.74 | | 1.41 | | | | 0.75 | - |
| 25 to 30 | 6.35 | 1.03 | | | 2.04 | 4.08 | 5.52 | 1.13 |
| 31 to 39 | 3.55 | 1.92 | 2.82 | | 4.08 | 2.04 | 3.51 | 1.76 |
| 40 to 44 | 0.59 | 0.15 | 1.41 | | 2.04 | | 0.75 | 0.13 |
| 45 to 49 | 0.30 | 0.30 | | | 4.08 | | 0.5 | 0.25 |
| 50 to 59 | 0.15 | 0.30 | 2.82 | | 2.04 | | 0.5 | 0.25 |
| 60 to 64 | 1.92 | 0.30 | | | | | 1.63 | 0.25 |
| >65 | 1.48 | 0.30 | | | 2.04 | | 1.38 | 0.25 |
| TOTAL | 15.07 | 4.28 | 8.45 | | 16.33 | 6.12 | 14.55 | 4.02 |
| SUM | 19.35 | | 8.45 | | 22.45 | | 18.57 | |

In the last four years 39 voluntary resignations have been recorded in the ENUSA Group.



JOB PLACEMENT OF PERSONS WITH DISABILITIES

Article 42.1 of Royal Legislative Decree 1/2013 of 29 November, which approves the Restated Text of the General Law on the rights of people with disabilities and their social inclusion, states that public and private enterprises that employ 50 or more workers will be required to have, among them, at least 2 percent of people with disabilities for every 100 workers. However, on an exceptional basis, they may be exempted from this obligation provided they apply the alternative measures laid down in Royal Decree 364/2005 of 8 April, which regulates the exceptional alternative to the quota of jobs reserved for people with disabilities.

In the ENUSA Group's fulfilment of this legal obligation, in 2019, in addition to having nine workers with disabilities on the staff, the controlling company made donations amounting to €58,086.27 to the following associations/foundations:

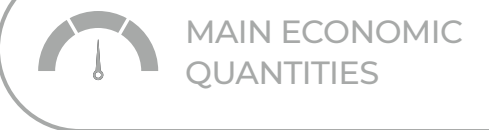
| ASSOCIATIONS/ FOUNDATIONS | ACTIVITY | AMOUNT IN 2019 |
|------------------------------|---|-------------------|
| MADRID | | 24,894.27€ |
| AFANIAS | Association for people with disabilities | 8,298€ |
| FUNDACIÓN ANGEL RIVIERE | Asperger's Syndrome | 8,298.27€ |
| FUNDACIÓN JUAN XXIII | Integration of people with intellectual disability | 8,298€ |
| SALAMANCA | | 24,894€ |
| ASDEM | Salamanca Multiple Sclerosis Association | 8,298€ |
| ASPACE | Association of Parents of persons with cerebral palsy and similar encephalopathies | 8,298€ |
| ASOCIACIÓN ASPRODES | Provincial association of mentally handicapped persons of Salamanca (Viveros El Arca) | 8,298€ |
| TOLEDO | | 8,298€ |
| ASOCIACIÓN DOWN TOLEDO | Toledo Down Syndrome Association | 8,298€ |
| TOTAL | | 58,086.27€ |



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REPORT PARAMETERS



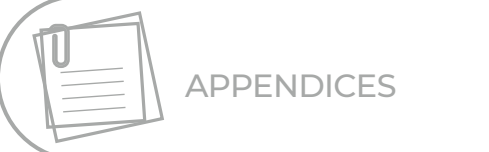
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UNIVERSAL ACCESS

The ENUSA Group works actively to improve Universal Access to ensure that everyone, regardless of their ability, can use the spaces, goods and services independently, without any type of impediment.

The current offices of the **ENUSA headquarters, and of its subsidiary EMGRISA**, in Madrid, underwent an extensive reform and renovation work during the years 2016 and 2017. This reform entailed a complete revision and renovation of the use and accessibility of the building and of the offices. In this way, in the design and execution of the project, the current and relevant laws that regulate universal accessibility of disabled people were applied.

In this sense, the building access is at ground level and the different levels can be reached through suitable ramps. One of the two lifts available has the required dimensions and is adapted for use by disabled persons to access the different floors. There is an alternative entrance to the access control turnstiles that is large enough to allow wheelchairs to pass. There is no lift to access the floor -1, so a stair lift has been installed.

All the floors of the office have an accessible itinerary on one level joining the entire floor with the vertical communication points which are accessible and large enough for a person in a wheelchair to move around in. These itineraries, like the rest of the office, have been fitted with anti-slip flooring and suitable indications. Of the different fire alarm evacuation routes established on each

floor, one of them always coincides with the accessible route and the emergency exits on these accessible routes are always on the same level in all floors of the office block.

The work spaces have been measured for clear areas, having the dimensions required for disabled people, and the office has three toilets adapted to disabled people on Floors 0 (two toilets) and 1 (one toilet), located on the accessible routes and fully accessible from the other floors.



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The arrangement of the stairways giving access to the different floors is designed in compliance with the current recommendations for safe use, with the landings having a fixed length in the regulations and without stair sections with less than two steps.

Therefore, complying with all the demands on the subject of accessibility for disabled persons, the offices have the operating licence from the Madrid City Council since July 2018.

The **Juzbado factory** is an installation designed to ensure universal access, taking into consideration that this access must ensure that the individual's protection, as its primary objective, is compatible with the requirements derived from its activity as a factory, classified in accordance with the Regulations for Nuclear and Radioactive Installations as a nuclear facility.

The **Saelices el Chico Centre** includes public urbanised facilities and buildings dating from early 1980, and therefore conforming to the building standards for access of that time, taking into account the functions needed for the mining and manufacturing of concentrated uranium in a predominantly natural environment.

It begins, therefore, with the reasonable premise that the universal accessibility can only be evaluated in this urbanised setting of the installation, omitting the possibility of making the mining and industrial facilities and their annexes accessible.

All the building that make up the urbanised space (offices, medical centre, dining hall, social area and laboratory) have accessible itineraries that communicate the main entrance with the public road and with the accessible parking spaces.

The main access to the urbanised space through the control of accesses is done by means of a systems of access turnstiles, but along with them there is an access on the same level regulated with a barrier, which could be used by persons with reduced mobility, both for natural persons and for adapted vehicles.

All the existing buildings are of a single floor and there are no access steps at any point. There is one step at the entrance to the social area and dining hall, as well as the existence of low water-control curbs on the road that are not over 10 cm in any case.

In all the buildings and in the urban space, the evacuation routes established in case of fire, as well as the emergency exists are always on one level. The evacuation routes are omitted in the context of these facilities and coincide with the access routes of each building.

In 2018, and in compliance with the provisions of the General Law on rights of disabled persons and their social inclusion (R.D.L. 1/2013, of 29 November), a list of basic conditions for accessibility was drawn up and included in the basic document of use and accessibility safety (DB-SUA), belonging to the Technical Building Code (CTE), in order to evaluate its possible implications on the urbanised facilities of Saelices, and to detect those needs that can reasonably be undertaken.

EQUALITY

The commitment of the ENUSA Group to equality, understood from any viewpoint (gender, race, sexual orientation, ideology or religion), has been reflected for quite a while in the diverse documents that the companies which compose it have signed, agreements signed that include this purpose and among which one can highlight the ENUSA Equality Plan, the Code of Conduct and adherence to the Global Compact of the United Nations.

In 2018, the ENUSA Group adhered to the collaboration agreement to promote the awareness on gender violence, acquiring the commitment to disseminate, both internally and externally, the awareness campaigns as well as prevention of gender violence that the Government Delegation against Gender Violence (DGVG) generates in this regard.

The entire ENUSA Group forms part of the initiative *“Companies for a society free of gender-based violence”* in order to promote actions to raise awareness about gender violence, and ensure that the message #haysalida (there is a way out) has great reach and impact.

Creation of the Equality area

In 2019 a step has been taken beyond consolidating the creation, at the end of the previous year, of the Equality area, without a doubt a milestone that opened the door to a new focus and a different way to understand equality between women, men and diverse persons. This renewed commitment requires from the Equality area to strengthen a culture that ensures the equality of opportunities and that of non-discrimination of gender or diversity, in addition to complementing and extending ENUSA's Equality.

To do this, during 2019 the area has pursued singularising its activity, promoting actions to raise awareness and commit the different agents of ENUSA to gender and diversity, including functional, sexual, cultural diversity, etc. From this focus, we have worked on different projects.

New approach of the Equality Committee

One of the key elements for the area has been the participation in the meetings of the ENUSA Equality Committee, serving also as a driving force, demonstrating in addition the commitment of the management to the subject of equality and diversity and promoting measures on this subject.

Updating of the ENUSA Equality Plan

Another of the basic tasks of the past year has been the issue of a new version (third revision of the plan in effect since 2015) of the ENUSA Equality Plan, promoted by the area and prepared by the Equality Committee. Its wording has been updated, eliminating obsolete paragraphs, adapting the text to the legislation with the modifications established in the Legislative Royal Decree 6/2019 and incorporating new and mandatory aspects which required a complete modification. In this regard, some measures have been revised, policies were included to strengthen the mechanisms already present in the company aimed at avoiding the under-representation of women; new sections were added that



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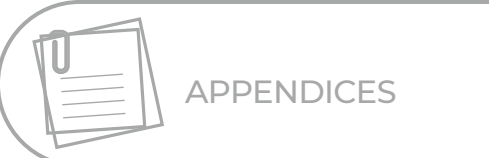
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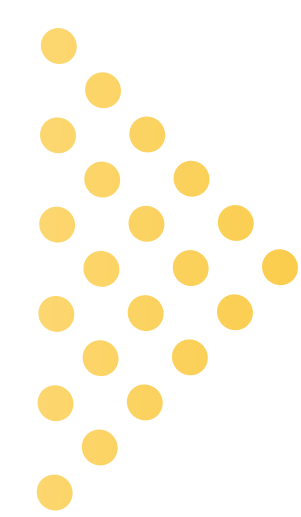
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COLLECTIVE BARGAINING AND TRADE UNION REPRESENTATION

The Code of Conduct shows the interest of the ENUSA Group in the control and monitoring of compliance of human rights in relation to its personnel, with special attention to those linked to the business, among which is included the right of association (union rights and collective bargaining rights).

The working conditions and productivity of 85.8% the ENUSA workers are regulated by the specific collective bargaining agreements of each work centre, negotiated between the management and the different company workers' committees. As a result of this collective bargaining, on 18 November 2019, collective bargaining agreements were signed in the work centres of Saelices el Chico and Juzbado, published in the Official Gazette of the Province of Salamanca with no. 245 (26 December 2019) and no. 5 (9 January 2020), respectively, and that are to modernise and update different aspects of the agreement of these work centres concerning the labour relations, as well as the subject of reconciliation of work, personal and family life, and equality for the personnel. The remaining 14.2% is Personnel with Individual Contracts (PRI) who have a particular labour relationship with the company.

Also, the three work centres of the company have union representation, as can be seen in the following table.



reflect subjects such as joint responsibility in the personal, family and work life; the indicators have been improved, and a methodology for calculating the gender gap has been included, as provided in the new legislation in this respect.

The text of this third revision of the ENUSA Equality Plan extends the commitment of equality with diversity in all its dimensions (persons with diverse capacities, sexual orientation, culture and nationality, ideology, religion, family and social situation, etc.) following the line of work undertaken by the Equality area.

Equality Plans of ETSA and EMGRISA

One of the initial proposals of the Equality area for 2019, approved by the ENUSA Management Committee in the first quarter of the year, was that of preparing equality plans for the companies of the Group: ETSA and EMGRISA. In this way, despite not having a legal obligation, they will serve as catalyst for implementing gender and diversity measures and policies.

Training on the subject of gender

A reiterated demand of the Equality Committee has been that of providing training on this subject, something that was finally done in 2019. A training action was put into motion that delved into theoretical aspects of gender and feminism and that was given to persons of the ENUSA staff who can act as "gender agents" in the company and as catalysers towards a culture committee on this subject.

Seminar on gender gap

Due to its legal and technical importance, a training seminar was held organised by Forética in which the calculation model of the gender gap which is used in Great Britain was explained.



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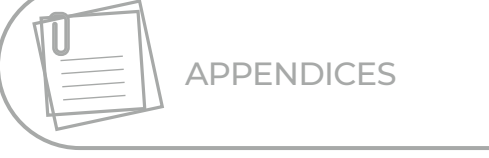
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TRADE UNION REPRESENTATION - ENUSA 2019

| Trade Union | REGION OF MADRID | | CASTILLA Y LEÓN | | | | REGION OF VALENCIA | | TOTAL | | | |
|-----------------------|------------------|------------|-----------------|------------|---------------------|------------|--------------------|-------------|----------|----------|-----------|-------------|
| | Madrid | | Juzbado | Saelices | SUM Castilla y León | | UTE RSU Castellón | | Nº | % | | |
| | Nº | % | Nº | % | Nº | % | Nº | % | Nº | % | Nº | % |
| USO | 0 | 0 | 3 | 23.1 | 0 | 0 | 3 | 21.4 | 0 | 0 | 3 | 13 |
| CCOO | 0 | 0 | 5 | 38.5 | 1 | 100 | 6 | 42.9 | 0 | 0 | 6 | 26.1 |
| UGT | 9 | 100 | 5 | 38.5 | 0 | 0 | 5 | 35.7 | 0 | 0 | 14 | 60.9 |
| OTHERS ⁽¹⁾ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 9 | 100 | 13 | 100 | 1 | 100 | 14 | 100 | 0 | 0 | 23 | 100 |

⁽¹⁾ CSI-CSIF, CITE, Independents, etc.

To facilitate communication between the employees and their representatives, the trade unions and workers' committees in each centre have specific forums on the Intranet, as well as physical bulletin boards in the work centres and their own email accounts.

At EMGRISA, the arrangements for dialogue, including procedures for informing and consulting employees and negotiating with them take place through Delegates, so that 100% of workers are covered by the collective agreement for companies of the engineering sector and offices of technical studies.

At ETSA current agreements and treaties and the applicable sectorial collective bargaining agreement (Agreement for road haulage in the province of Salamanca) are adapted to the provisions of the current legislation and/or the Workers' Statute. The worker representation body consists of three delegates (two from CC.OO. and one independent), in accordance with the result of the elections held on 7 December 2013.







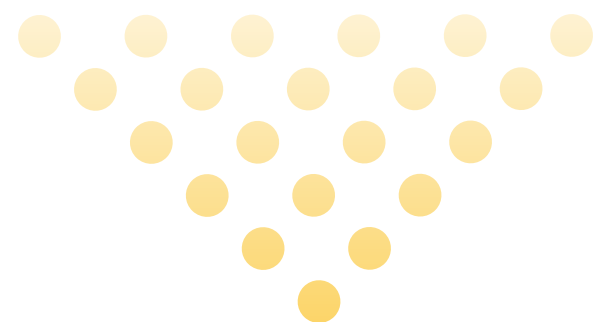
REMUNERATION POLICY AND PRODUCTIVITY

The right to satisfactory and equal work conditions is another of the commitments that, in relation to human rights, is assumed under the Code of Conduct and applied to all the companies in the Group.

ENUSA uses a job assessment system to ensure equal opportunities in employee hiring, remuneration and employee promotion. This system consists of a points-per-factor evaluation on the basis of which a qualitative hierarchy of values is established for each job post, allowing for impartiality when evaluating the requirements for performing the job and wage compensation, regardless of the person who holds the job.

The elements of this procedure are:

-  Task analysis and assessment.
-  Task assessment system of the jobs.
-  Mixed assessment committee.
-  Job assessment manual.



COMPARISON OF THE INTER-PROFESSIONAL MINIMUM WAGE (SMI) WITH THE ENUSA WAGE LEVELS

| ENUSA WAGE LEVELS | ENUSA wages of 2018 compared to SMI (*) | ENUSA wages of 2019 compared to SMI (*) |
|-------------------|---|---|
| XIV | 17.08 % | 19.99 % |
| XIII | 18.70 % | 21.88 % |
| XII | 20.47 % | 23.96 % |
| XI | 22.38 % | 26.19 % |
| X | 24.32 % | 28.47 % |
| IX | 26.31 % | 30.79 % |
| VIII | 29.53 % | 34.57 % |
| VII | 33.04 % | 38.67 % |
| VI | 36.85 % | 43.13 % |
| V | 41.13% | 48.14% |
| IV | 45.64% | 53.42% |
| III | 50.50% | 59.11% |
| II | 55.55% | 65.01% |
| I | 60.55% | 70.86% |

(*) The SMI corresponding to the year 2018 is €10,302.60. The SMI corresponding to the year 2019 is €12,600.

The wage levels of Castellón are not included because they are governed by the collective bargaining agreement of the sector of Public Sanitation, Road Cleaning, Irrigation, Waste Collection, Treatment and Disposal, Sewer System Cleaning and Maintenance (agreement code no. 99010035011996), being totally different from the collective agreements of the ENUSA centres (Madrid, Juzbado and Saelices).



Direct supervisors conduct quarterly performance assessments of the personnel who report to them to accurately track the staff activities and performance. In these assessments, the following points are taken into consideration:

- > Strengths: positive behaviours, exceptional actions, achievement of targets, etc.
- > Aspects to improve: deficiencies found in the subordinate's performance, proposed solutions, etc.

In order to boost productivity and check that the company strategy has been communicated and understood, annual personnel assessment interviews are also held. There is also a Variable Collective Productivity Incentive to motivate the workers to directly participate in the company results. This incentive consists of an annual economic remuneration which is contingent upon achievement of the targets set between the management and the workers' committees of the different work centres.

The Executive Committee members are evaluated annually, in this case by SEPI, the main shareholder of ENUSA. The remuneration of Committee members consists of a fixed sum plus a variable amount conditioned by the achievement of targets set for the year, in accordance with Royal Decree 451/2012, of 5 March, regulating the remuneration policy for senior managers and directors in the public sector and other bodies.



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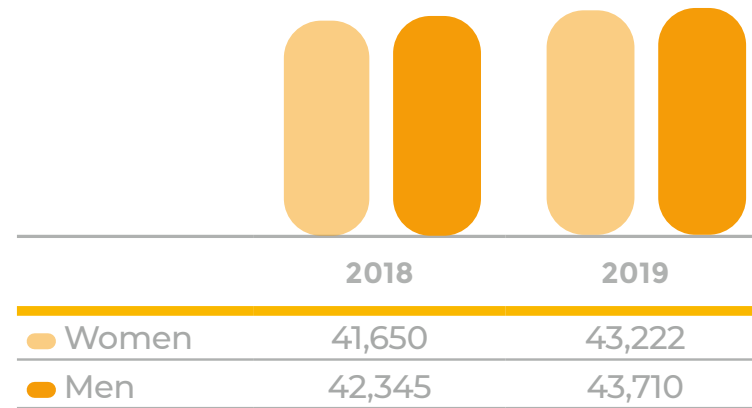
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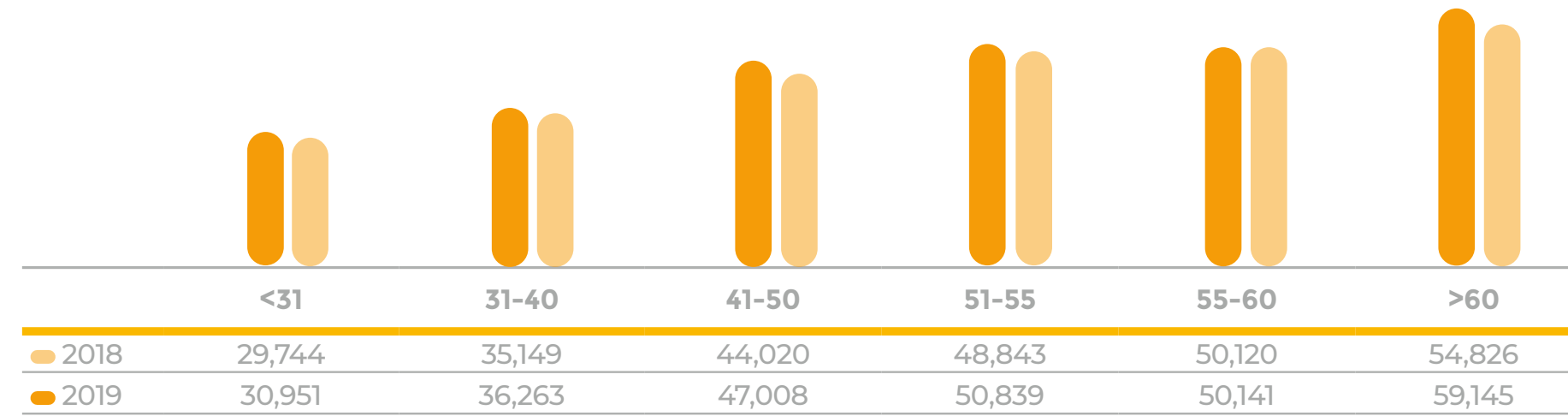
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The average remunerations data for employees of the ENUSA Group are shown below, broken down by gender, age and professional category.

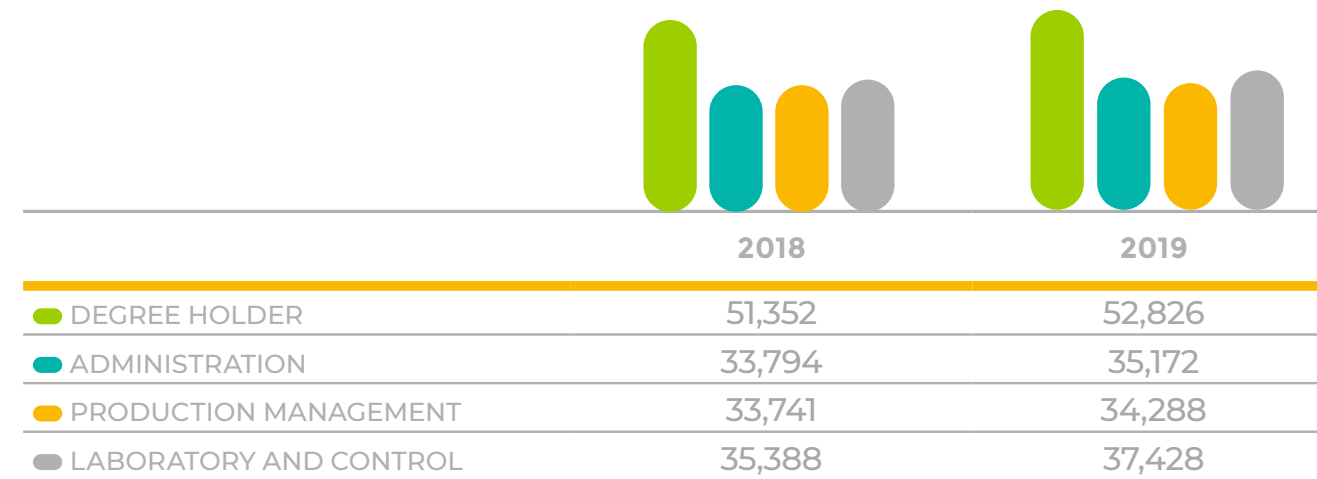
AVERAGE REMUNERATIONS BY GENDER OF THE ENUSA GROUP



AVERAGE REMUNERATIONS BY AGE OF THE ENUSA GROUP



AVERAGE REMUNERATIONS BY CATEGORY OF THE ENUSA GROUP



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Gender wage gap in the ENUSA Group

The concept of a wage gap refers to the difference existing between the wages of men and women. It is expressed as a percentage that, in case of being positive, means that the women are penalised while, if the percentage is negative, it shows a gender gap that penalises the men.

The data from the calculation of the gender wage gap in the companies of the ENUSA Group is shown below, broken down by age, professional category and type of contract. When interpreting these data, the following considerations must be taken into account:

- > The calculation excludes the partially retired employees, given that 25% of the workday and wage this collective receives distorts the data upon being analysed for this purpose.
- > Given that there is no workday reduction higher than 20%, they are not excluded for the effects of the calculation.

When analysing the data, one must take into account that only information for those categories that have data for men and women are included and therefore are able to be compared.

In the case of the UTE RSU Castellón, there are no temporary personnel and, for the permanent personnel, there is only a term of comparison in the category of “degree holders of 41-50 years”, with no difference in the remuneration between men and women.

The same case occurs with the subsidiary ETSA, for the temporary personnel there is only one term of comparison in the category of “administration of less than 31 years of age”, and again there is no difference in the remuneration between men and women.

ENUSA - PERMANENT PERSONNEL (WITHOUT SENIOR MANAGEMENT PERSONNEL)

| | > 60 | 55-60 | 51-55 | 41-50 | 31-40 | < 31 |
|------------------------|-------|--------|--------|--------|---------|-------|
| Degree holders | 4.57% | -2.45% | -4.50% | 9.33% | 0.35% | 5.61% |
| Administration | 5.08% | 5.06% | 14.44% | 0% | -11.53% | |
| Production management | | 13.13% | | -0.25% | | |
| Laboratory and control | | 4.32% | | | 3.28% | |

ENUSA - TEMPORARY PERSONNEL

| | > 60 | 55-60 | 51-55 | 41-50 | 31-40 | < 31 |
|------------------------|------|-------|-------|-------|-------|--------|
| Degree holders | | | | | 0.50% | 3.24% |
| Administration | | | | | | -0.89% |
| Production management | | | | | | -0.94% |
| Laboratory and control | | | | | 9.89% | -4.06% |



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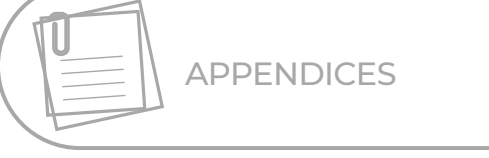
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EMGRISA – PERMANENT PERSONNEL

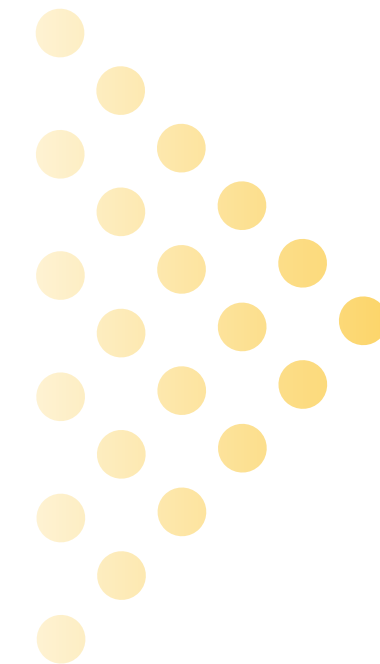
| | > 60 | 55-60 | 51-55 | 41-50 | 31-40 | < 31 |
|------------------------|------|-------|--------|---------|--------|------|
| Degree holders | | | 9.45% | -11.57% | -3.80% | |
| Administration | | | 39.10% | -10.53% | | |
| Production management | | | | | | |
| Laboratory and control | | | | | | |

EMGRISA – TEMPORARY PERSONNEL

| | > 60 | 55-60 | 51-55 | 41-50 | 31-40 | < 31 |
|------------------------|------|-------|--------|--------|---------|-------|
| Degree holders | | | 17.42% | 23.98% | -31.68% | 6.77% |
| Administration | | | | | | |
| Production management | | | | | | |
| Laboratory and control | | | | | | |

ETSA – PERMANENT PERSONNEL

| | > 60 | 55-60 | 51-55 | 41-50 | 31-40 | < 31 |
|------------------------------|------|-------|-------|--------|--------|------|
| Degree holder | | | | 31.59% | | |
| Head of traffic and workshop | | | | | | |
| Administrative support | | | | | 15.92% | |
| Other personnel | | | | | | |



SOCIAL BENEFITS

ENUSA

The social benefits described in this section are limited every year to the expenditure approved by the Ministry of the Treasury for each salary bracket of the company, in accordance with applicable laws, for being included in the State General Budgets Act for the year in question, in all cases related to personnel costs.

ENUSA staff's access to the social benefits varies depending on seniority in the company and in some cases, on the type of employee contract. Nonetheless, the regulation of access is always the applicable collective bargaining agreement or the law issued annually for certain items (school aid, etc.) and only for exceptional situations is the general rule not applied (for example: registration in medical insurance for workers with a contract of uncertain duration and similar).

Aid for children's education

ENUSA offers aid for the education of the children of its staff.

ASSISTANCE FUND FOR CHILDREN OF EMPLOYEES - 2019

| | Madrid | Juzbado | Saelices | Total |
|----------------------------|-----------|------------|----------|-------------------|
| Amount (€) | 70,016.50 | 102,770.95 | 4,083.79 | 176,871.24 |
| No. of children benefitted | 132 | 161 | 7 | 300 |

Promotion of birth rate

ENUSA has established an economic provision as a bonus for each birth of legal adoption.

Orphan allowances

In case of death of a company worker, an economic aid for the education of the children under 18 years of age is provided.

Reconciliation of family and work life

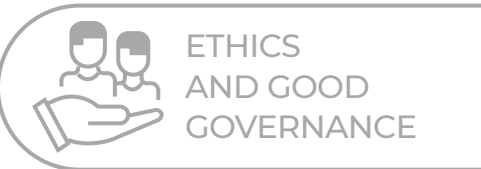
At ENUSA there is a flexible time policy with the possibility of requesting a workday reduction agreed individually between the worker and the company with the aim of favouring the reconciliation of personal, family and work life.

PERSONNEL OF THE ENUSA GROUP WITH WORKDAY REDUCTION

| | 2016 | | 2017 | | 2018 | | 2019 | |
|---------------------------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|
| | M | W | M | W | M | W | M | W |
| Madrid | 2 | 5 | 2 | 5 | 2 | 5 | 2 | 7 |
| Juzbado | 4 | 5 | 2 | 6 | 2 | 6 | 2 | 5 |
| Saelices | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UTE RSU Castellón | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total ENUSA | 6 | 10 | 4 | 11 | 4 | 11 | 4 | 12 |
| ETSA | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 1 |
| EMGRISA | 1 | 6 | 1 | 5 | 1 | 4 | 3 | 4 |
| Total subsidiaries | 1 | 8 | 1 | 7 | 1 | 6 | 3 | 5 |
| Total ENUSA Group | 7 | 18 | 5 | 18 | 5 | 17 | 7 | 17 |



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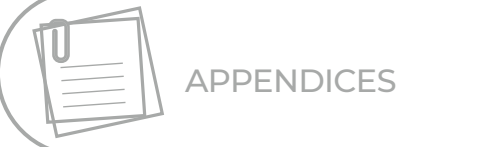
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Maternity and paternity

During the year 2019, the ENUSA Group gave maternity or paternity leave to 39 workers (4 women and 35 men). During the same year, 40 workers (5 women and 35 men) returned from maternity or paternity leave.

RETURN TO WORK RATE AND RETENTION RATES OF THE ENUSA GROUP OF THE YEAR 2019

| | Return to work rate | | | Job retention rate | | |
|---------|---------------------|-------|--------------|--------------------|-------|----------------|
| | WOMEN | MEN | TOTAL | WOMEN | MEN | TOTAL |
| ENUSA | 100 % | 100 % | 100 % | 75 % | 100 % | 94.74 % |
| EMGRISA | - | - | - | 100 % | 100 % | 100 % |
| ETSA | - | - | - | - | 100 % | 100 % |

Other social benefits

-  **Non-wage aids for meals and transportation.**
-  **Accident insurance and/or life and permanent or total disability insurance.**
-  **Pension plan** that can be voluntarily joined by all company workers with a recognised seniority of one year in the case of permanent employees and two years in the case of temporary employees. The company's contributions to the pension plan have been suspended since 2012 due to measures to restrict personnel costs in the state public sector included in the successive State General Budgets Act.
-  **50% of the amount of any voluntary family medical insurance taken out by employees.**
-  **Sick or accident leaves are not penalised**, provided they are recognised by the Medical Service of the work centre, and 100% of the actual salary is received.

 Permanent workers on the staff are entitled to receive a **loan worth four monthly payments of their net salary.**

 **The company provides guarantees for its permanent workers** to financial and loan institutions for buying or remodelling their homes.

Seniority prizes

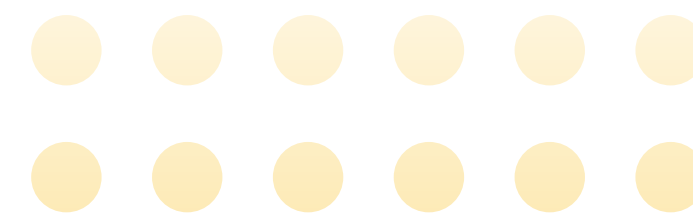
The loyalty of its workers is rewarded with a social and economic recognition upon completing 20 and 25 years of seniority in the company.

EMGRISA

The subsidiary EMGRISA offers its employees different benefits such as accident insurance, a 50% payment towards medical insurance, restaurant vouchers or the possibility of substituting them for nursery school vouchers, travel expenses and support for training courses.

ETSA

At ETSA the employees can benefit from aid for food, transport and medical insurance. In addition, the company also assumes the commitment to facilitate the compatibility between employees' personal, family and work lives with flexible timetables, reduced working hours and the option to adapt hours to personal and family circumstances under individual agreements.



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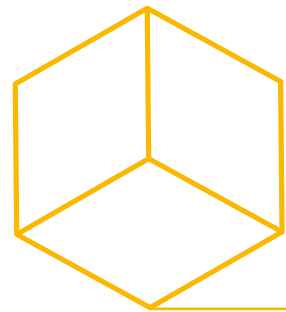
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TRAINING

As a fundamental value of ENUSA, training is one of the pillars that provides high qualification to our human resources. This is the principal added value that allows us to maintain, year after year, our competitive position in the different markets.

Training in 2019 was structured in the following blocks: Annual Training Action Plan, Plans for Development of Potential, and Grant Programs.

ANNUAL TRAINING ACTION PLAN

The goal of ENUSA's Training Action Plan is to guarantee that the company's human resources are able to comply with the legal requirements (risk prevention, crime preventions, data protection, etc.), which entails the continuous training of the entire staff.



Training is one of the pillars that provides high qualification to our staff

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Training is also necessary for the qualification to comply with the requirements of the nuclear sector (safety of personnel, installations and the environment) covering the demands that entail the qualification of the employees to assume the responsibility that the performance of their tasks in the company involves (supervisors, operators and heads of radiation protection).

On the other hand, the advanced technologies used in our industry require us to constantly update and perfect our knowledge and abilities to provide the persons with high specialisation, in such a way that ENUSA can compete with guarantees in an extremely demanding market.

Objectives:

- > To guarantee the aptitude of the persons of the staff in subjects of required compliance according to the current regulations that the official national, international and sectorial organisations require on the subject of prevention (of occupational risks, of crimes, etc.) and of safety (traditional, nuclear, cybersecurity, data protection, etc.) as well as those derived from the protection of the environment and sustainability.
- > To maintain and reinforce the qualification of the human resources to compete successfully in the sector, supplemented with training that allows the proper adaptation to new scenarios (industry 4.0 – digitalisation) and frequent technological changes in the different areas of ENUSA’s activity.

Training action blocks that comprise the Plan:

- > Compulsory training actions: required by the legislation and regulations applicable to industrial activity in general, to the State public sector and to the nuclear area in particular: safety, occupational risk prevention, crime prevention, quality and environment.
- > Training actions of a different nature:
 - Technical:** for adapting and updating the know-how and skills needed by the principal activity.
 - Management:** for the performance of cross-disciplinary functions.
 - Multidisciplinary:** complementary to those of the post.
 - Competency-based:** to address future strategies and cultural and organisational changes.

The hierarchical heads of the organisational areas detect from among their employees the persons with training needs for the performance of their activities or to increase their development opportunities. The compulsory training actions are drawn up by the heads of competent functional areas, identifying the persons to whom they should be directed. In both cases, the execution of the actions that cover these needs are proposed to the organisation responsible for training, identifying those that are essential for the performance of the activity.



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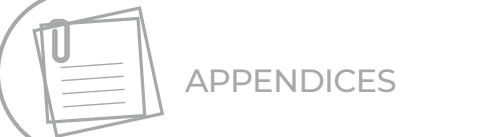
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EMGRISA's training policy aims to increase professional qualification, in both technical and management areas, to achieve a higher level of competitiveness, productivity, profitability and quality, and to acquire and maintain its workers' aptitude for safety and prevention means, to avoid or minimise the risks they face and to continuously improve the company's prevention systems.

ETSA's training program is based on continuous assessment, improving effectiveness in the organisation and the search for technical efficiency. It is reviewed annually under the following criteria: expected results, unexpected results, satisfaction of participants and application to work.

Training is classed into legally mandatory courses and proactive training, and is focused on three groups: drivers, technical, traffic and administrative personnel, and directors and middle managers.

The result of the training actions carried out in the year 2019 appear in the following tables, in which are shown the principal indicators related to the ENUSA Group.

INDICATORS OF ENUSA GROUP TRAINING

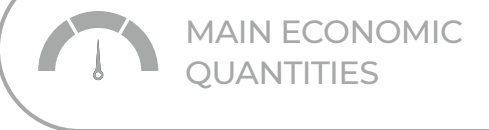
| | 2016 | 2017 | 2018 | 2019 |
|--|-----------|-----------|-----------|-----------|
| Total investment in euros (courses, travel, lodging, economic value of work hours invested in training) | 1,066,766 | 1,176,790 | 1,114,218 | 1,107,710 |
| Cost of training (€) (Cash) | 255,742 | 306,925 | 297,119 | 265,003 |
| Bonuses from the State Foundation for Employment (FEFE) | 53,783 | 38,811 | 45,450 | 57,055 |
| Hours of training | 25,125 | 30,800 | 28,336 | 28,329 |
| Number of participants | 4,080 | 4,771 | 5,543 | 6,071 |
| Number of courses | 626 | 671 | 815 | 882 |



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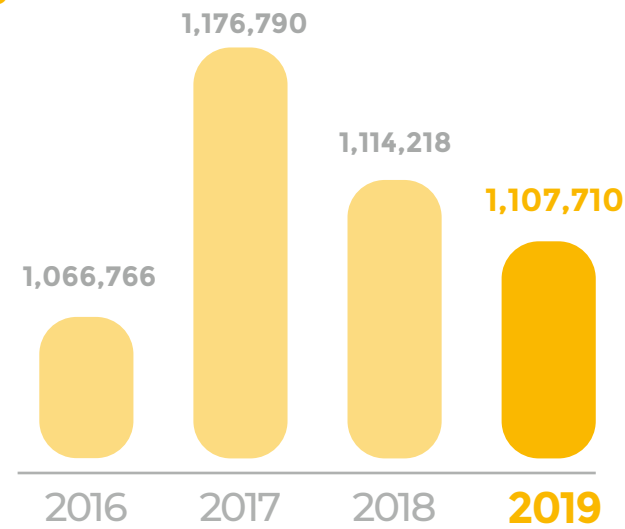


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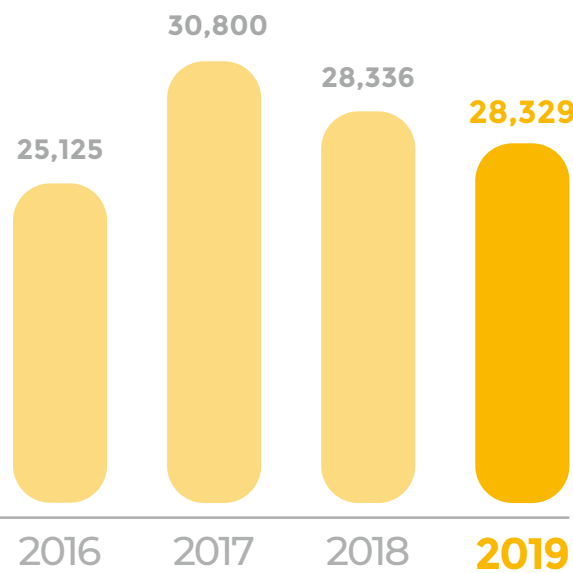


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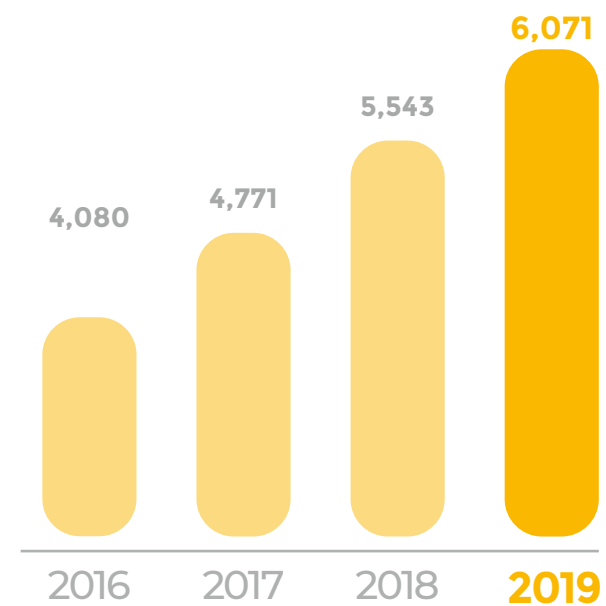
EVOLUTION OF THE TOTAL INVESTMENT (€) OF THE ENUSA GROUP



EVOLUTION OF THE HOURS OF TRAINING OF THE ENUSA GROUP



EVOLUTION OF THE NUMBER OF PARTICIPANTS OF THE ENUSA GROUP



TRAINING BROKEN DOWN BY COURSES, PARTICIPANTS, HOURS AND COST (ENUSA GROUP)

| | No. Courses | No. Participants | No. Hours | Cost (cash) |
|--------------------------|-------------|------------------|---------------|----------------|
| ENUSA | 848 | 5,902 | 22,950 | 230,666 |
| EMGRISA | 17 | 67 | 916 | 8,952 |
| ETSA | 17 | 102 | 4,463 | 25,385 |
| TOTAL ENUSA GROUP | 882 | 6,071 | 28,329 | 265,003 |

NUMBER OF COURSES GIVEN IN THE ENUSA GROUP (BROKEN DOWN BY TRAINING PLANS)

| | ENUSA | EMGRISA | ETSA | ENUSA Group Total |
|---|------------|-----------|-----------|-------------------|
| Compulsory | 647 | 8 | 6 | 661 |
| Others (management, technical, multidisciplinary and skill-based) | 201 | 9 | 11 | 221 |
| TOTAL | 848 | 17 | 17 | 882 |

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NUMBER OF PARTICIPANTS FROM ENUSA GROUP BY PROFESSIONAL CATEGORIES

| | ENUSA | EMGRISA | ETSA | ENUSA Group Total |
|---|--------------|-----------|------------|-------------------|
| Management, senior engineers and degree holders | 1,962 | 50 | 18 | 2,030 |
| Technical engineering, mid-level graduates and qualified assistants | 365 | 3 | 0 | 368 |
| Technical and administrative personnel | 1,454 | 12 | 37 | 1,503 |
| Operators | 2,121 | 2 | 47 | 2,170 |
| TOTAL | 5,902 | 67 | 102 | 6,071 |

DISTRIBUTION BY GENDER OF THE TRAINED EMPLOYEES IN ENUSA GROUP

| | ENUSA | EMGRISA | ETSA | ENUSA Group Total |
|--------------|------------|-----------|-----------|-------------------|
| Women | 165 | 24 | 6 | 195 |
| Men | 487 | 27 | 46 | 560 |
| TOTAL | 652 | 51 | 52 | 755 |

HOURS OF TRAINING ACCORDING TO WORK SCHEDULE - ENUSA GROUP

| | ENUSA | EMGRISA | ETSA | ENUSA Group Total |
|---------------------|---------------|------------|--------------|-------------------|
| Within the workday | 21,569 | 337 | 743 | 22,649 |
| Outside the workday | 1,381 | 579 | 3,720 | 5,680 |
| TOTAL | 22,950 | 916 | 4,463 | 28,329 |

ANNUAL TRAINING HOURS BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY - ENUSA GROUP

| Professional groups | No. Persons 755 | | Total hours 28,329 | | % Hours out of total realised | | Average hours realised by professional group | |
|---|-----------------|------------|--------------------|---------------|-------------------------------|---------------|--|----|
| | W | M | W | M | W | M | W | M |
| Management, senior engineers and degree holders | 124 | 185 | 7,262 | 6,416 | 25.6% | 22.6% | 59 | 35 |
| Technical engineering, mid-level graduates and qualified assistants | 8 | 35 | 294 | 1,352 | 1% | 4.8% | 37 | 39 |
| Technical and administrative personnel | 59 | 135 | 819 | 4,314 | 2.9% | 15.2% | 14 | 32 |
| Operators | 4 | 205 | 202 | 7,670 | 0.7% | 27.1% | 51 | 37 |
| TOTAL | 195 | 560 | 8,577 | 19,752 | 30.3 % | 69.7 % | | |

DEVELOPMENT PLANS

The individual training plans of personnel identified with talent, who require their skill development to be transferred to objective-based development according to the skills to be reinforced, have seen this training interrupted for some months during 2019, but not in the workplace action, due to the change imposed by the supplier in the gamified e-learning platform. This change has entailed the necessary migration of the results achieved by the participants earlier. At the end of the year, the activity of the participants has been resumed.

The new platform adds greater versatility and service than what they had been using. This allows planning the incorporation of training actions, especially reiterative either for reinforcement of those realised or for the needs of the new incorporations.

GRANT PROGRAM

The ENUSA Group, aware of the problems of young people in joining the labour market, and as a consequence of its social responsibility especially marked by its public nature, continues with the incorporation of students who, after their academic training, need experience that opens the doors of employability.

A result of the above is the maintenance of its grant program for students of vocational as well as university studies.

As in previous years, the majority of the grants have been aimed at students from the vocational training schools of Salamanca, basically due to the proximity to the work centre in which this qualification is most in demand. In keeping with this, the Madrid centre has been the one that has received the highest number of participants in the program for university degree holders.

As a new feature, in 2019 ENUSA signed a collaboration agreement with the Asperger Association of Madrid to carry out professional pre-labour internships by persons with Asperger Syndrome in different areas of the organisation. The aim of this agreement is to promote the labour inclusion of persons with diverse capacities as well as to increase the visibility of this syndrome, generating awareness of the talents of these persons, and of the value, in general, of functional diversity in the company.



SIGNING OF THE COLLABORATION AGREEMENT BETWEEN ENUSA AND THE ASPERGER ASSOCIATION OF MADRID



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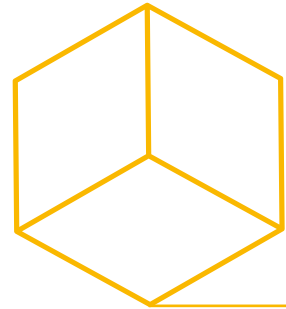
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GRANTS OF THE ENUSA GROUP 2019

| | University | Others | Total |
|---------------------------|------------|-----------|-----------|
| TOTAL ENUSA | 16 | 9 | 25 |
| Madrid | 6 | 2 | 8 |
| Juzbado | 5 | 6 | 11 |
| Saelices | 4 | 1 | 5 |
| UTE RSU Castellón | 1 | 0 | 1 |
| TOTAL Subsidiaries | 0 | 8 | 8 |
| EMGRISA | 0 | 7 | 7 |
| ETSA | 0 | 1 | 1 |
| TOTAL ENUSA Group | 16 | 17 | 33 |

GRANTS OF ENUSA GROUP ACCORDING TO ORIGIN

| | 2016 | 2017 | 2018 | 2019 |
|-----------------|-----------|-----------|-----------|-----------|
| SEPI Foundation | 0 | 0 | 0 | 0 |
| University | 17 | 18 | 17 | 16 |
| Others | 13 | 16 | 20 | 17 |
| TOTAL | 30 | 34 | 37 | 33 |



OCCUPATIONAL HEALTH AND SAFETY

Workers' health and safety is an absolute priority for the ENUSA Group. Training, information, prevention and development of new processes will always result in less exposure of workers to the risks inherent in their job posts.

Consequently, actions targeting the human factor are carried out with safety training techniques for operating equipment and installations and for responding to emergency situations, along with actions targeting the technical factor, making verifications of projects and modifications and inspections of the installations, as well as the working conditions.

After the Industrial Risk Prevention Act (LPRL) was enacted, ENUSA created the ENUSA Group Joint Industrial Risk Prevention Service. This service encompasses the four legally recognised preventive specialities (industrial safety, industrial hygiene, occupational medicine, and ergonomics and psycho-sociology), and it provides coverage to all its work centres and to its subsidiary ETSA. The EMGRISA subsidiary has a third-party prevention service.



WORKERS' HEALTH AND SAFETY, AN ABSOLUTE PRIORITY FOR THE ENUSA GROUP



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Throughout 2019 the Health and Safety Committees of the ENUSA Group held eight meetings. The Madrid and Juzbado Committees are comprised by three representatives of the company and three representatives of the personnel and these Committees regulate the participation of the workers in issues related to safety and health in the workplace. At these meetings monitoring is done of all the preventive activity and of health, the review of the processes and the analysis and monitoring of the results and Occupational Health and Safety programs.

In addition, with the aim of complying with Article 24 of the Occupational Risk Prevention Law, enacted by Royal Decree 171/2004, the ENUSA Group prepares and issues a procedure to guarantee the coordination of business activities between ENUSA and those companies and self-employed workers who provide their services in its work centres.

For this, an exchange of information is carried out, in which ENUSA reports the existing risks in its work centres and the actions in case of emergency, receiving accreditation of compliance with the Occupational Risk Prevention Law as well as the risks associated with the activities to be carried out by the contracted company or self-employed worker, in such a way that the taking of necessary measures for a safe performance of the activities can be guaranteed, along with effective supervision of the work. The final objective, therefore, is the elimination or minimisation of occupational risks that may exist in the services that the contracted companies and self-employed workers render in the work centres belonging to ENUSA, so that its own personnel as well as those from outside may receive effective safety and health protection.

TRAINING IN HEALTH AND OCCUPATIONAL RISK PREVENTION

In order to comply with the provisions of Article 19 of the Occupational Risk Prevention Act, the Prevention Service, along with external accredited entities, provides training on job post risk prevention based on the risk assessment that is performed. This legislation stipulates the obligation of ensuring that workers receive specific preventive training for the jobs they hold, both at the time they are hired and when the job specifications or equipment are modified, or when the Prevention Service deems it advisable as a result of the detection of malpractice or the investigation of any accidents or incidents that may have occurred.

During 2019, the ENUSA Group has provided to its employees a total of 4,607 hours of training related to occupational safety, hygiene, ergonomics and health with a total of 1,777 participants.

4,607 Hours of training in health and ORP

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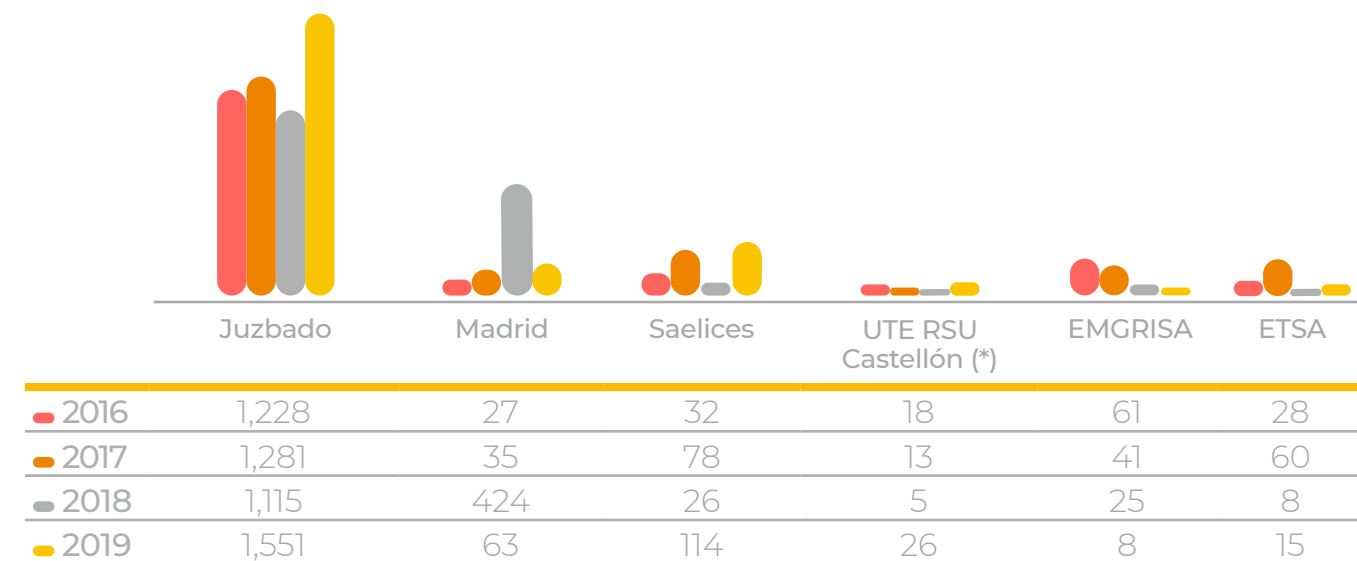
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TRAINING IN HEALTH AND ORP - ENUSA GROUP

| | 2016 | | 2017 | | 2018 | | 2019 | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Participants | Hours | Participants | Hours | Participants | Hours | Participants | Hours |
| Juzbado | 1,228 | 4,737 | 1,281 | 3,671 | 1,115 | 3,565 | 1,551 | 3,477 |
| Madrid | 27 | 69 | 35 | 135 | 424 | 804 | 63 | 216 |
| Saelices | 32 | 146 | 78 | 587 | 26 | 616 | 114 | 505 |
| UTE RSU Castellón (*) | 18 | 75 | 13 | 43 | 5 | 29 | 26 | 74 |
| TOTAL ENUSA | 1,305 | 5,027 | 1,407 | 4,436 | 1,570 | 5,014 | 1,754 | 4,272 |
| EMGRISA | 61 | 320 | 41 | 1,187 | 25 | 248 | 8 | 17 |
| ETSA | 28 | 32 | 60 | 97 | 8 | 16 | 15 | 318 |
| TOTAL SUBSIDIARIES | 89 | 352 | 101 | 1,284 | 33 | 264 | 23 | 335 |
| TOTAL ENUSA GROUP | 1,394 | 5,379 | 1,508 | 5,720 | 1,603 | 5,278 | 1,777 | 4,607 |

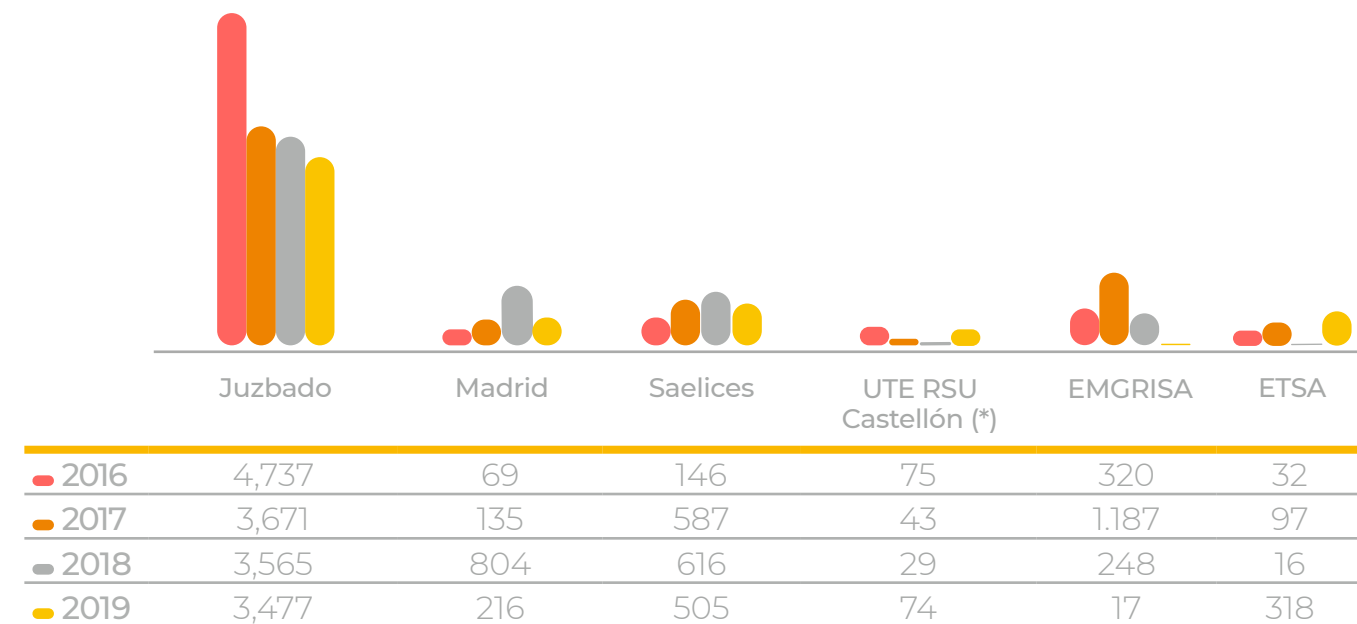
(*) Data refer to the 85.69% share of ENUSA in the UTE

EVOLUTION OF PARTICIPANTS IN HEALTH AND ORP TRAINING OF THE ENUSA GROUP



(*) Data refer to 85.69% share of ENUSA in the UTE

EVOLUTION OF HOURS OF TRAINING IN HEALTH AND ORP OF THE ENUSA GROUP



(*) Data refer to 85.69% share of ENUSA in the UTE

Currently there is no high incidence or risk of contracting an occupational disease in the ENUSA Group. According to the provisions of Royal Decree 1299/2006 of 10 November and its table of occupational diseases, the company carries out activities included in Group 2A (exposure to ionising radiation) and 2I (exposure to noise).

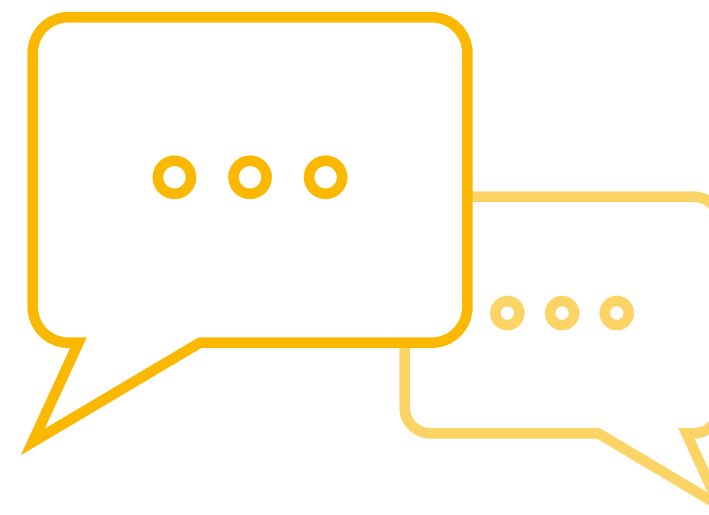
To avoid the appearance of exposure-related diseases, and as primary prevention, in 2019 ENUSA carried out the following:

- > Specific risk-oriented training:
 - Ionising radiation:** 2,647 hours 2019 in 123 sessions attended by 1,056 persons.
- > Specific risk-oriented health monitoring, applying the Health Monitoring Protocols of the Ministry of Health with a frequency and content as stipulated therein:
 - Ionising radiation:** 463 medical check-ups in 2019.
 - Noise:** 52 medical check-ups.

PREVENTION

Preventive inspections are periodically carried out to detect the potential risks of accidents and incidents that might occur in the installations, equipment or tools as a result of unsafe design conditions or inappropriate worker practices, in order to correct them before they can cause any damage.

These actions, included in the Prevention Plan along with the risk assessments, preventive activity planning, etc., confirm the major commitment made to effectively integrate prevention into the natural conduct of the different company activities.



SAFETY AND RADIATION PROTECTION

Safety is another of the commitments of the company, the Management and all the workers and it is considered as one of the factors always present in their activities. Thus, special attention is paid to training, development of new processes, equipment and installation innovation, information to society and to stakeholders, and participation in technical congresses and societies.

The factory and its operation are subject to ongoing control by the competent authorities: the Nuclear Safety Council (CSN), EURATOM and the IAEA. Control by the CSN has focused on plant operation, establishing in 2017 a Reinforcement Inspection Plan with a half-weekly frequency. The planned Reinforced Inspections were conducted in 2018 and 2019 as well as those for the CSN Base Inspection Program, which covered nearly all areas. The control of the international organisations are centred on the uranium entering and exiting the plant and on operations during the process, to ensure that it is not diverted to illegal uses. In this respect, since the Provisional Operating License was obtained in 1985, it has been renewed on six occasions, the last time on 27 June 2016 for a period of ten years.



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Radiation protection

The basic purpose of radiation protection is to protect the environment and the people who may be exposed to ionising radiations due, in this case, to the factory activities, considering the current impact and the long-term effects.

Radiation protection is a complex science, not only because of the difficult conceptual and technical aspects, but also because of how it is subjectively perceived by individuals and society. Applying the fundamental principles of radiation protection (justification, limitation and optimisation) since the factory was no more than a project has led to the quality standards that have been achieved being considered as an international reference.

The support that the Management has given at all times to the principles of radiation protection has resulted in the involvement of all the organisations and all the personnel to achieve levels of improvement that would be hard to attain with the exclusive application of technical innovations.

The new criteria implemented by international and national regulations have been surpassed thanks to the following:

- > The use of the new technologies.
- > The continuous renovation of the measuring and control equipment and instruments.
- > Incorporation of latest generation monitoring systems.
- > Development of new software application and the application of new mathematical models.
- > The adaptation of the operating procedures, considering the experience and that of other installations.

The radiation protection program covers the following aspects:

- > Control of doses received by personnel.
- > Classification of the workers and the different zones.
- > Control of radiation rates and surface and ambient contamination in the areas.
- > Control of radioactive sources.
- > Monitoring and control of liquid and gaseous effluents.
- > Control of solid wastes.
- > Verification and calibration of metering equipment.
- > Development of the dose optimisation program (ALARA).
- > Development of adequate protection standards and instructions.
- > Continuous assessment of the risks associated with the equipment, systems and processes.



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- > Ongoing and periodic training of all exposed workers.
- > Training of licensed personnel (operators and supervisors), members of emergency groups, and technical personnel of the Radiation Protection Organisation.
- > Development of the Environmental Radiation Monitoring Program.
- > Evaluation of national and international standards and regulations and of internal and external operating experience.

The program results are measured objectively based on the values of the external and internal doses received by the personnel and by the activities being discharged via liquid and gaseous effluents and the doses that the public could potentially receive as a result of these emissions.

Surface contamination is controlled by portable gas equipment optimised for the detection of alpha contamination, or by stationary equipment with large gas flow probes installed in the passageways of the areas at risk of contamination. To ensure that the established limits are met, there is a program of weekly inspections of the areas with portable surface contamination metering equipment.

External dosimetry

External irradiation occurs in the work stations where there is an accumulation of radioactive material, and it depends on the geometric arrangement of the source term with respect to the employee work positions. All factory employees who do work with a radiological risk are classified as exposed workers and, therefore, this control is required on them. For this purpose, an individual thermoluminescence dosimeter (TLD) is assigned to each worker.

The evolution of external staff doses has experienced a downward trend over the years. Although production has gradually increased, from average values of 150 tons of uranium in the early years to the 273.7 tons produced last year, the collective doses per ton have been maintained with regard to the previous year, and the average doses to workers have remained below 1 mSv, the limit dose to the public. The maximum annual doses have thus been successfully kept below 5% of the limit for exposed workers.



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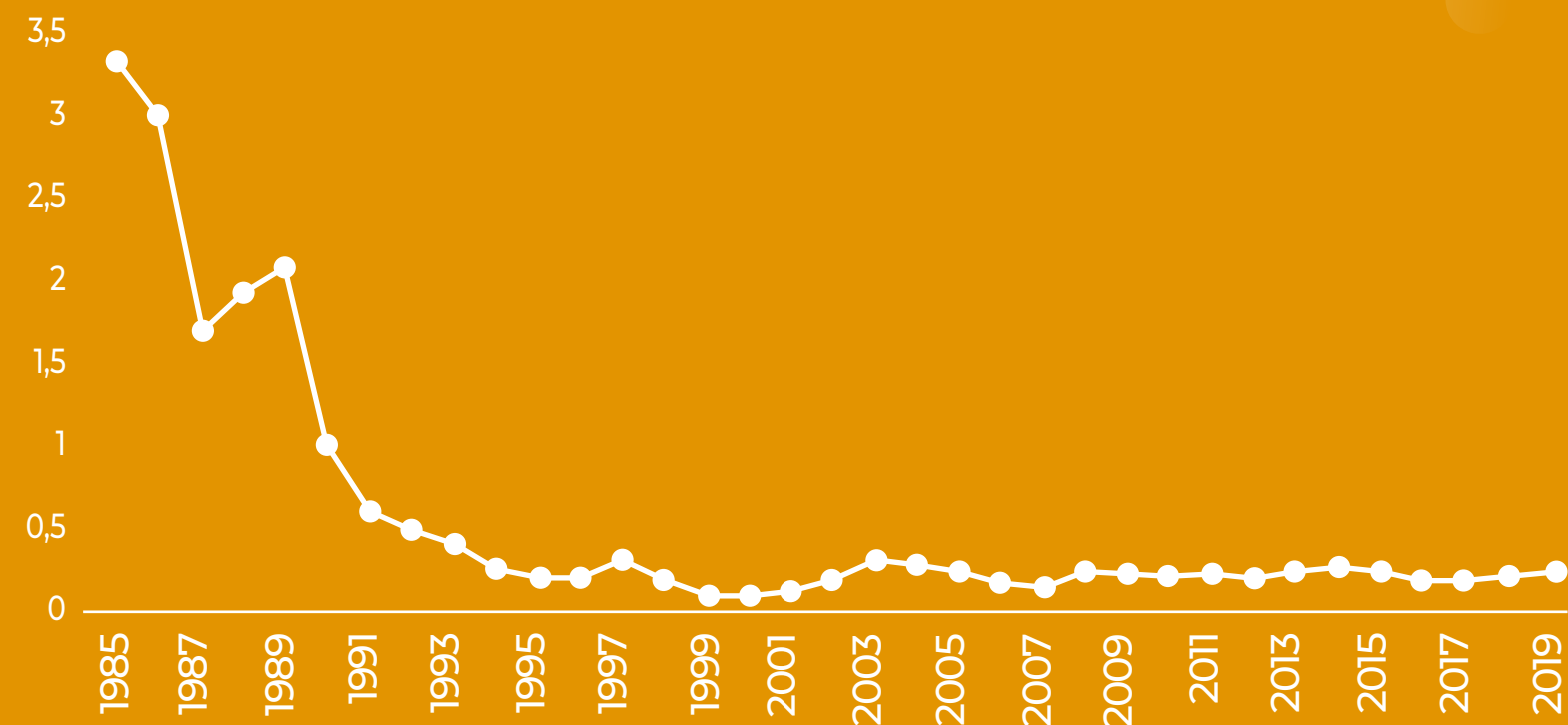
Internal dosimetry

The areas in the Juzbado factory where people work with potentially dispersible uranium oxide powder are classified as zones at risk of contamination and radiation, thus posing a risk of radioactive isotopes entering the body which could result in an internal dose for the personnel.

The ambient contamination in these areas is monitored with the so-called Radiation Protection System, formed by particle sampling equipment with a centralised vacuum system and silicon barrier detectors. The system is also provided with a network composed of more than 150 continuous sampling points that are representative of the areas and work stations, from which the filters are removed every 8 or every 24 hours, measuring the retained activity with equipment, with which the estimate is made of the internal personnel dose. In 2019 a prototype was installed to determine automatically the time operators remain in the proximities of each sampling point, to substitute the current administrative system. This system will be extended to the entire ceramic area during 2020. Internal dosimetry is controlled by two internal dosimetry services authorised by the CSN and is based on the measurement of the alpha isotopes in 24-hour urine samples that are periodically taken.

In addition, portable continuous metering equipment is used as a complementary monitoring system in high risk operations, or for equipment and process evaluation and optimisation analyses.

EVOLUTION OF DEEP COLLECTIVE DOSE Hp (10)/tU



OCCUPATIONAL HEALTH

Medical examinations

Section 1 of Article 22 of the Occupational Risk Prevention Act (LPRL) guarantees the periodic monitoring of the condition of workers' health based on the risks inherent to the job and applying the appropriate protocols.

The results of health monitoring are always communicated to the workers (Article 22, Section 3, LPRL) in a report. In accordance with the provisions of sections 3 and 4 of Article 22 of the LPRL, the privacy and dignity of the person are guaranteed in these check-ups, as is the worker's consent. The management is always informed of a worker's aptness for his/her job post after a health monitoring procedure, whether periodic or done after a period of absence due to common illness or industrial accident.

In 2019, 1,437 medical check-ups were conducted for ENUSA and ETSA. These check-ups include those of an ordinary type (431), those that are done on newly hired staff members (70), those of workers returning or changing job posts (19), check-ups of interns or personnel in practical training (2) and the review of the examinations of subcontracted personnel who collaborate with the company (915).

The Occupational Health department consists of ENUSA's Basic Health Unit (BHU) based in the Salamanca Work Centre, with an occupational health medical practitioner and three nurses (DUE).



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Healthcare

The Industrial Risk Prevention Act (LPRL), the Prevention Service Regulation and Royal Decree 843/2011, which regulates the healthcare activities of the Prevention Services, specify that the medical personnel of the Prevention Service should be familiar with the illnesses that may occur among the workers and be aware of absences from work for reasons of health in order to identify whether there is any relation between the cause of the illness or absence and the risks to health that may occur in the workplaces.

These laws and regulations also refer to the fact that the medical personnel of the Prevention Service must provide first aid and emergency care to workers who are victims of accidents or alterations in the workplace when the healthcare professionals are physically present.

Other occupational health activities

- > The effort made in recent years in the safety and health management of the ENUSA Group has allowed the consolidation of the Healthy Company management model whose certification was obtained in the year 2017 and recertifications of the system in 2019.
- > The campaign for special cardiology vigilance for the members of the 2nd Fire Brigade (BCI) of the Juzbado Work Centre was carried out as part of the promotion of occupational health in collaboration with the cardiology clinic, cardiac recovery and sports cardiology centre of Salamanca.
- > Recycling of 50 persons and 15 beginning courses of training and use of cardiopulmonary resuscitation techniques and automatic external defibrillators.
- > Flu vaccination campaigns in the three work centres.
- > A total of 6,255 medical consultations have been tended.
- > A total of 31 medical emergencies have been tended.
- > A total of 192 alcohol and toxic substance control were conducted.
- > The specific health monitoring protocols applicable to the ENUSA Group were revised.
- > The “Prevention of Cardiovascular Disease” program continues among the workers of the ENUSA group that began in the year 1995.



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OCCUPATIONAL ACCIDENT RATE

The low occupational accident rates continued, as in previous years, as well as the absence of incidence of professional illnesses among the personnel of the ENUSA Group.

ENUSA cannot avail itself in this financial year of the provisions of Royal Decree 404/2010 of 31 March, which regulates the establishment of a system that reduces professional contingency contributions for companies that have made a special contribution to the reduction and prevention of industrial accidents. This system of reduced contributions was suspended temporarily under RDL 28/2018, of 28 December.

In 2019, no cases of work-related illness were detected during the financial year among the personnel of the ENUSA Group.

- > An epidemiological study of the entire ENUSA staff was conducted, where the most relevant and prevalent health problems in the working population of the ENUSA Group were identified.
- > A blood donation campaign was carried out in the Juzbado factory, in collaboration with the blood bank of the Government of Castilla y León.
- > Screening program for the prevention of metabolic diseases (primary prevention of diabetes mellitus) in the context of the health monitoring.
- > In collaboration with SACYL rotation in the ENUSA Basic Health Unit was provided for a Resident Occupational Health Nurse (EIR) and an Occupational Health Physician (MIR) during their training with a total of 933 study hours.
- > Discussion forums on the area of occupational health in nuclear facilities have taken place as members of the UNESA Nuclear Medical Group, with the collaboration of the Gregorio Marañón University Hospital in Madrid.



ABSENTEEISM RATES DUE TO ILLNESS OF ENUSA GROUP 2019

| | Juzbado | Madrid | Saelices | UTE ⁽¹⁾ | EMGRISA | ETSA |
|---------------------------------|---------|---------|----------|--------------------|---------|--------|
| No. of employees ⁽²⁾ | 415 | 222 | 27 | 13 | 71 | 49 |
| Hours worked | 572,524 | 315,596 | 37,466 | 24,519 | 104,294 | 75,948 |
| Total no. of sick leaves | 73 | 47 | 5 | 2.57 | 16 | 5 |
| Lost workdays | 2,936 | 1,534 | 195 | 40,28 | 470 | 481 |
| Frequency rate | 17.59 | 21.17 | 18.52 | 19.77 | 22.54 | 10.20 |
| Severity rate | 40.22 | 32.64 | 39 | 15.67 | 29.38 | 96.20 |
| Incapacity rate | 7.07 | 6.91 | 7.22 | 3.10 | 6.62 | 9.82 |

⁽¹⁾ Data refer to the 85.69% share of ENUSA in the UTE

⁽²⁾ No. of employees on 31/12/2019

$$\begin{aligned}
 \text{I. FREQUENCY} &= \frac{\text{no. sick days for illness}}{\text{total no. of employees}} \times 100 &
 \text{I. SEVERITY} &= \frac{\text{no. workdays lost to illness}}{\text{no. of sick days}} &
 \text{I. INCAPACITY} &= \frac{\text{no. of workdays lost to illness}}{\text{total no. of employees}}
 \end{aligned}$$

TOTAL NO. SICK DAYS BY GENDER IN ENUSA GROUP

| | Men | Women | Total |
|----------------------------------|------|-------|-------------|
| Juzbado | 59 | 14 | 73 |
| Madrid | 32 | 15 | 47 |
| Saelices | 5 | 0 | 5 |
| UTE RSU Castellón ⁽¹⁾ | 1.71 | 0.86 | 2.57 |
| EMGRISA | 9 | 7 | 16 |
| ETSA | 4 | 1 | 5 |

⁽¹⁾ Data refer to the 85.69% share of ENUSA in the UTE



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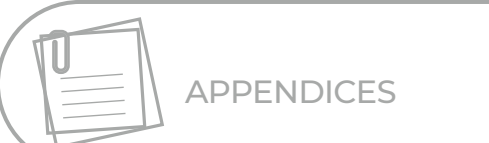
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ACCIDENT RATES IN ENUSA GROUP 2019

| | Juzbado | Madrid | Saelices | UTE ⁽¹⁾ | EMGRISA | ETSA |
|---|---------|---------|----------|--------------------|---------|--------|
| No. of employees ⁽²⁾ | 415 | 222 | 27 | 13 | 71 | 49 |
| Hours worked | 572,524 | 315,596 | 37,466 | 24,519 | 104,294 | 75,948 |
| Accidents with sick leave | 3 | 0 | 1 | 0 | 1 | 2 |
| Accidents without sick leave | 8 | 1 | 0 | 1.71 | 1 | 1 |
| Lost workdays | 41.5 | 0 | 1 | 0 | 16 | 138 |
| Accidents to/from work | 0 | 1 | 0 | 0 | 0 | 0 |
| Workdays lost to accidents to/from work | 0 | 0 | 0 | 0 | 0 | 0 |
| Incidence rate | 26.51 | 4.5 | 37.04 | 131.54 | 28.17 | 61.22 |
| General frequency rate ⁽³⁾ | 19.21 | 3.17 | 26.69 | 69.74 | 19.18 | 39.5 |
| Frequency rate with sick leave | 5.24 | 0 | 26.69 | 0 | 9.59 | 26.33 |
| Severity rate ⁽³⁾ | 0.07 | 0 | 0.03 | 0 | 0.15 | 1.82 |
| Average duration of incapacity | 13.83 | - | 1 | - | 16 | 69 |
| Absenteeism per accident rate | 0.1 | 0 | 0.04 | 0 | 0.23 | 2.82 |

⁽¹⁾ Data refer to the 85.69% share of ENUSA in the UTE.

⁽²⁾ Staff on 31/12/2019

⁽³⁾ Total no. of accidents occurred in 2019, except in the case of the UTE RSU Castellón, have been of men, for which reason the frequency and severity rates correspond to this category, being zero for women, except in the case of the UTE RSU Castellón, where the general frequency rate is 56.79 for men and 90-87 for women.

$$\text{INCIDENCE RATE} = \frac{\text{no. of accidents}}{\text{no. of workers}} \times 10^3$$

$$\text{AVERAGE INCAPACITY DURATION} = \frac{\text{days lost due to accident}}{\text{no. of accidents with sick leave}}$$

$$\text{GENERAL FREQ RATE.} = \frac{\text{no. of accidents with sick leave} + \text{no. of de accidents without sick leave}}{\text{no. of hours worked}} \times 10^6$$

$$\text{SEVERITY RATE} = \frac{\text{days lost per accident}}{\text{no. of hours worked}} \times 10^3$$

$$\text{ABSENTEEISM PER ACCIDENT RATE} = \frac{\text{days lost due to accident}}{\text{no. of workers}}$$



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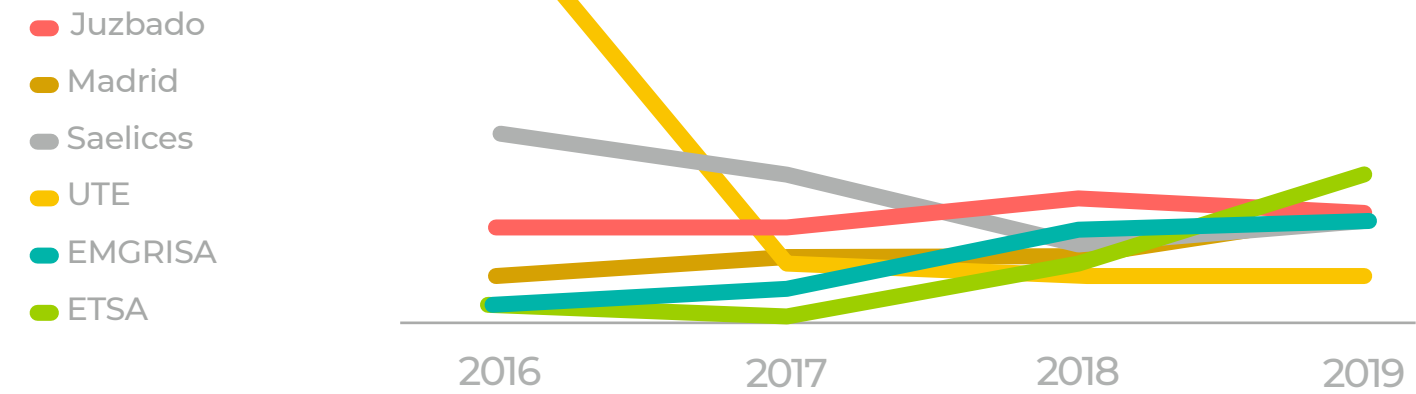
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NO. ACCIDENTS BROKEN DOWN BY GENDER IN ENUSA GROUP

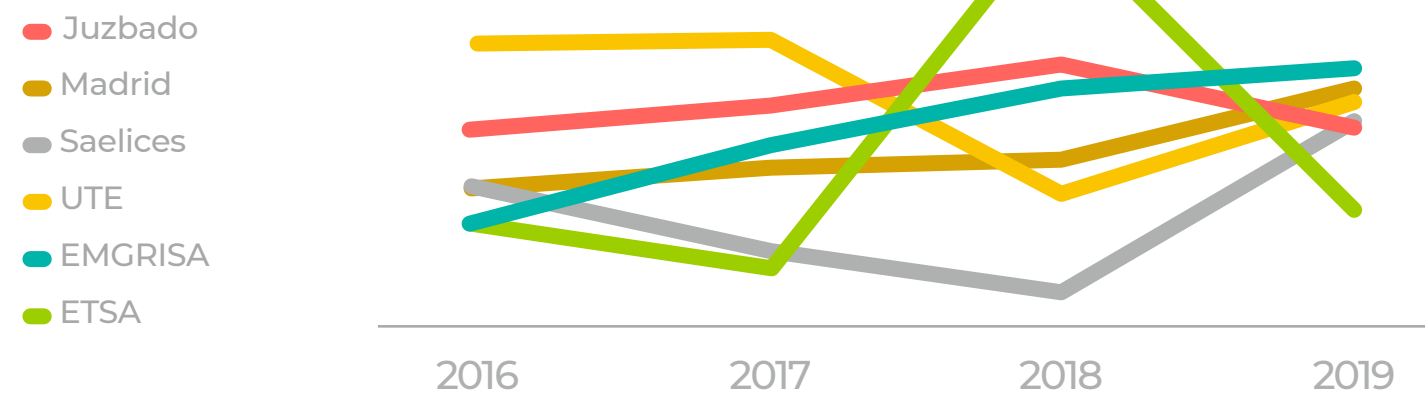
| | Men | Women | Total |
|-----------------------|------|-------|-------|
| Juzbado | 11 | 0 | 11 |
| Madrid | 1 | 0 | 1 |
| Saelices | 1 | 0 | 1 |
| UTE RSU Castellón (*) | 0.86 | 0.86 | 1.72 |
| EMGRISA | 2 | 0 | 2 |
| ETSA | 3 | 0 | 3 |

(*) Data refer to the 85.69% share of ENUSA in the UTE.

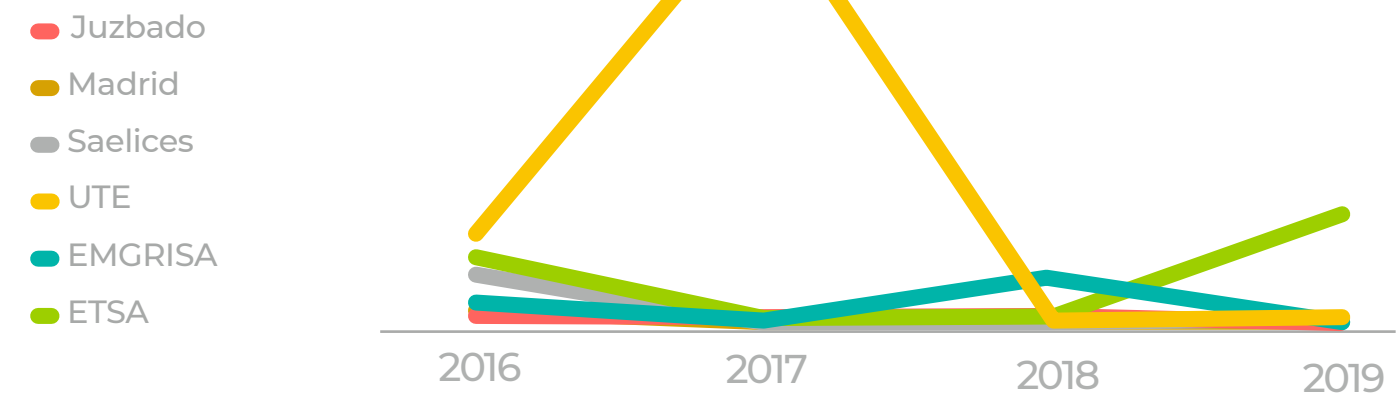
INCAPACITY RATE FOR ILLNESS ENUSA GROUP



FREQUENCY RATE FOR ILLNESS ENUSA GROUP



ACCIDENT SEVERITY RATE ENUSA GROUP



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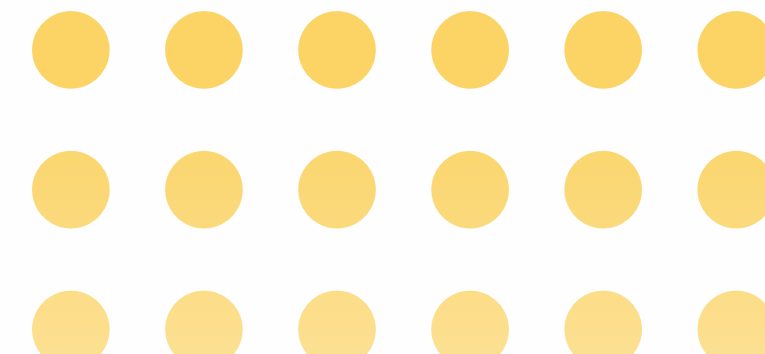
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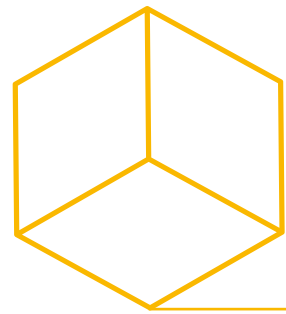
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CUSTOMERS

With the objective of the nuclear plants operating safely and efficiently, ENUSA has as its main business the supply of products and services related to nuclear fuel to the operators of these installations.

Therefore, quality is the main asset of all the products and services that are delivered to the customers, with the aim of ensuring the safety of the actions and the operation of the plants.

All the organisations of ENUSA focus their actions on the delivery on time and achieving the cited conditions.

In the year 2019, the energy context of past years was maintained, and, therefore, although the nuclear plants are designed to operate at 100% of their power during the entire cycle, ENUSA is working to demonstrate all the flexibility necessary to accommodate changes in demand. In addition, ENUSA must respond to all the aspects related to the management of spent fuel assemblies that are in the storage pools and that, gradually, are being transferred to storage containers for transport to Individual Temporary Warehouses that each site, according to their needs, is putting into service.

For this reason, ENUSA considers it essential to identify in advance the particular needs of each customer, and, in this way, propose the products and services that can best satisfy these needs.



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FUEL AREA CUSTOMERS

ENUSA's activity in the nuclear fuel business focuses on the following areas:

-  Uranium supply
-  Fuel design and manufacturing
-  Operating support engineering services to support licence and operation of reactors
-  Engineering services related to spent fuel management
-  Engineering services related to the future ATC [centralised temporary storage facility]
-  Engineering services to support the design and licensing of spent fuel storage and transport casks
-  In-plant fuel services related to the delivery of fresh fuel during refuelling outages and of spent fuel management support
-  Supply of both fresh and spent fuel inspection equipment
-  R&D&I projects

ENUSA is working to supplement these activities with answer to the possible needs that might arise in relation to the dismantling of the nuclear installations and the management of the operational waste, both in the national area and in other international markets.

During 2019, the framework agreement was put into motion, which was signed in 2018 with the utility companies Endesa, Iberdrola and Naturgy, owners of the Ascó, Vandellós II and Almaraz plants, for the supply of fuel refuelings for these plants. This contract, the most important of the ENUSA's fuel supply history by volume of refuelings and for its economic amount, suppose the supply of eight fuel refuelings for the Almaraz 1 and 2 nuclear plant, six for Ascó I, five for Ascó II and five for Vandellós II, between the years 2019 and 2027. The contract also includes, along with the delivery of fuel, the supply of the fuel design and the licence for refuelings and operating cycles, as well as other associated engineering services, including the tools for the monitoring the operation. ENUSA will also continue providing the fuel services for the facilities for the entire period of the framework contract, from handling the fresh fuel to the spent fuel management during the refueling stoppages. It also includes the disposal of spent fuel, from characterisation and clearance for handling in order to load into temporary storage containers. Finally, the scope also includes the availability of a safe supply warehouse in the Juzbado factory.

Also during 2019, the agreement has become known between the utility companies for the request for extending the operation of the Spanish nuclear plants, the ordered closure protocol agreed between the utility companies and ENRESA and the strategy of energy transition proposed by the Ministry of Ecological Transition (currently the Ministry of Ecological Transition and Demographic Challenge). These plans will mark the future of the Spanish nuclear industry during the upcoming years.

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In relation to the Alliance of the European Fuel Group (EFG) between Westinghouse and ENUSA, conversations were begun in 2019 to define the distribution of the French electric EDF for the 2021-2024 period. The objective is to reach a favourable agreement with Westinghouse before the end of 2020 based on the strategic value that the alliance has for both companies.

Work has also commenced on the development of a cooperative model for the provision of in-plant services in Europe that will be expressed in an amendment to the agreement of the EFG and that will allow taking advantage of possible opportunities in the most optimal way from the technical-economic viewpoint.

For the case of the client Engie Electrabel/Tractebel, the decision should be highlighted to cease the operation of the Doel 3 and Tihange 2 reactors in October of 2022 and February 2023, respectively, which means that ENUSA will deliver under the framework of the current contracts the last two batches for Doel 3 in 2020 and 2021, and the last for Tihange 2 in 2021. Notwithstanding this, it should be noted that during 2019 nearly all the activities of primary engineering as well as the LOCA Astrum TCD analysis have been concluded for both plants.

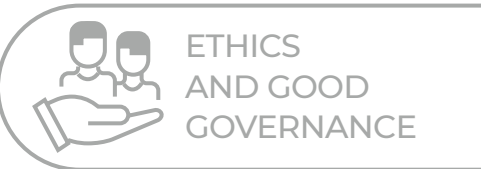
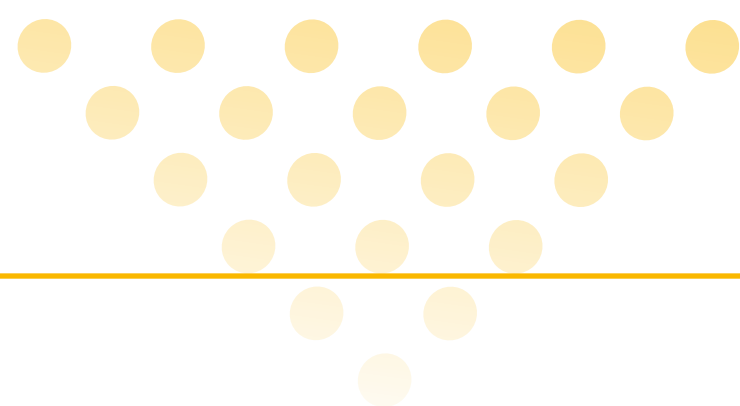
In relation to the service for the realisation of the safety analyses called LOCA Astrum TCD for the Doel 1 and Doel 2 reactors, the scopes planned in the project program have been achieved in 2019.

In the framework of the Westinghouse-ENUSA cooperation program for the development of Accident-Tolerant Fuel (ATF), a formal agreement has been reached with Engie Electrabel/Tractebel for the licensing and introduction of fuel assemblies with demonstration rods (LTRs) containing chromium-cladded sheathing in Unit 4 of Doel, whose delivery is planned to take place in March 2020 and associated to which an extensive performance monitoring plan will be carried out after each of the three irradiation cycles.

An important offer has also be presented to this customer for the repair of spent fuel assemblies of EFG design and no EFG in the Tihange 1, 2, and 3 and Doel 3 and 4 reactors, in view of their loading in spent fuel containers and temporary storage, whose award is planned to take place in the early months of 2020.

In relation to the French entity EDF, different agreements have been reached related to the governance of the contracts, the monitoring of the product performance as well as the introduction of Optimised Zirlo cladding with interior coating of zirconium (OZL) for RFA 1300 design and the standardisation of RFA 900 and RFA 1300 product; all aspects expressed in amendment 1 and 2 to the fuel supply contract and services between Westinghouse and EDF.

Numerous engineering services have been provided to EDF in the SISMO/LOCA area in the year 2019 in order to support the safe operations of the EFG fuel from the viewpoint of refrigerability and insertability of control rods.



In relation to the possible supply of fuel for the Trillo nuclear plant, contacts at the highest level have been maintained in 2019 with executives from CNAT to establish a roadmap of activities for licensing without restrictions the EFG fuel and thus evaluate the supply of refuelings in 2022.

In order to be able to finish qualifying the EFG fuel for this plant, it is essential to achieve the elimination of the current conditioning imposed by the CSN on the maximum rod burnup, which is a restriction that limits the introduction of the demonstration elements to a fifth cycle of operation. In order to limit the conditions, the necessary documentation is being prepared that is going to support, in the first place, the favourable results of the inspection campaigns of the demonstration elements of Trillo, carried out in 2019, after its second and third cycle of operation and, in the second place, the broad fuel operative experience of this same design that has been used in nuclear plants in Germany.

ENUSA has carried out different actions related to the diversification of the supply of fuel for VVER-440 design reactors in Europe. In this sense, ENUSA has participated in the Forum for Operators of VVER-440 Reactors organised by Slovenské Elektrárne and the Euratom Supply Agency (ESA), jointly with Westinghouse, contributing experience in the supply of VVER-440 fuel for Loviisa and it has presented the aspects to take into account in the design, licensing, manufacturing and transport in view of future needs for those utilities that in the future intend to take on projects of fuel supply diversification.


Furthermore, ENUSA has received in the Juzbado installations a delegation from the Ukrainian electric company Energoatom with the aim of get first-hand knowledge on the capacities for fuel supply for their VVER-440 reactors of Rivne 1 and 2, based on the prior supply experience to the Finnish plant of Loviisa.

In addition, ENUSA and Westinghouse have worked closely in the technical-commercial for the introduction of VVER-440 fuel in Ukraine in response to the commitment express in the MOU between Westinghouse and Energoatom for the diversification of the fuel supply that was signed in 2019.

In relation to the market of the reactors using BWR technology, Iberdrola has awarded to GENUSA, a company formed by ENUSA and Global Nuclear Fuel Americas (GNF-A), the manufacturing of all of the fuel needs of the Cofrentes nuclear plant of the year 2021. In this way, the position of GENUSA is reinforced as the leading manufacturer in the supply of BWR fuel for European plants.



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Regarding the market of the reactors of BWR technology, the year 2018 was at the commercial level one of the most successful in the history of GENUSA, a company formed by ENUSA and Global Nuclear Fuel Americas (GNF-A) since 1996, in which various contracts were awarded that position it as a leader of the European market for reactors using this technology. For this reason, during 2019 qualification and supply activities have begun with the products destined for these markets, beginning the manufacturing of different refuelings aimed at the Swedish plants of Forsmark 1 and 2, and the Olkiluoto plant belonging to the Finnish company Teollisuuden Voima Oyj (TVO).

The year 2019 continued with an intense activity regarding in-plant fuel services and engineering related to spent fuel, its characterisation and subsequent clearance for purposes of allowing its storage in the Individual Temporary Storage Facility (ATI). All the work has continued in relation to the application of the developments and classification methods performed in previous years, as well as the development of conditioning devices to minimise the number of fuel assemblies that have to be classified as damaged.

In 2019 continuous collaboration has been maintained with Equipos Nucleares, S.A., S.M.E. (ENSA), a company for which ENUSA provides engineering services related to the design and the licensing of the storage casks and transport of irradiated fuel.

Along the same line, support has continued to be given to the management of the ATC project of ENRESA, providing engineering services related to the design of details and licensing of the capsules that will store the spent fuel in the future centralised temporary storage.

Finally, it is important to highlight that in 2019 ENUSA continued advancing in the development of capacities in the area of dismantling of nuclear installations and management of radioactive waste. At the end of 2019, the modification of the purpose of the constitution of the Economic Interest Grouping ENUSA-ENSA AIE, broadening its scope to the execution of dismantling activities and waste management.

In addition, agreements have been maintained and signed with potential partners on the national and international levels, among which can be highlighted the agreement signed with the Spanish companies IDOM and ENSA and with the Russian company TVEL, to carry out activities in the framework of the dismantling of radioactive and nuclear installations, as well as the management of the operational waste.

Lastly, it should be emphasised that ENUSA conducts all its business under the Quality Management System in accordance with the ISO 9001:2015 standard, which is regularly audited by the official certifying organisations and by customers.



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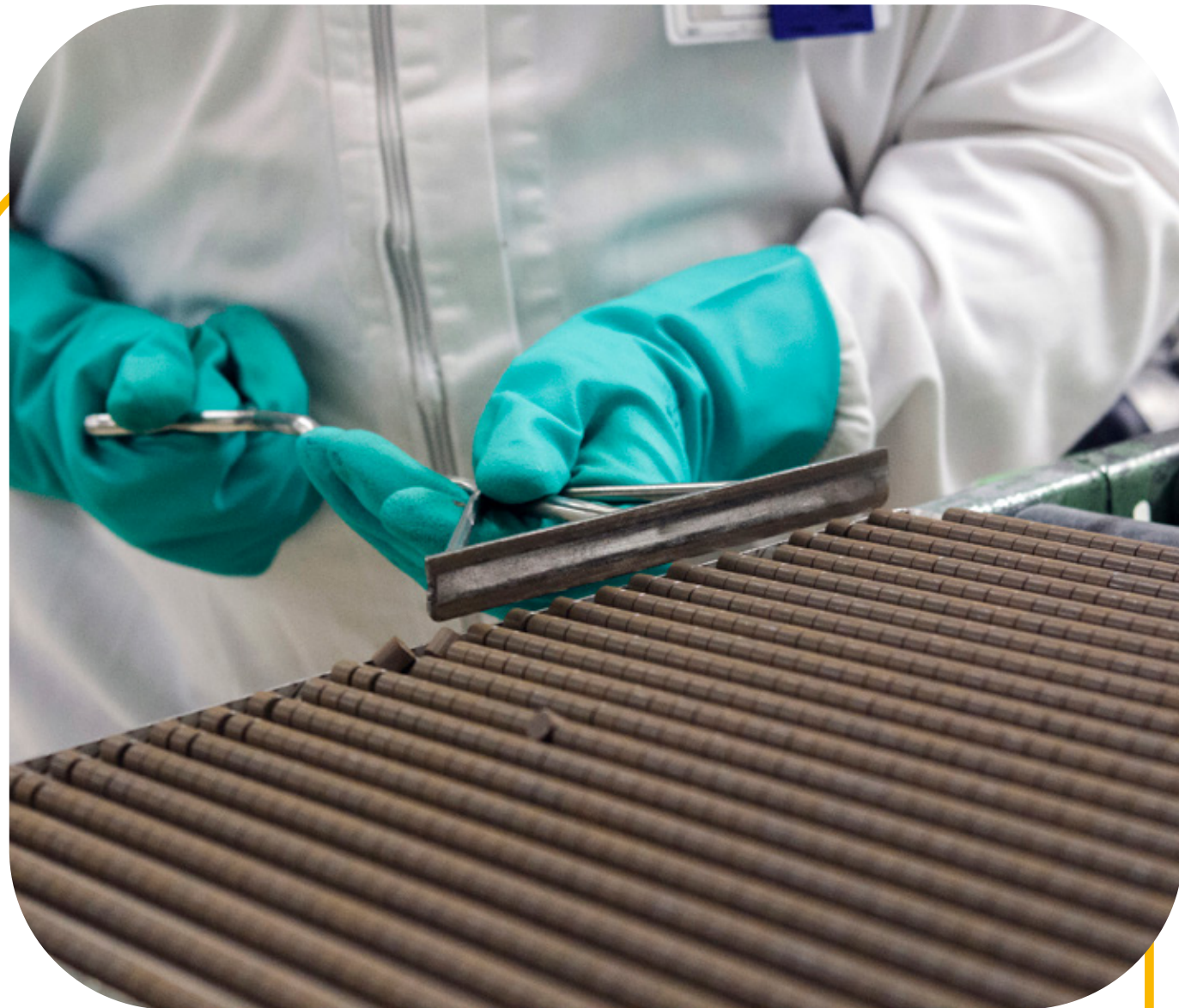
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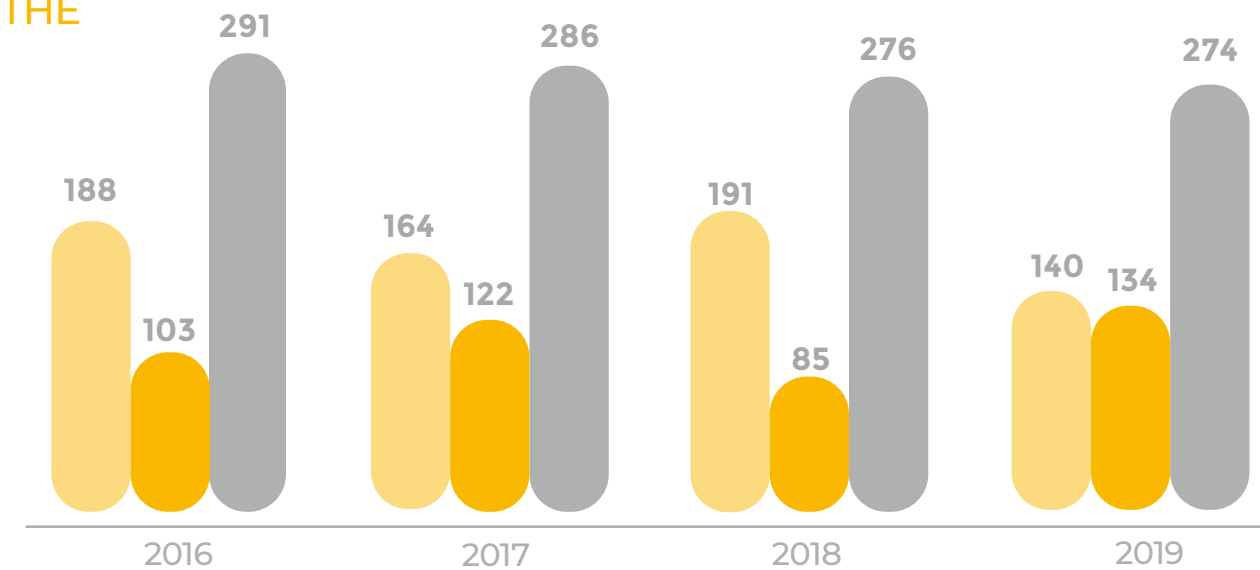
274 tU MANUFACTURED, 51% DEVOTED TO EXPORT

Fuel sales

During 2019, in order to fulfil the contractual commitments undertaken in previous years, 274 tons of uranium equivalent (tU) of fuel were manufactured, of which 51% were exported. In all, 615 fuel assemblies manufactured in the Juzbado installations were delivered.

EVOLUTION OF THE PRODUCTION

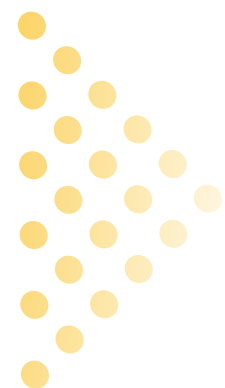
Exports
National
Total



This graph shows the evolution of the fuel manufacturing in the last four years. The stable level maintained can be observed.

Similarly, beginning in 2020, a substantial increase will be observed for this production that will include the result of the awards of the year 2018.

It should be noted that the productions is also conditioned by the length of the operating cycles of the plants since, while there are some that receive fuel annually, there are reactors such as the Spanish PWR and some of the Belgian that operate in 18-month cycles, or Cofrentes, a BWR reactor, which has a 2-year cycle.





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In the BWR area, the volume of enriched tU manufacturing in the year for reactors with this design has represented 13% of the total, an increment that reflects the fact of having commenced the manufacturing of some of the latest BWR contracts achieved.

In order to market abroad the products and services related to nuclear fuel of pressurised water reactors (PWR), ENUSA maintains with Westinghouse the European Fuel Group (EFG) alliance, renewed in 2017 up to 31 December 2024. All this is under the technology cooperation agreement with Westinghouse (CUTCA, Consolidated and Updated Technological Cooperation Agreement), in effect since 1974 and also renewed up to 31 December 2024.

During 2019, and according to the framework cooperation agreement for the development of accident-tolerant fuel (ATF) signed in 2018, ENUSA and Westinghouse have agreed on the launching of several new joint development projects (JDPS) leading to the introduction of fuel assemblies with rods of this type of material in American reactors as well as in the nuclear reactor of Doel 4 in Belgium.

Westinghouse continues being the supplier of components, from its factories in the United States and of the UO₂ dust conversion services through its subsidiary in the United Kingdom, Springfields Fuel Limited, related to the contract to supply fuel for Spanish PWR-Westinghouse designed plants.

During 2019, as a contingency plan to confront the potential problems derived from the *Brexit*, a project was launched to qualify the Russian company TVEL as alternative supplier of the UO₂ dust conversion service.

On the other hand, for marketing in the boiling water reactor (BWR) fuel market, ENUSA has a share since 1996 in GENUSA with General Electric through Global Nuclear Fuel - Americas.

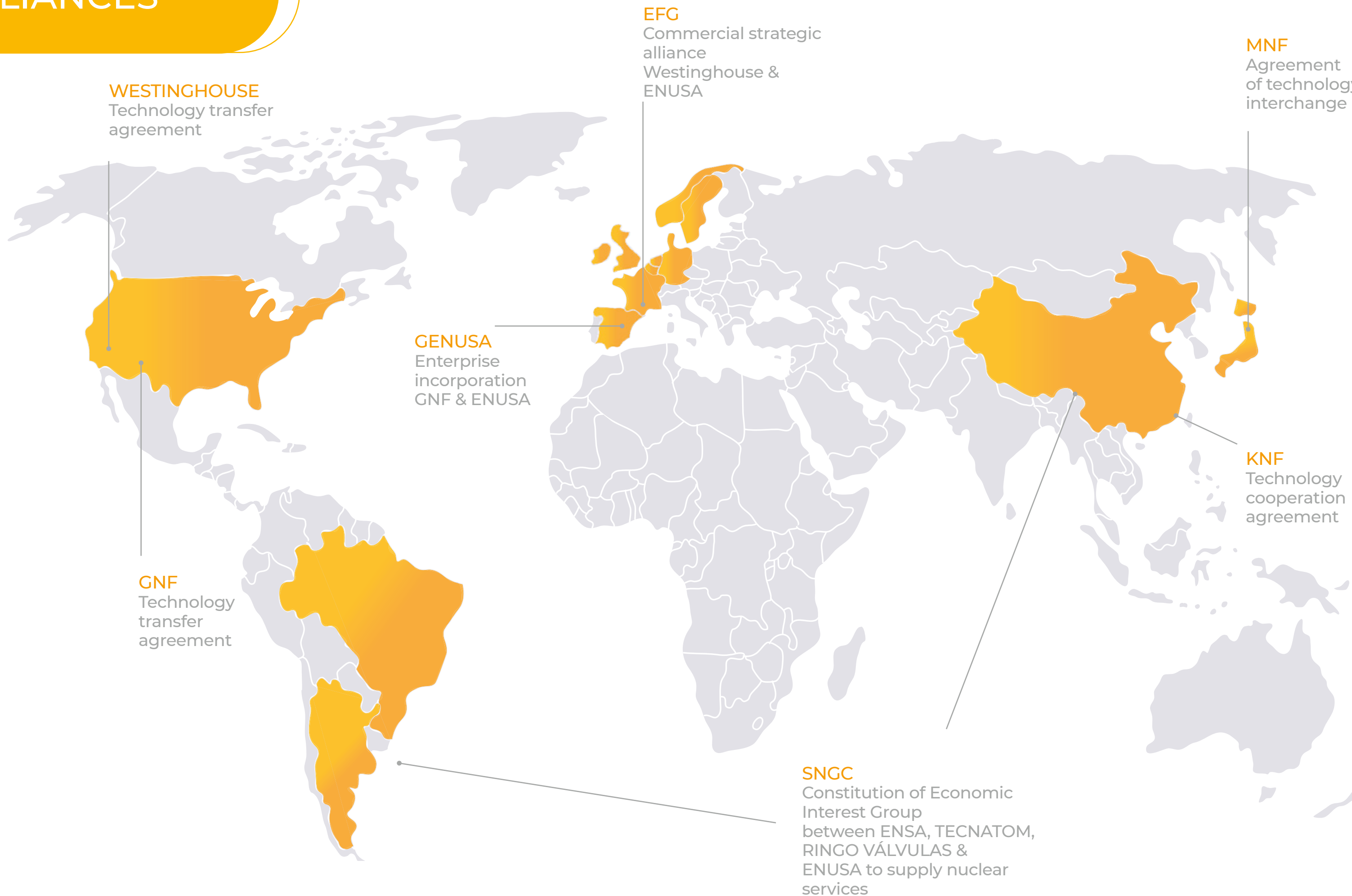
It also has the corresponding technology cooperation agreement with General Electric Hitachi (GEH), which is the basis for all activities in the European BWR fuel market.

GENUSA renewed its relation at the end of 2018 and up to 31 December 2024, regulating the sharing of work to supply refuelings for the Nordic customers of Vattenfall and TVO, and Iberdrola in Spain. ENUSA maintains the managing figure of this company and it has worked to extend the agreement to the fuel services area so that the commercial and operative efforts are better coordinated and more efficiently comply with the contractual commitments.

Through these agreements, General Electric Hitachi (GEH) and Global Nuclear Fuel (GNF) provide technology, components and services to convert from UF₆ to UO₂ dust while ENUSA provides fuel manufacturing and transport services to customers.

These contracts strengthen the relations begun in 1974 between ENUSA and GEH/GNF which has enabled European customers with BWR reactors to renew their trust in GENUSA for supplying fuel and associated services.

ALLIANCES



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PWR market

In 2019, more than 238 tons of enriched uranium (tU) were manufactured for the PWR reactors of Spain, France and Belgium.

In Spain, the company has continued to regularly supply fuel to the Spanish PWR-Westinghouse designed nuclear power plants. In 2019, 84 tons of enriched uranium (tU), corresponding to 180 fuel assemblies, were delivered to the Almaraz 2, Ascó II and Vandellós II plants, in accordance with the contract signed in 2012 and with the framework agreement of 2018. Consequently, the fuel supplied from the ENUSA factory in Juzbado is operating in the five Westinghouse-design PWR plants in Spain, Almaraz 1 and 2, Ascó I and II and Vandellós II.

In addition, 161 RFA 1300 and 64 RFA 900 fuel assemblies were delivered, equivalent to 109 enriched tU, to the French EDF plants. The framework of ENUSA's contract with Engie Electrabel and Tractebel Engineering has provided 48 fuel assemblies for the Doel 4 plant, equivalent to 26 enriched tU, and 56 fuel assemblies for the Tihange 3 plant equivalent to 30 enriched tU.

Furthermore, the company has continued to execute several engineering programs and services for analysis of the product performance under the most demanding operating conditions, as well as the fine tuning of the most advanced design tools to respond to changes that could be implemented in regulatory requirements.

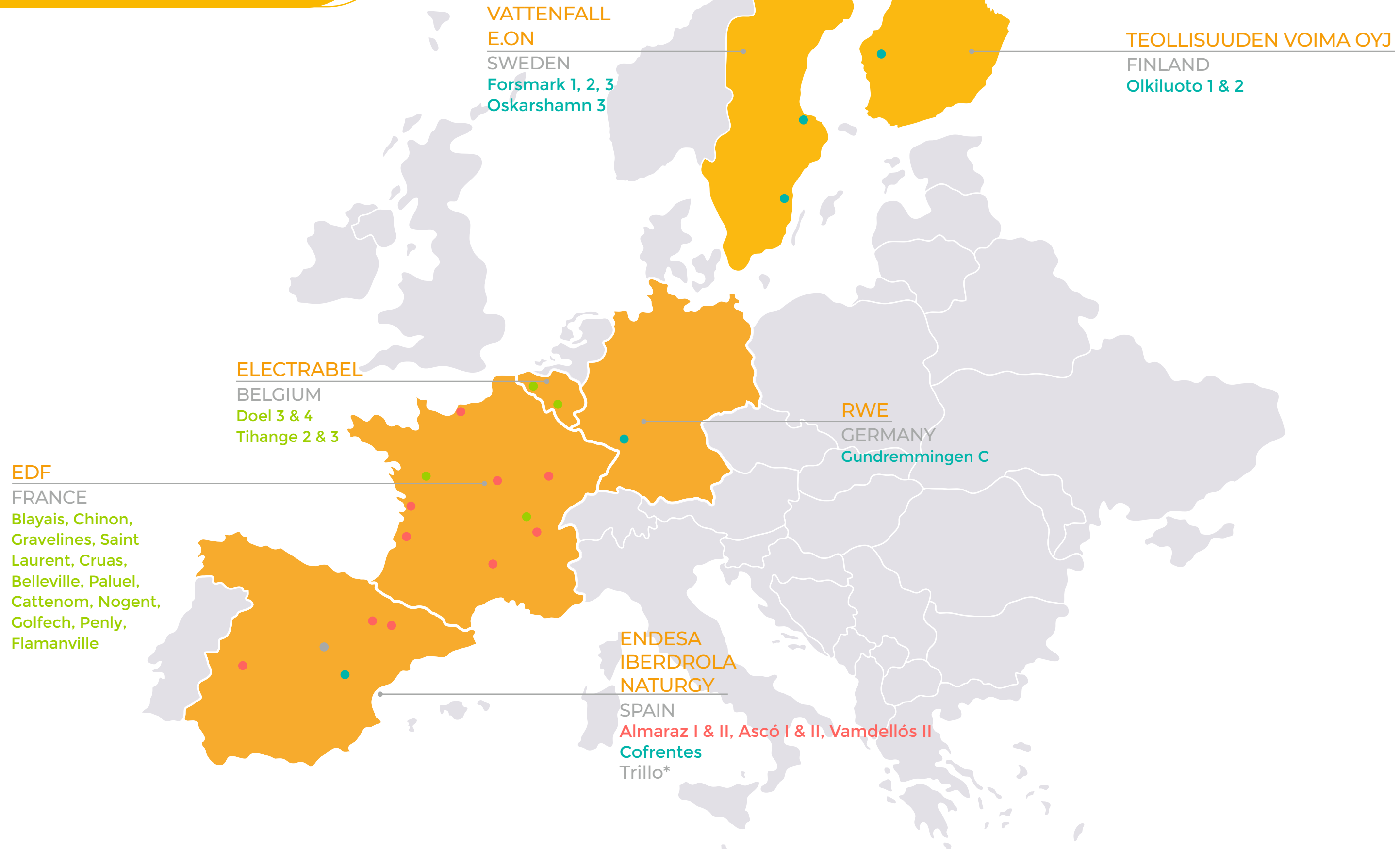
BWR market

With regard to the boiling water reactors (BWR), in the year 2019 a total of 35 enriched tU were manufactured, of which 20 enriched tU were delivered, corresponding to 104 fuel assemblies, to the Spanish nuclear plant of Cofrentes and 2 assemblies to the Swedish nuclear plant of Forsmark 2, with the rest of the tons aimed to the Nordic markets for deliveries planned for the first quarter of 2020.



FUEL CUSTOMERS

- ENUSA
- GENUSA
- EFG



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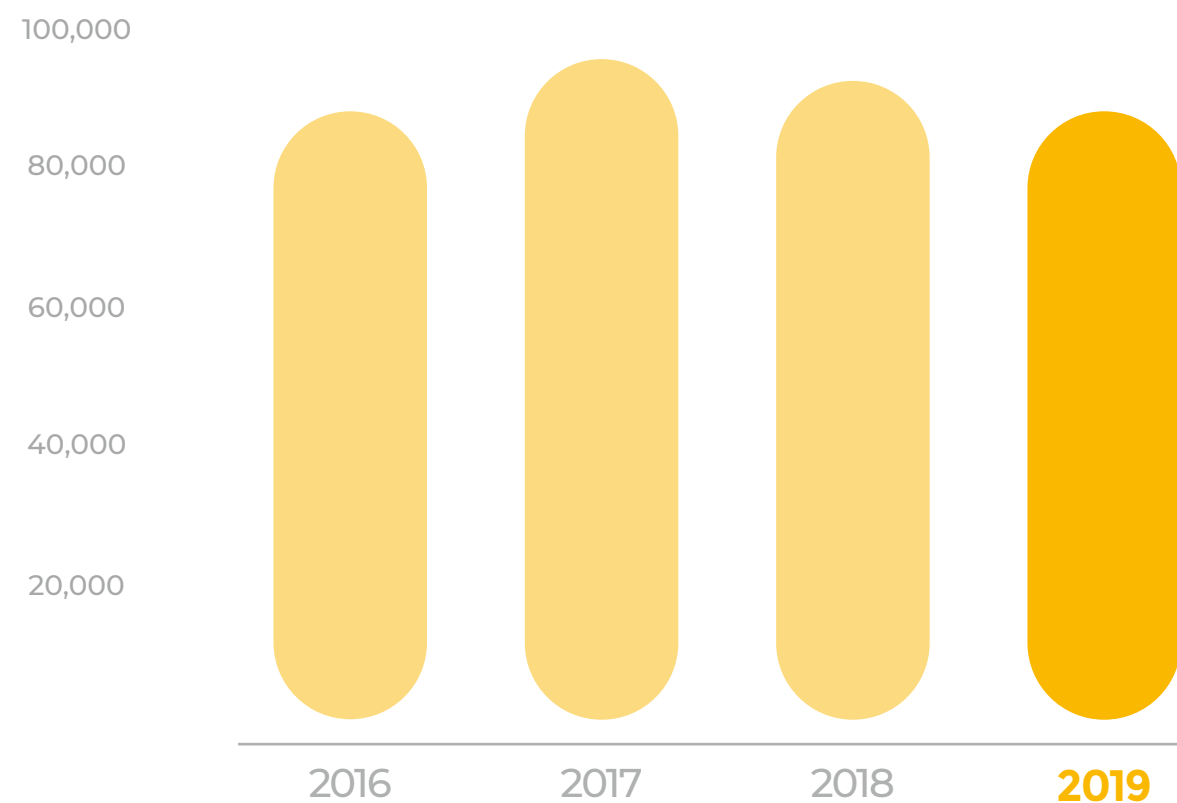
*Only fuel and uranium procurement services are supplied to Trillo nuclear power plant and in 2016, eight demonstration elements (LTAs) by EFG

Engineering and fuel services

As a complement to its manufacturing business, ENUSA offers the corresponding engineering services, including design of the refuelings for Spanish PWR nuclear reactors and support for the licensing, operation, manufacturing activities and methodology development activities, support for ENRESA and ENSA, and other activities related to the European market.

It should be emphasised that ENUSA's engineers have dedicated more than 90,000 hours to services destined to all the customers, as described below.

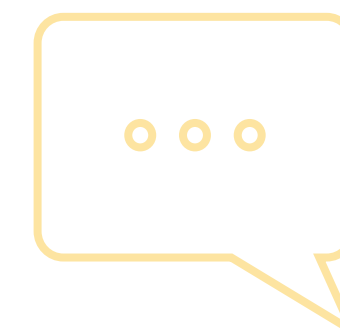
HOURS OF ENGINEERING SERVICES



It can be observed that ENUSA's engineering department has dedicated a similar number of hours in the last four year to projects for their customers, with the average being over 90 thousand hours/year, and with the last four years totalling a figure over 365 thousand hours dedicated to engineering services.

The fuel services undertaken in the nuclear power plants continue to maintain their activity. This increase is primarily due to the renewal of the agreements with national PWR customers that entail a progressive consolidation of the scopes of the services provided by ENUSA related to refuelling services, inspection of the spent fuel stored in the fuel pools and its characterisation and clearance.

For several years, ENUSA maintains a series of partners and alliances to carry out the fuel services. The Economic Interest Grouping (EIG, AIE in Spanish) ENUSA-ENSA, the organisation that develops the fuel services contracted by ENUSA in relation to plant operation with the support of its partners ENSA and ENWESA. This organisation is the outcome of the transformation of the former AIE ENUSA-ENWESA, and carries out all the services that its customers require, both in refuelings and in management services of spent fuel, including loading containers, optimising the supports of the fuel pools and the nuclear engineering services related to the design and licensing of containers and racks for the storage of spent fuel.



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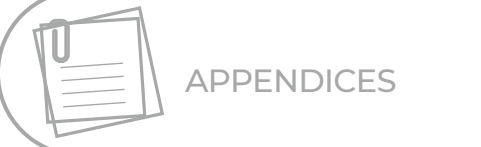
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It has the necessary collaboration with Westinghouse Technology Services (WTS) for fuel services in the nuclear plants, guaranteed by the collaboration agreement between ENUSA and WTS, which was also signed in 2017.

ENUSA continues having the collaboration of TECNATOM, the technology partner with which ENUSA has undertaken the development of the SICOM equipment, the family of equipment for providing fuel characterisation services and whose ownership is shared by the two companies. Some of this equipment has already been sold in China.

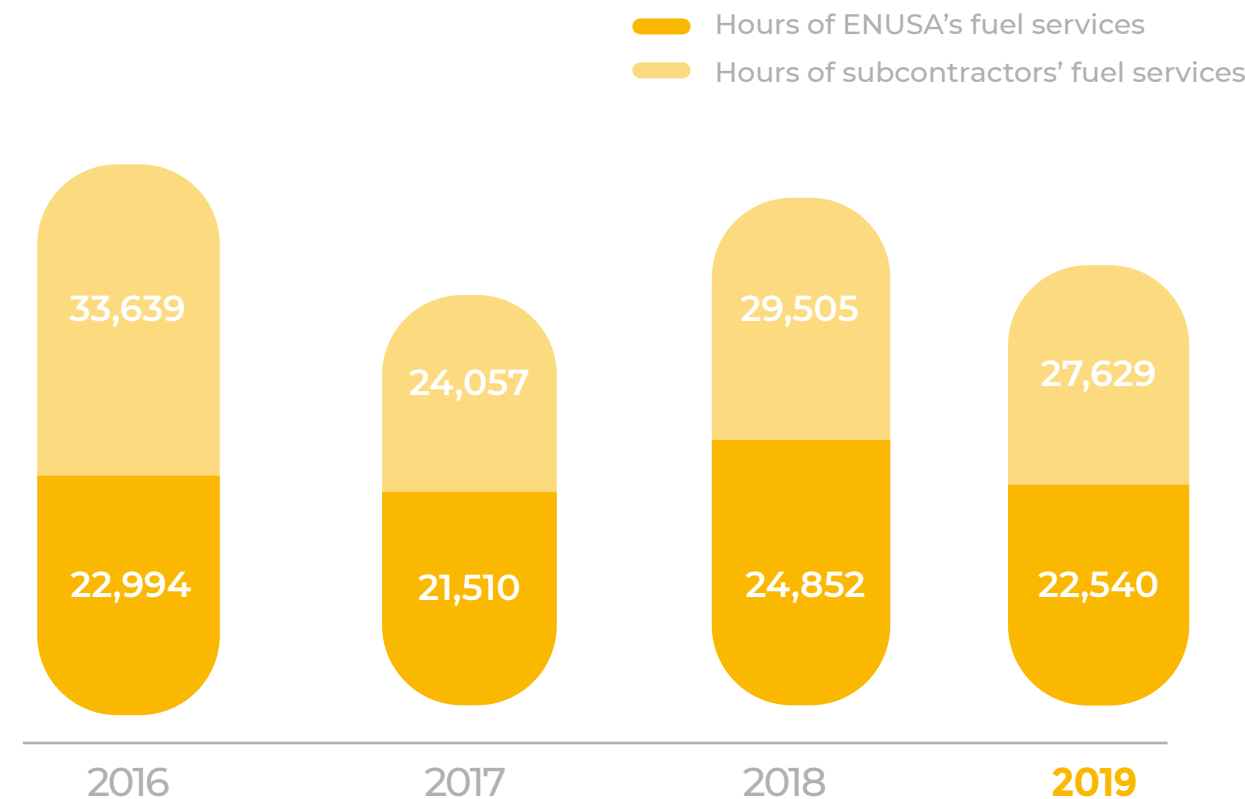
Another of the strategic agreements that ENUSA has in the area of in-plant services is with the North American firm Dominion Engineering for the development of equipment for cleaning the fuel with ultrasound techniques and equipment designed to detect leaking assemblies.

The company has an ongoing commitment to support the nuclear power plants with its in-plant services and, as a result, it is consolidating its presence in several European reactors and beginning to provide services to the Trillo nuclear power plant, which will be expanded progressively in 2020.

For this reason, ENUSA has significantly increased the number of customers and the workload in fuel services. This is an expanding line of business and therefore the company will continue to pursue it in 2020, together with the development of new services related to irradiated fuel management.

In all these activities, it should be mentioned that in 2019 ENUSA, along with its subcontractors, has dedicated around 50 thousand hours to the provision of fuel services with high added value in the nuclear plants, mainly Spanish, but also in participating in project in other European and Chinese nuclear power plants.

HOURS OF FUEL SERVICES



It is observed that the annual work load is more or less homogeneous, with little variability caused by the duration of the 18-month operating cycles of the Spanish PWR plants that involves that in some years there are four stoppages compared to the usual three stoppages per year.



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Irradiated fuel management

The extensive technological knowledge of nuclear fuel and its great experience acquired in recent years, have made ENUSA a leader for the nuclear plants in many activities related to the management of spent fuel.

The support for spent fuel management that ENUSA offers to its customers has two components. One is related to the engineering work to identify needs for inspection, analysing the results of these inspections, classifying fuel and minimising the number of assemblies that must be classified as damaged. The other is related to the in-plant fuel services to be carried out for the inspection, conditioning of the damaged assemblies and loading of casks. During 2019, ENUSA has worked intensively to give support in both components to the managers of the Spanish PWR nuclear plants.

With the aim of minimising the number of assemblies that must be classified as damaged, in recent years, different methodologies and a conditioning device have been developed. The method for classifying fuel with exfoliation should be highlighted. In 2018, this methodology achieved the favourable recognition of the Nuclear Safety Council (CSN) for AEF fuel in Holtec cask. In 2019, ENRESA, along with the managers of the PWR plants have asked ENUSA to adapt this methodology to the different fuel designs and storage systems used in Spain.

As regards the minimisation of the number of fuel assemblies to be classed as damaged, the Espiga device should also be highlighted. In the last three years ENUSA has installed many Espiga devices to enable fuel assemblies affected by corrosion of the hoses of the upper header to be handled without restrictions. In 2019, ENUSA has worked intensively on a project whose objective is to adapt the installation tools for this device so that it can be used in positions in pools that are inaccessible with the usual tools.

Also this year, ENUSA has launched a project for the development of repair tools for assemblies with damaged grids. This is going to minimise the connection risks of the

assemblies when inserted in the storage casks, as well as ensure their structural integrity, again minimising the number of assemblies classified as damaged.

During 2019, ENUSA has given support to the PWR plants for the characterisation of waste in their spent fuel pools, such as loose heads or plugs, in order to reclassify this waste as medium activity, minimising in this way the volume of high activity waste. In upcoming years, ENUSA will give support to the plants in the final management of this waste.

In the years to come, these activities will continue until the operators of the Spanish plants have achieved the objective of having all the fuel in the pools cleared and ready for loading in the storage and transport casks. ENUSA, as the fuel technologist, has allotted all the necessary resources both to engineering and to fuel services to meet the demands of its customers.

Once the leadership in activities of the second part of the fuel cycle has been consolidated in Spain, ENUSA has begun to give support in this area to foreign customers, as may be the offers presented in 2019 for the repair of several dozen failed fuel assemblies in the Belgian nuclear plants.



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Activities related to the Centralised Temporary Storage Facility (ATC) and the irradiated fuel storage casks

The Centralised Temporary Storage (ATC) project in Villar de Cañas (Cuenca) has been suspended temporarily so that at this time the final viability or impossibility of this projects is pending a decision by the Ministry and ENRESA. In any case, in 2019 ENUSA has continued to working on the Design Project of the Capsules for the ATC, although with a lesser scope than initially planned due to the temporarily halt of the project. Phase 1 has been done of the design of the capsule that will store the spent fuel and work has begun on the design of a capsule that can load the fuel directly in the nuclear plants and, without subsequent handling, transport it to its definitive storage.

Under the framework of the Economic Interest Grouping (AIE) ENUSA-ENSA, different nuclear engineering activities have been carried out for ENSA, focused basically on the optimisation of the ENUN casks for the storage and transport of damaged nuclear fuel or that with a high degree of burning from the plants of Almaraz and Trillo, and for the nuclear plant of Santa María de Garoña.

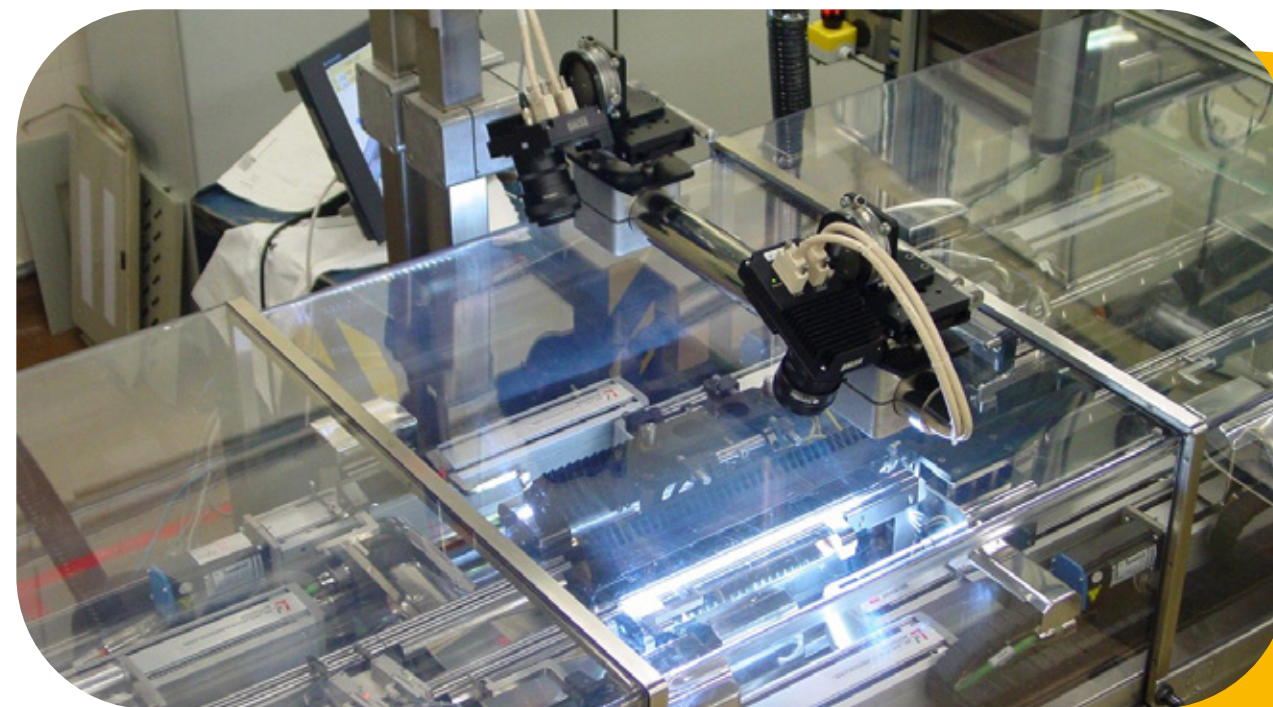
R&D&I

Excellent technology is an essential differential factor for the development and growth of ENUSA and constitutes the basis on which the customers' trust is supported. This excellence is achieved through two basic elements: on the one hand, the agreements with leading technological partners in the nuclear industry and, on the other, with the implementation

of R&D&I activities in key fields of the business and closely oriented to the more specific needs of the customers. If the first instrument ensures the soundness of the fundamentals of the technology, it is the second that ensures consolidation and growth.

For this reason, ENUSA invests substantial economic and human resources in the R&D&I projects. In 2019, more than 6% of the industrial sales were allocated to the realisation of approximately 50 projects, in which the equivalent of 27 fully dedicated experts have collaborated, and which has meant the promotion and participation in distinguished collaboration programs with licensors, technological partners, regulatory organisations and clients.

ENUSA continues to have a presence in all the national and international forums, in order to incorporate the latest technologies that serve to enhance the products and services, as well as the technological abilities. The effort and dedication shown in 2019 in projects related to the development and introduction of new



products, the validation and putting into service new inspection and fuel-characterisation technologies and the research in the in-service performance of nuclear fuel should be emphasised.

R&D&I promotes enterprising dynamics in the company and provides knowledge and technological qualification in order to provide competitive products and services in the traditional markets and to be able to take advantage of growth opportunities in new activities.

Internationalisation

Throughout the year 2019, ENUSA carried out a significant steps to extend its business in the international markets. In this year, three important agreements with companies of the United Arab Emirates and China were signed.

In the month of March, a Memorandum of Understanding (MoU) was signed with Emirates Nuclear Energy Corporation (ENEC) which positions ENUSA as a leading partner of ENEC in everything related to the development of capacities of this company dealing with the manufacturing of nuclear fuel. ENEC is the organisation that is carrying out the construction of four nuclear reactors of Korean design, APRI400, in the emirate of Abu Dhabi.


In the month of October, two agreements were signed with the Chinese companies CNNC Jianzhong Nuclear Fuel Co. (CJNF) and Suzhou Nuclear Power Research Institute (SNPI). The first of these agreements is an MoU that updates and extends the relation between the companies, which has been developing since the year 2008. The agreement was signed in the Spanish Embassy in Beijing and had the presence of the Ambassador of Spain. For China's part, in addition to the executives of CJNF, representatives from China Nuclear Energy Industry Corporation (CNEIC) were present and

signed the MoU. As for the agreement with the SNPI, it deals with an agreement for the provision of in-plant services with inspection teams supplied by ENUSA to SNPI. This agreement serves as a frame for the provision of this type of services in China and will facilitate the procedures for the contracting of different services.



In the area of fuel equipment supply, ENUSA has presented at the end of 2019 a bid to the Korean company KEPCO-NF for the supply of pellet inspection equipment for the expansion of the factory of Daejeon in South Korea. Furthermore, the fuel pellet inspection equipment contracted with CJNF in the year 2017 was delivered to the factory of Yibin (China). The improvements to the SICOM-COR equipment of SNPI were also delivered, which were tested with success in the inspection campaign carried out in the plant of Ling Ao-2 in mid-2019. This service was done in collaborations with Technatom, as well as diverse maintenance services and the supply of spare parts for this equipment.

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Customer satisfaction surveys

The quality of the services that ENUSA provides to the customers is measured with two different indicators:

- > In the first place, their degree of satisfaction is measured through the analysis of certain indicators, whose evaluation and results can be obtained through conducting personal satisfaction surveys with the customers or through self-evaluation of different projects, an indirect method that was developed several years ago and with which the most important aspects for the customers were evaluated objectively.
- > On the other hand, possible dissatisfaction is analysed, accepting the complaints and/or claims that the customers might present in relation to specific events regarding the services that ENUSA provides to them.

In the year 2019, a satisfaction survey was conducted on Engie Electrabel Tractebel in relation to the fuel supply contracts and engineering services associated with the plants of Doel 4 and 3 and Tihange 3 and 2. The average score obtained in this direct evaluation was 8.72, which shows the high degree of satisfaction of this customer with ENUSA, which is why ENUSA is the leading supplier in Belgium. The customer wanted to highlight in particular the successful fulfilment of the primary engineering and licensing program for Doel 3 and Tihange 2 and the flexibility shown by ENUSA at every moment to adapt to the changes in the stoppage dates of the plants or other unexpected requests.

As strong points it indicated the attitude and flexibility of ENUSA in the commercial discussions and in the management of the different refueling and engineering projects. Furthermore, it wanted to highlight the good image of ENUSA before the Belgian regulating authority.

Furthermore, the analysis carried out in 2019 for the refuelings of Ascó I, Almaraz 1, Forsmark 1 and 2 for Olkiluoto, comes completely from the self-evaluations conducted with the indirect method, since there was no opportunity to carry out any of the personal surveys as the necessary conditions were not available. It should be recalled that the self-evaluations include quite precisely the satisfaction of each project, based on the critical quality parameters (Critical to Quality - CTQs) that the clients have referred to on previous occasions and on the experience results from the many meetings that were held with them regularly.

The result obtained shows an average score of 8.23 corresponding to refuelings evaluated in 2019. These self-evaluations can lead to the corresponding action plan to establish the measures that are necessary to correct these specific points, in case some aspects are detected that requires it.

With the certainty that the indirect method and the analysis of the different parameters carried out produce a true measurement of the degree of satisfaction, the need for conducting personal surveys should be insisted upon which validate the obtained results. We will continue insisting on their realisation when the opportunity is presented, always with the acceptance of the customers who in the end must receive these surveys.



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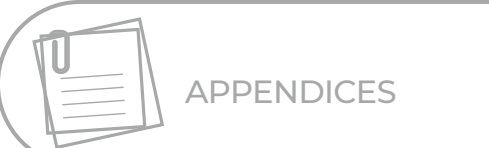
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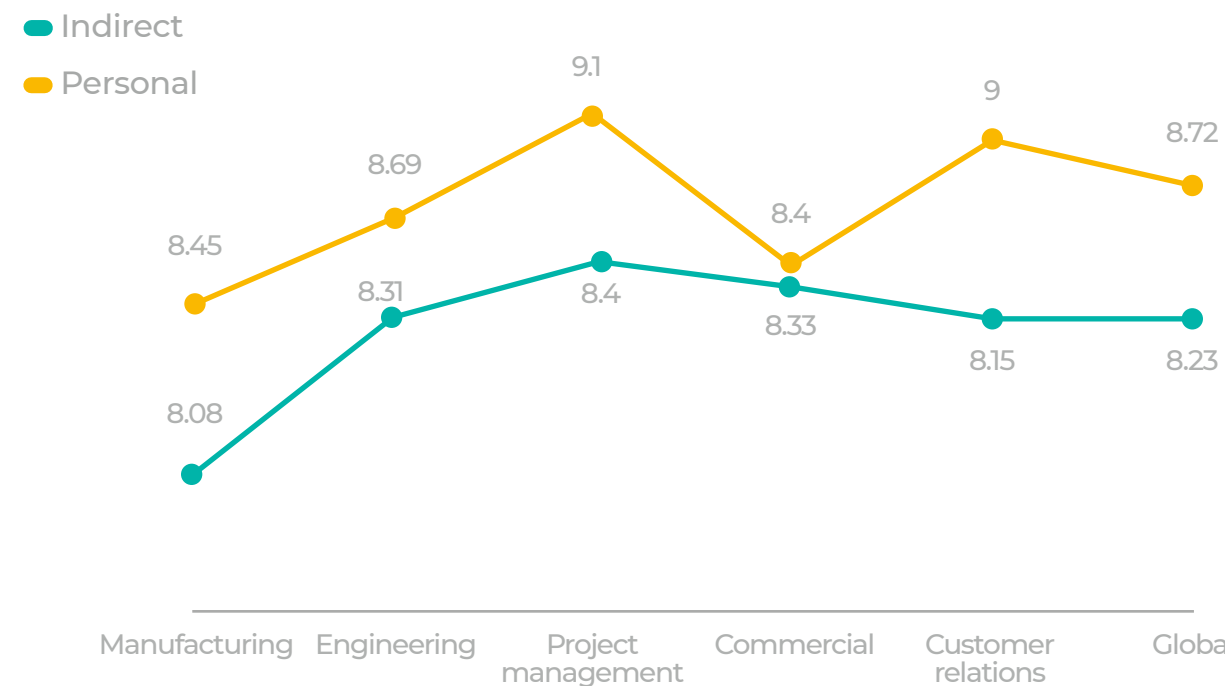


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AVERAGE SCORE OF DIFFERENT AREAS - REFUELINGS



As regards complaints and claims, it must be indicated that during 2019 no new complaint was received.

ENUSA continues being very attentive to any aspect or comment that comes from a customer in order to fulfil all the contractual commitments and obligations with utmost rigour and reliability.

In the Digitalisation Plan of ENUSA, in 2019 a pilot project has been conducted to create a customer journey map, as an alternative to the satisfaction surveys, in order to know the needs and priorities of the customers, and the way to satisfy them. This first application was done with the persons responsible for PWR fuel of ANAV and CNAT. And, in addition, it was extended to ENRESA, seeking a different opinion since it is a customer to whom engineering services are provided other than the usual ones of the operators of the nuclear plants.

ENVIRONMENTAL AREA CUSTOMERS

During 2019, although the Technical Environmental Office has been reducing its number of employees, it has continued to work along two main business lines: the provision of environmental services, and the biogas plant with its associated projects.

Furthermore, and in accordance with Strategic Plan of the ENUSA Group's environmental business, the external activities that the Office has been carrying out have been incorporated to the EMGRISA's portfolio of services.

The most relevant activities carried out in each of the aforesaid areas are as follows:

Environmental Services

As in previous years, the provision of engineering support services for other activities of ENUSA and environmental radiation monitoring programs have continued.

Engineering support services for other activities of ENUSA

In the context of the close collaboration maintained with the Saelices el Chico centre, three lines of action should be noted: first, the collaboration with the centre's technical staff in reviewing the documents required by the Nuclear Safety Council for the dismantling and closure of the Quercus plant facilities; second, the coordination and monitoring of the TEKURA R&D Project that uses *technosols* to prevent acid mine run off, and third, the conception of a new R&D project named MINETRA, that allows experimenting with activated *technosols* in the a FE-3.1 pit.



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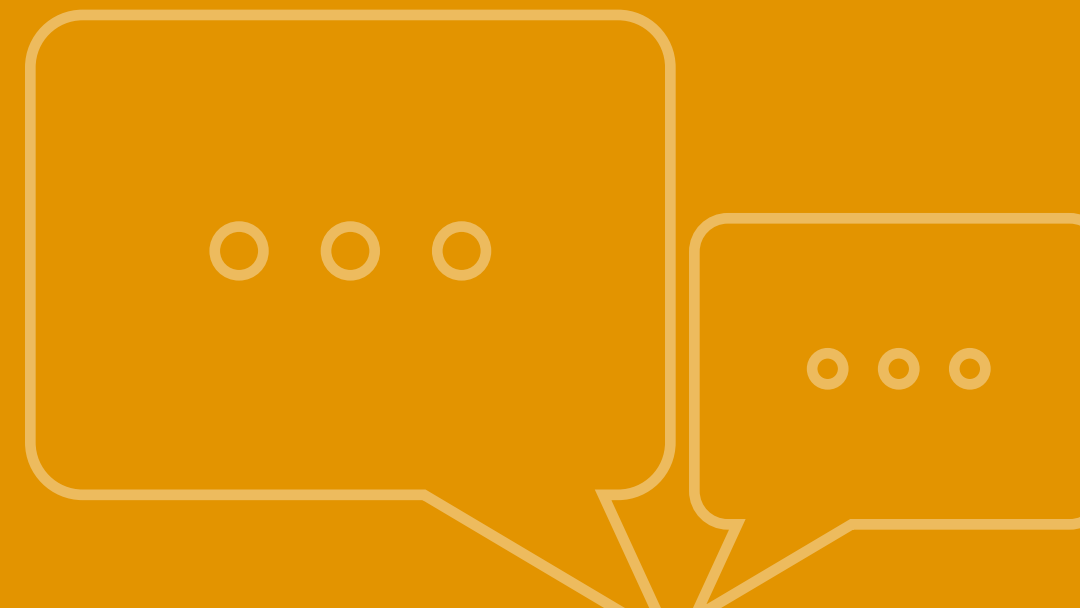
On the subject of *technosols*, ENUSA has collaborated on technical aspects on the TEKURA Project with the personnel of Saelices and EMGRISA. During this year, the objective has been reached of manufacturing 27,000 tons of *technosol* defined at the beginning of the year and the first benefits of their application have been observed, such as their high water adsorption capacity and the neutral pH values in the adjacent soil. These promising results, together the lack of regional regulations, have led to initiate the first contacts with the Centre for Industrial Technological Development (CDTI) to develop in the next three years the new MINETRA R&D project, which has the participation of three collaborators: EMGRISA, CIEMAT and Recursos y Valorización Ambiental (RVA) in cooperation with the University of Santiago de Compostela, for its development.

Similarly, close contact has been maintained with EMGRISA for surveillance programs (especially those with radiological content) as well as for the presentation of qualifications in environmental services of the ENUSA Group. This year, two milestones can be highlighted in the cooperation with the environmental subsidiary: on the one hand, collaboration in the analytical monitoring and location of waste in the TEKURA Project and, on the other, the technical advice on the operation and supervision of the biogas plant.

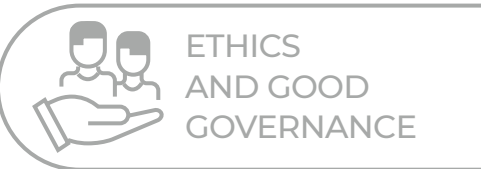
Finally, collaboration has continued with the manufacture of ENUSA's fuel assemblies in Juzbado in the project of replacing the installation's diesel boilers used in the HVAC and hot water (ACS) systems. The objective of this replacement, besides saving energy and the increase of energy efficiency, is to improve safety by eliminating storage of fuel within the factory's installations and, at the same time to reduce gas emissions.

Environmental radiation monitoring programs

- > Water control program in the vicinity of the former Jaén uranium factory (FUA). Sampling activities carried out by EMGRISA.
- > Long-term institutional monitoring program of the restored site of the LOBO-G plant, in La Haba (Badajoz). Sampling activities carried out by EMGRISA.
- > Monitoring program and maintenance of the restoration works of the former uranium mines of Valdemascaño and Casillas de Flores, both in Salamanca.
- > Economic and administrative coordination in the environmental dosimetry service for Berkeley in Villavieja de Yeltes and Retortillo (Salamanca).
- > Environmental dosimetry works contracted by Geocisa for the installations of José Cabrera, El Cabril, Vandellós and Ascó.



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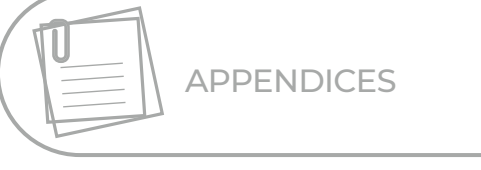
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Biogas plant and associated projects

This year the operation of ENUSA's biomethanisation plant of agro-animal and agro-industrial waste has continued in Juzbado (Salamanca), which is in operation uninterruptedly since early 2012. In this plant, anaerobic digestion of the wastes is used to produce biogas which supplies a cogeneration motor and/or boilers producing electric and thermal power, while the pollution load of the wastes is reduced.

In 2019, the plant treated a total of 9,173 tons of agro-animal and agro-industrial wastes, supplying a total of 1,050,395 kWh to the electric power distribution grid, whereby at the end of 2019 an accumulated value of 14,915,994 kWh has been injected to the grid.

Furthermore, since the new boiler system entered into operation in 2016 which works on the basis of biogas and natural gas, the biogas plant has supplied a total of 6,348,188 kWh to the Juzbado Factory to meet this facility's HVAC and sanitary hot water needs, with 1,511,271 kWh being provided in 2019.

In relation to this plant, this year saw the initiation of the public tender for the disposal of the industrial assets due to the showing of interest received by various companies that have the intention to continue the activity and would generate after its sale a capital gain for ENUSA. It is expected that the process, currently active, will materialise in the first quarter of the year 2020.

Within this area, and in relation to the LIFE Ammonia Trapping Project for the recovery of ammonia from liquid (purines and digestates) and gaseous effluents, in which the Office directly participates, throughout the year tests required on the prototype of liquids in the biogas plant of Juzbado were conducted successfully. This project, which began its last year of duration, is carried out with the participation of the Instituto Tecnológico Agrario de Castilla y León (ITACYL), the University of Valladolid and three companies in the livestock sector.



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MAP OF THE ENVIRONMENTAL TECHNICAL OFFICE'S CUSTOMERS

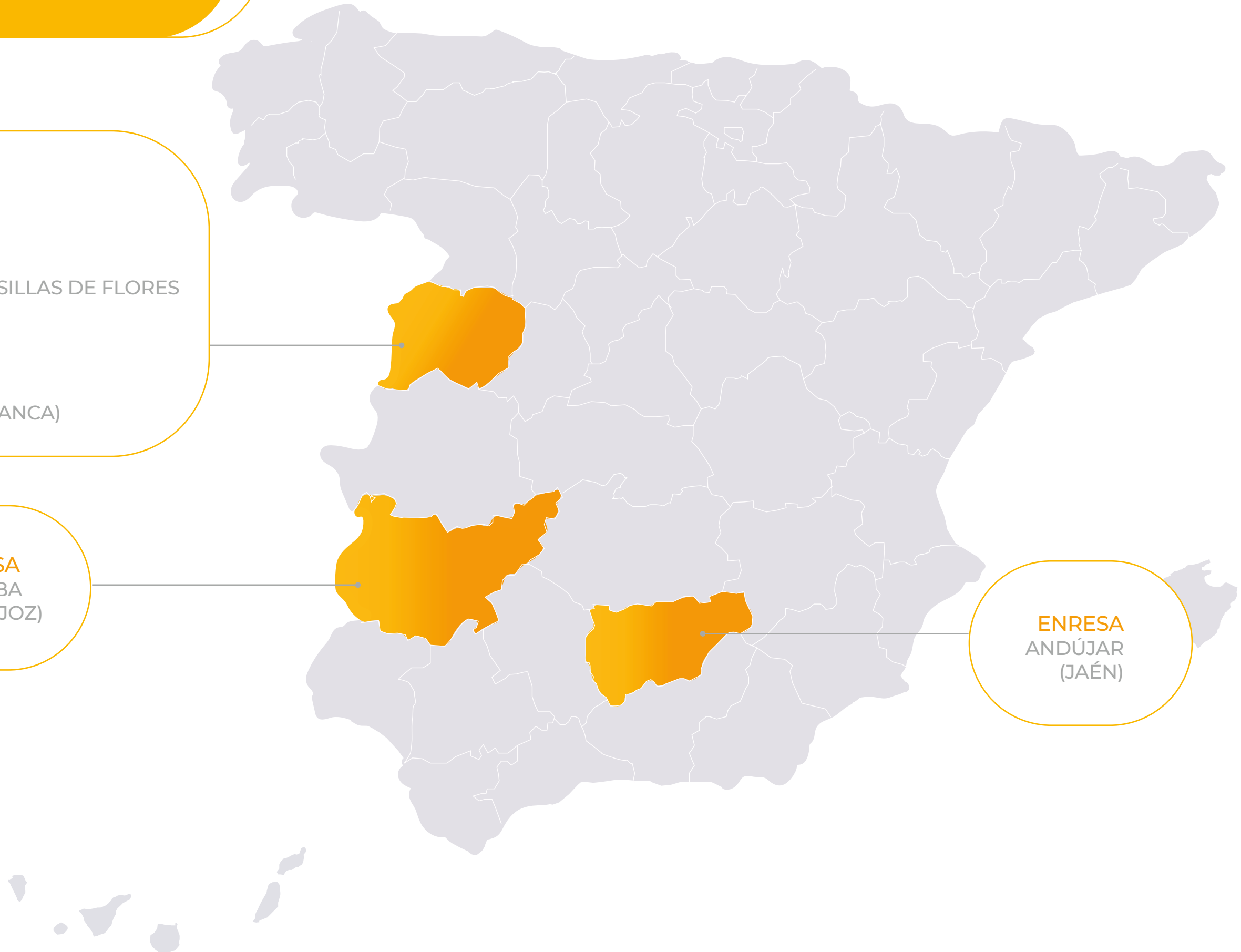
GNERA
JUZBADO (SALAMANCA)

ENRESA
VALDEMASCAÑO AND CASILLAS DE FLORES (SALAMANCA)

BERKELEY
VILLAVIEJA DE YELTES AND RETORTILLO (SALAMANCA)

ENRESA
LA HABA (BADAJOZ)

ENRESA
ANDÚJAR (JAÉN)



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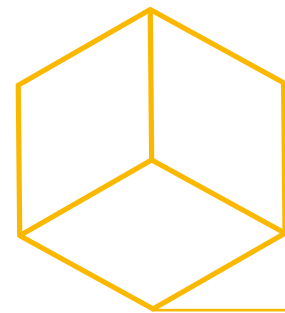
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SUPPLIERS

VALUE CHAIN

The nuclear fuel cycle is the series of operations required to manufacture the fuel for nuclear power plants, as well as to treat the spent fuel produced by plant operation. The so-called open cycle includes the mining, uranium concentrate production, conversion to UF₆ and its enrichment (if necessary), manufacture of the fuel assemblies, their use in the reactor and storage of the irradiated fuel assemblies.

ENUSA actively participates in all the phases of this value chain, purchasing all the components of the enriched uranium (uranium concentrates and conversion and enrichment services) for the Spanish nuclear power plants on behalf of the owner electric utilities, manufacturing the fuel assemblies not only for the majority of the Spanish plants but also for many other European plants, and collaborating with its customers and ENRESA in the safe storage of the spent fuel.

The subsidiary EMGRISA provides a wide range of environmental preservation services for contaminated soils and waters, treatment of industrial waste, engineering and environmental consultancy, as well as the design, development and operation of treatment units for contaminated soils and/or waste.



ENUSA actively participates in all the phases of the nuclear fuel cycle

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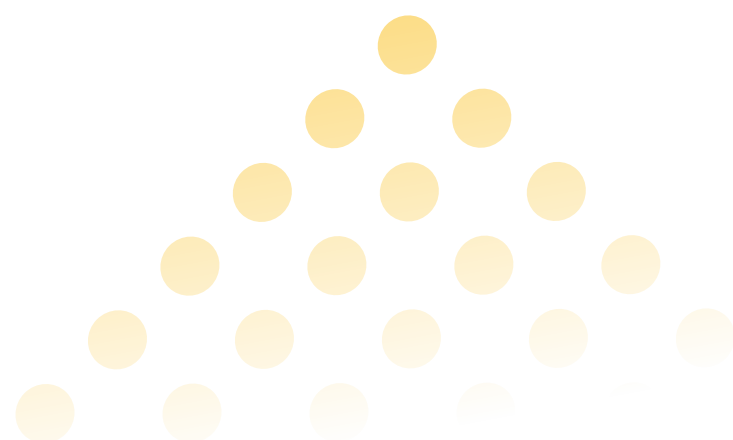
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Its supply chain includes suppliers and subcontractors for the design, operation and supply of materials and other key support activities.

ETSA is a global and intermodal transporter of complex and hazardous goods subject to great responsibility, and it works in three sectors with very different needs that require distinct specialised operating structures, material and human resources: logistics of nuclear medicine and radioactive products in general, the nuclear industry and hazardous chemical products in tanks.

ETSA's range of services include: specific studies of flows and itineraries, supply of packaging and approval of bulks and loading instructions, preparation of procedures and documents for dispatch, chartering of vessels and aircraft, physical and radiological protection and other related services.



MAIN SUPPLIERS

Procurement

The procurement of uranium in ENUSA mainly consists of the management of the purchases of the uranium concentrates and of the conversion and enrichment services for making the enriched uranium required for the functioning of the Spanish nuclear reactors available to the customers. This management is done under the safety parameters of the supply and according to the rules and applicable regulations that are under the authority of the European Atomic Energy Community (EURATOM) and the International Atomic Energy Agency (IAEA).

The suppliers with which it is contracted are leading companies in the uranium market. The number of companies with which we have had contracts in this year were seven, some of which not only supply the uranium product, but also conversion and enrichment services.

The majority of the suppliers are located geographically in Europe and America, and also in Africa, given that this continent is an important producer of uranium.

The procurement of uranium functions in a carefully regulated sector controlled by international organisations in which all the steps of the supply are made under the strictest standards of quality and safety.



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Manufacturing

In 2019, the volume of purchases and investments of the Juzbado factory amounted to 105.26 million euros itemised as follows:



National: 23.53 million euros

> Castilla y León: 2.79 million euros

>> Salamanca: 1.54 million euros



Foreign: 81.73 million euros

Los proveedores de EMGRISA son diversos como consecuencia de la amplia gama de actividades que desarrolla la filial. Prestan servicios de consultoría para actividades de diseño, además de actividades de excavación, transporte, perforaciones, desmantelamientos, construcción, instalaciones, mantenimientos y suministro de materiales. También se contratan laboratorios que prestan servicios de apoyo en actividades clave.

EMGRISA's suppliers are diverse as a result of the wide range of services the subsidiary provides. It provides consultation services for design as well as excavation, transport, drilling, dismantling, construction, installing, maintenance and supply of materials. It also has laboratories that offer support services for key activities.

The suppliers of ETSA are classified in three main groups according to the nature of the supplies:

- > Suppliers that transport hazardous and non-hazardous materials by land.
- > Suppliers that transport hazardous and non-hazardous materials by sea and air.
- > Suppliers that carry out subsidiary and complementary transport services or those related to the environment.

Most of the suppliers are located in Spain, but ETSA has a European distribution network and authorisation from all countries of origin, transit and destination.

QUALITY IN SUPPLIERS

Only the suppliers included on ENUSA's Approved Suppliers List (LSA) are authorised to supply goods and services that affect the product quality and/or the safety of the facility.

These suppliers have been evaluated and approved in accordance with a documented procedure that requires periodic reassessment (at least every three years) to ensure that the conditions that initially justified their approval are being maintained.

The type of assessment is defined according to the requisites of the quality guarantee required by the applicable regulation that ENUSA and/or its customers establish through their contracts and it takes into account the importance, complexity and degree of control on the element or service to acquire that ENUSA exercises through its own implemented quality management system.

The suppliers of ENUSA are classified in four large groups according to the characteristics of the supplies:

- > Those related to the manufacturing processes of nuclear fuel.
- > Those related to the operation processes of the Juzbado factory.
- > Those related to engineering services.

- > Those related to the supply of in-plant equipment and services and the operation of fuel for customers in the nuclear sector.

Their selection, assessment and subsequent approval is based on one of the following criteria:

- > Evaluation of the supplier's capacity to provide the goods or services to be acquired and of the supplier's quality system by means of an audit according to requirements of nuclear standard: UNE 73 401, 10CFR50 Appendix B or ASME NQA-1.
- > The supplier's Quality System assessment according to requirements of nuclear standard UNE 73 401, 10CFR50 Appendix B or ASME NQA-1, to identify compliance capacity with the technical and quality requirements of the supply, as well as the control exercised over it (product inspection or service supervision).
- > Supplier Quality System assessment by a third party being valid, in accordance with the supply or service, the certification pursuant to the ISO 9001 standard by an accredited entity, ENAC accreditation or equivalent (ILAC) according to the ISO/IEC 17025 standard, official approval or authorisation by a competent official organisation or any other applicable related entity.

EMGRISA has a network of approved suppliers that it assesses regularly and after every project. The assessed criteria include the service provided, its quality, the time periods, environmental management and prevention of workplace risks.

ETSA requires from all its suppliers the highest level of quality in the products and services that are placed at its disposal, explicitly including this requirement in the specifications and petitions for bids.

The evaluation of the suppliers' performance related to the supplied elements and services are taken into account in their assessment. In addition, the suppliers must know and undertake to respect the quality and environmental policy that ETSA has established and they must have ideal means to comply with it.

In the cases that, due to the criticality and impact on ETSA's activity, it is deemed necessary, the supply must also be subject to a series of specific quality and environmental requisites, related mainly to legal compliance, waste management and minimisation of consumption. With this aim, external certifications, the signature of an environmental commitment of the company, as well as the establishment of specific contractual conditions or orders, can be used in the verification of their compliance.

The awardee (before, during or subsequent to the service) must justify with documents the characteristics related to the quality and environmental management that is required from them, as well as provide evidence that it complies with the current legislation of the service that it provides. ETSA reserves the right to request additional information, carry out audits or supervisions derived from the opening of a "Non-Conformity" or from the detection of a decrease in the service level with the aim of verifying the effectiveness of the required requisites.



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EXTENSION OF CORPORATE SOCIAL RESPONSIBILITY TO THE VALUE CHAIN

One of ENUSA's long-term goals is to transmit its responsible practices to its suppliers. Therefore, the supplier evaluation and qualification also takes into consideration the environmental management systems related to the supplied products and services, as well as their commitment to Social Responsibility in the conduct of their businesses in an ethical, principled and transparent manner.

ENUSA evaluates this aspect regarding its suppliers taking into account their level of adherence to the Ten Principles of the United Nations Global Compact in the areas of human, labour, environmental rights and the fight against corruption.

As regards its uranium supply, ENUSA has taken another step and expressed its interest in the policies and practices of the suppliers it works with. The Department of Corporate Social Responsibility has made a study on the RSC policies and practices of the uranium suppliers with whom it works.

This study, which began in 2013 and continues today, is in the form of a questionnaire that gathers information of interest as part of the Corporate Social Responsibility Policy. It also makes regular updates on various suppliers to learn

about any advances and the current situation on this topic. In 2019 the review and examination of the public information of these companies was reinforced and the request for justifying documentation was intensified with the aim of knowing in greater detail their practices on social responsibility. At the end of 2019, ENUSA has questionnaires from twenty-eight suppliers of uranium concentrates as well as those of conversion and enrichment services.

In addition, there is a Code for Suppliers and Subcontractors, which is intended to ensure that the suppliers adhere and commit to basic principles of ethics and professional conduct. The implementation of this document began in 2015, with the principles included in the contracts signed with uranium suppliers. From 2017, there has been a separate document for the suppliers of the Juzbado centre, having been signed since that date by 200 suppliers of the factory without any issues arising.



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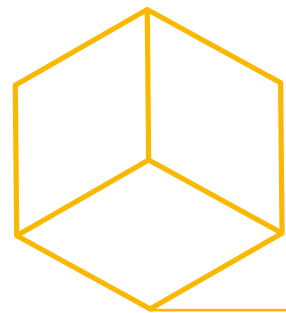
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QUALITY

For ENUSA, quality is a strategic factor and basic mainstay in all its activities that results from a series of factors and elements in the company that, all together, lead to the best products and services to satisfy its customers and that are produced safely for its workers and the environment and profitably for its shareholders

During the year 2019, the following audit have been conducted:

AUDITS CONDUCTED IN 2019 ^(*)

| | |
|--------------------------|--|
| EXTERNAL AUDITS RECEIVED | 9 on Quality Management 1 on Environmental Management |
|--------------------------|--|

| | |
|------------------|---|
| AUDITS PERFORMED | 8 |
|------------------|---|

^(*) The internal audits conducted are included in the section "Audits and internal control" (page 24).



DURING 2019, 8 SUPPLIER AUDITS HAVE BEEN PERFORMED



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CONTINUOUS IMPROVEMENT

On the road to excellence, ENUSA continues to work on Continuous Improvement, a basic tool that includes a series of techniques focusing on the analysis, rationalisation and optimisation of productive processes. This continuous improvement policy is essential in order to maintain the strategic lines in the fuel business and to assure growth and competitiveness.

At the organisational level, the Continuous Improvement Program is comprehensively managed and coordinated by the Quality Committee, which is formed by those responsible for the ENUSA operating organisations. Reporting directly to this Committee are the Quality Improvement Groups (GMCs of Manufacturing, Design and Supply), which develop the quality objectives by creating Operating Groups (GOCs) and follow up their work and approve the improvement proposals.

With this structure and associated work method, the various organisations involved in Continuous Improvement can work in unison and pursue common goals.

At ENUSA, the continuous improvement activities are always carried out under Six Sigma, for which there is a functional structure dedicated to this type of activities. At the end of 2019, ENUSA had 1 Master Black Belt dedicated full time to improvement activities, as well as 9 certified Black Belts and 45 certified Green Belts.

Throughout 2019, and considering both the Juzbado centre and that of Madrid, a total of six GOCs were initiated and another three were finalised.

The various improvement projects that have been under way throughout 2019 include the following GOCs: “Improved performance of PWR pellets”, “Increase in productivity in the ceramic lines” and “Integration of the Integrated Safety Analysis (ISA) in the process of the design modifications”.

Furthermore, and in relation to the Improvement Plans, a total of 35 improvement actions (some of them GOCs) were initiated, distributed as follows:

Manufacturing >> 5 actions

In-plant Services >> 7 actions

Design >> 6 actions

Supplies >> 6 actions

Information Systems >> 11 actions

From the institutional point of view, ENUSA holds the Vice Presidency of the Operating Excellence Committee of the Quality Community of the Spanish Quality Association, as well as membership of the SC3 Sub-Committee for AENOR Statistical Methods.



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PERFORMANCE MANAGEMENT

The mission of the Performance Management Organisation (GCOM) is to promote improvement of safety-oriented human performance through the systematisation of work practices focused on the prevention of human errors through leadership, improved human reliability, learning from experience and operative communication.

The two-year Organisation and Human Factors Program (POyFH) encourages the set of critical actions required to achieve continuous improvement of human performance of all the workers and at all organisational levels and, preferentially, in those whose activities have an impact on the facility's safety and on the quality of the manufactured product.

Also developed are other kinds of actions of a more operational nature which, although not included in said program, are carried out by GCOM with the same aforementioned objective. Of note here are the safety culture assessment, the integration of engineering of human factors in the design modifications associated with manufacturing equipment and safety systems, training in safety culture and human factors, and root cause analyses of non-desirable events in order to identify corrective and improvement actions to reduce the probability of occurrence.

Standing out among the milestones achieved in 2019, as part of the actions defined within the Organisation and Human Factors Program, in addition to the boost from the safety culture improvement area, we have worked more intensely in two areas: self-assessment and management of knowledge, and condition and efficiency of the organisation. Two actions should be highlighted: in the first place, the

definition of the indicators related to human action and the safety culture, which are significant for all the staff and the basis for the internal operational experience reports associated with human factors in the Juzbado factory. In the second place, the improvement of the process of performing the monitoring requirements.

Other activities associated with the operating plan for safety culture improvements were the reinforcement by the managers of the factory organisations in the annual training sessions on safety, in the use and adherence to procedures, the preparatory meetings and those of work evaluation, expectations of performance of leaders and workers, as well as the use of the factory incident application INCIFAB, as a tool for attracting the aspects related to safety, quality and manufacturing that the personnel identify which must be evaluated by the organisation.



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QUALITY IN OUR PRODUCTS AND SERVICES

Fuel area

The quality of products and services is vital for ENUSA and for this reason the responsibility does not end with delivery of the product to the customer, but rather, for each stage of the fuel assembly cycle, there is an evaluation to ensure there is no risk to the health and safety of workers, customers and the general population.

Life cycle of the fuel assembly:

1. Fresh fuel storage in the plant
2. Loading and unloading from the reactor core (normally 3 or 4 times over the life of the fuel)
3. Operation in the core to generate energy (normally 3 or 4 cycles of 12 to 24 months each)
4. Spent fuel storage
5. Reprocessing (optional)

Taking into account the characteristics of the product manufactured at ENUSA, 100% is subject to current regulations and procedures that exhaustive information:



The ENUSA quality system is basically structured according to the criteria of standard UNE-EN-ISO-9001 “Quality Management Systems. Requirements”, including the requirements of standards UNE-73 401 “Quality Assurance in Nuclear Facilities” and UNE-EN-ISO/IEC 17025 “General requirements for the competence of testing and calibration laboratories”. The ENUSA quality system also meets the requirements of standards 10CFR50 App. B, “Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants” (Standard of the U.S. Nuclear Regulatory Commission – NRC, USA), ASME NQA1 “Quality Assurance Requirements for Nuclear Facility Applications” and KTA 1401 (Nuclear Safety Standards Commission) “General Requirements Regarding Quality Assurance”.



The detailed development of the quality guarantee criteria was carried out considering the instructions of the Nuclear Safety Council (CSN) in Spain and the other regulatory bodies who ENUSA supplies with fuel. These instructions set out the requirements related to the safe operation of the nuclear and radioactive facilities without undue risks for persons or the environment. The fuel assemblies should also meet these requirements in the different stages of their life cycle:

- >> **Instruction IS-02 and Safety Guideline 1.5** specify the documentation required by the CSN to assess the safety and proper execution of the nuclear fuel renovation processes, identifying the activities on which information must be sent to the CSN, the contents of that information and the recommended deadlines for submission.
- >> **Instruction IS-12 of the CSN** defines the qualifications required for personnel whose work is related with the safe operation of the nuclear plant.



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Environmental services

In order to assure the environmental services provided by ENUSA and as part of the activities involved in quality management, throughout 2019, the metering equipment calibration program has been kept updated at all times, and work procedures have been drawn up for the activities that required them. All the efforts made in this respect have been reflected in the high degree of satisfaction indicated by the customers of the Environmental Technical Office in the different surveys that were conducted, and they have very satisfactorily judged the environmental services provided throughout 2019.

CERTIFICATIONS

From the very beginning, ENUSA Group has paid special attention not only to the quality of its products and services, but also to the quality of management in general. This circumstance is reflected in the quality and environment certifications it has obtained from independent accreditation entities.

Accreditations and certifications of ENUSA 2019:

- > The second monitoring audit of the Quality Management System certification as per the ISO 9001:2015 standard was carried out by AENOR.
- > The first monitoring audit of the Environmental Management System of the new ISO 14001:2015 standard was conducted by AENOR.
- > The verification of the Environmental Management System according to Regulation EC No. 1221/2009 (EMAS III), modified by Regulation (EU) 2017/1505 was done by AENOR.

- > The certification of the Quality Management System to the KTA 1401 standard has been maintained.
- > Accreditation of the radiochemical testing laboratory techniques is maintained, as per the ISO 17025:2017 by ENAC with no. 368/LE735.

Accreditations and certifications of the invested companies:

EMGRISA:

- > Quality Management System, as per ISO 9001:2015 standard (certificate no. ES10/9160).
- > Environmental Management System, as per ISO 14001:2015 standard (certificate no. ES05/0947).
- > Safety and Health Management System, according to the ISO 5001:2018 standard, formerly OHSAS 18001:2007 (certificate no. ES11/9314).
- > Company accredited by ENAC as an Inspection Entity, pursuant to the ISO 17020:2012 standard, for inspection activities in the environmental area concerning potentially contaminated soils and associated underground waters (accreditation no. 71/EI076).

ETSA:

- > Quality Management System, as per the ISO 9001:2015 standard.
- > Environmental Management System, as per the ISO 14001:2015 standard.
- > EITA (European Isotopes Transport Association).



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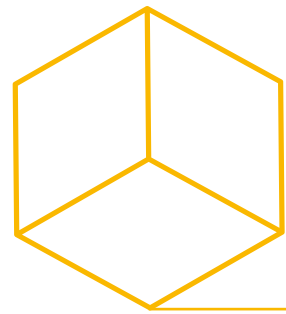
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ADDING VALUE TO OUR COMMUNITIES

ENUSA has a close relationship with the province of Salamanca because two of its three work centres are located there: the Juzbado fuel assembly factory and the Saelices el Chico Centre. Between the two they employ more than 65% of the total staff, and the majority of the employees are natives of Castilla y León.

GEOGRAPHIC DISTRIBUTIONS OF THE ENUSA STAFF IN PERCENTAGES

| | | |
|-----------|-------|-----------------------------------|
| Madrid | 32.79 | Total Salamanca Province 65.29 |
| Juzbado | 61.30 | |
| Saelices | 3.99 | |
| Castellón | 1.92 | |
| 100 | | |

Also coming from this autonomous region are most of the young people who benefit from ENUSA's internship and practical training program through agreements with different educational institutions, which is intended to help introduce them to the labour market (see "Training" section, page 292).

In order to contribute the greatest possible added value to the region's economy, ENUSA gives priority in its purchases and service contracts to companies based in Salamanca, always within the framework of the Law 9/2017, of 8 November, on Public Sector Contracts. In this way, it indirectly benefits the local economic fabric and, at the same time, there is a long-term transfer of best practices related to quality and the environment, since in many cases the suppliers have to meet certain requirements in this respect.



ENUSA has a close relationship with the province of Salamanca

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The following table shows the most significant data on the economic value added by ENUSA's presence in Salamanca:

ADDED VALUE OF ENUSA IN SALAMANCA (€)

| | 2016 | 2017 | 2018 | 2019 |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Suppliers | 4,799,807 | 4,109,332 | 5,172,789 | 4,692,723 |
| Customs | 1,019,081 | 1,250,172 | 842,037 | 1,118,521 |
| Taxes and other expenses | 246,864 | 235,563 | 289,749 | 256,613 |
| Visit expenses | 31,565 | 33,340 | 49,345 | 51,740 |
| Payroll & SS | 19,302,348 | 20,042,094 | 20,751,556 | 20,612,752 |
| TOTAL | 25,399,665 | 25,670,501 | 27,105,476 | 26,732,349 |

In the case of the UTE (temporary joint venture), the impact of its activity on local employment, development and quality of life is significant because it is a public service for all towns in the north of the province of Castellón, which involves close contact with all the social and political representatives of local communities. Employment, apart from the directors, is all local.

A very important part of the communications is aimed at promoting good environmental habits among the residents of Zone 1, with visits to the facilities on the part of schools and other local associations. There are also competitions for school art, sculpture with recycled elements and waste, photography, cleaning of beaches and local beauty spots (littering), etc.

There are also collaboration programs with universities in the area of influence, for conferences and for students to complete their final projects.

On the other hand, there are also collaboration agreements with the two closest city councils (festivities, sporting events, etc.) and two non-profit sports associations for encouraging general sports. The contributions in 2019 were carried out with:

- > Cervera City Council
- > Càlig City Council
- > Youth Cycling Club of Cervera del Maestre

EMGRISA's activity, pursuant to its own objective, is a commitment to sustainability and a positive impact on the environment where it operates. In addition, the nature and demands of the setting, the decided operations and the logistics in question often call for dialogue and cooperation with a number of local entities, resulting in actions such as the recovery of spaces, temporary employment and investment in the local region.

ETSA maintains a close link with the province of Salamanca because of the location of its work centre there and as the place where most of its workers come from such as the young people taken on in internships to give them a first contact with the labour market. Besides the above, the scope of the services offered by ETSA covers the whole country, so its activity has a positive impact on those regions where it operates.

The following paragraphs provide more details of ENUSA's involvement in the conservation of Salamanca's historical heritage, the dissemination of its culture and the protection of its natural medium through various collaboration and sponsorship initiatives.



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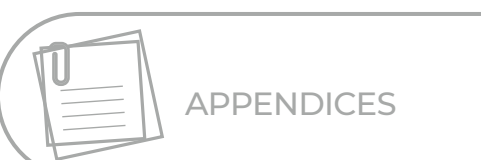
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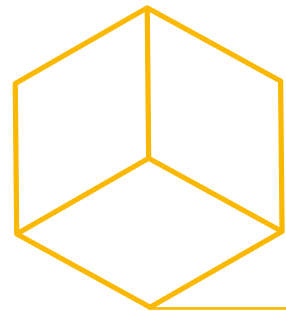
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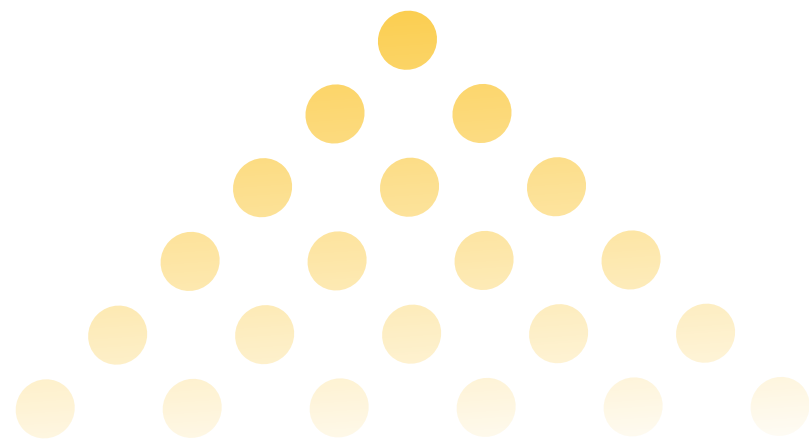
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ENUSA, aware of the demands of its stakeholders, has from the very beginning carried out activities that focus on creating a positive influence in the communities where it conducts its business, a business philosophy that has led it to pursue the best possible integration of its work both inside and outside the organisation and to take an interest in the needs of the society where its centres are located.

Thus, instead of confining itself to providing certain products and services to its customers, ENUSA has always implemented management policies and actions in which values such as protection of the environment, promotion of education and research, support of training and culture and contribution to social causes play a fundamental role.



SINCE 2013, ENUSA HAS A SPONSORSHIP AND PATRONAGE PLAN



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SPONSORSHIP AND PATRONAGE

Throughout the year 2019, ENUSA has continued to collaborate with administrations, institutions, agencies and entities in its business sphere, to undertake sponsorship and patronage initiatives for supporting general interest projects.

Since 2013, ENUSA has had a Sponsorship and Patronage Plan in which it sets out its annual priorities for activities, highlighting its collaborations with city councils in its area of influence to develop projects that contribute to development and improving the quality of life for the people who live there. Specifically, the Sponsorship and Patronage Plan considers the annual sponsorship of environmental investments, cultural activities, local development and infrastructures requested by the city councils in the area of influence as a constant factor, with the sums linked to financial availability.

This past year, it collaborated with the following general projects and organisations:

Cultural collaborations:

- > Friends of the Reina Sofía Museum Foundation
- > Friends of the Prado Museum Foundation
- > Ciudad Rodrigo Foundation 2006

Academic collaborations:

- > ASTI - STEM Talent Girl Foundation
- > "Alumni-University of Salamanca" ("Alumni")

Sports collaborations:

- > Club BTT "Saelices el Chico"
- > Juzbado Football Club
- > Chamartín Cycling Club

Collaborations with other non-profit entities:

- > Down Toledo
- > P.I.C.A. Association of Protections of Children Against Abuse
- > Spanish Rural Development Network
- > Aid in Action

Collaborations with local entities in the area of influence:

- > Valverdón City Council
- > Ledesma City Council
- > Saelices el Chico City Council
- > San Pelayo de Guareña City Council
- > Vega de Tirados City Council
- > Ciudad Rodrigo City Council



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Membership in professional associations and organisations (national and international)

- > Spanish Radiation Protection Society
- > Spanish Global Compact Network
- > Spanish Association of Accounting and Business Administration (AECA)
- > Spanish Association for Quality (AEC)
- > Nuclear Industry Forum
- > Forética
- > Spanish Nuclear Society
- > World Nuclear Association
- > World Nuclear Transport Institute (WINTI)
- > Spanish Non-Destructive Testing Association
- > CEN Nuclear Forum
- > Center for the Development of Excellence

OUTSTANDING COLLABORATIONS

Advertising sponsor in the “Women in Nuclear Global Annual Conference”

Women in Nuclear (WiN) Spain is an association of women involved professionally in the world of ionising radiations in their applications of energy, medical and industrial production, as well as in the field of communications in this sector.

The annual WiN Global Conference, which was held each year on a different continent, was held this year in Madrid with the sponsorship of ENUSA as Copper Sponsor. More than 400 professionals of the nuclear sector, coming from 60 countries attended, who shared their knowledge of nuclear energy and applications of the radiation techniques in the different fields of medicine and industry.



Collaboration with the Ledesma City Council in holding “The Sleepless Night”

On the night of Saturday, 27 July, with the collaboration of ENUSA, “The Sleepless Night” of Ledesma was held, a proposal to give dynamism to the artistic and heritage wealth of this town declared Asset of Cultural Interest which consisted in lighting part of the historic centre, from eleven at night and for two hours, with more than 15,000 lit candles.

The people could stroll through the medieval villa in one of the most special moments while enjoying the different activities such as live shows, shows with voice in off, performances or tasting areas.

The activity served to offer the residents of Ledesma a cultural proposal of high quality, intimately linked to the most appreciated resource of the town, its historic-artistic heritage.

Collaboration with the Ciudad Rodrigo City Council for the publication of a compilation of photographs on the evolution of its pre-Roman cultural heritage

The year 2019 was the anniversary of an especially meaningful jubilee for Ciudad Rodrigo: the 75th anniversary of its declarations as a Historical Artistic Site in 1944. Motivated by this, the City Council decided to organise celebratory acts of different types and content to highlight the transcendence of the recognition of the artistic, historical and heritage value of Ciudad Rodrigo, in the past and today.

Within the acts of celebration was the publication of photographs on the evolution of the pre-Roman cultural heritage that the City Council is coordinating with the collaboration of ENUSA and that has photographic collections of the Regional Film Archive of Castilla y León. The purpose of the sample is the creation of a permanent documental medium that includes especially significant or valuable photographs due to their historical, artistic or anthropological worth.



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CORPORATE VOLUNTEERING

The ENUSA Corporate Voluntary Service Program was launched in 2015 in the area of Corporate Social Responsibility (CSR) and has the Management's support and commitment to promote it and allocate resources.

Its objective is to involve the employees in non-profit causes, projects and organisations by devoting their time, capabilities and talent.

The workers' participation is essential for this, as they are the ones who promote the different initiatives via the company's volunteer groups.

In this respect, the corporate voluntary service areas of ENUSA have been defined taking into consideration our values, our culture and the employees' interests:

- > Environmental voluntary service
- > Social voluntary service
- > Professional voluntary service
- > Outreach management

Since **2015** ENUSA has a Corporate Voluntary Service Program

In 2019, eight volunteer projects were chosen in which the workers participated:



Study techniques workshop in La Kalle Cultural Association

Between the months of February and April, five volunteers from ENUSA went every week to the headquarters of La Kalle Cultural Association in Vallecas, to help young people who participate in the entity's socio-educational program to improve their study skills and give them the essential tools so that they may fulfil their educational objectives.



Sports-solidarity projects: “ENUSA pedals to Lisbon against school bullying” and “ENUSA breathes for Cystic Fibrosis”

At the beginning of the month of January, the Corporate Volunteering Group announced the “*First competition for the choice of the sports solidarity project to raise funds for the barbecue/calçotada 2019*”, which resulted in two winning projects:

- > “ENUSA breathes for cystic fibrosis“ encouraged all the workers of the ENUSA Group to participate in the famous San Silvestre race, to raise awareness on the cause of the Spanish Cystic Fibrosis Federation (FEFQ).

At the end of the year 57 persons from ENUSA and 30 accompanying person ran the Sal Silvestre races of Madrid, Salamanca, Ceuta, Gijón, Plasencia, León, Zamora and Las Rozas de Madrid to show their support for the cause. During the trial, they wore a t-shirt with the slogan of the cause, to make the disease known and the commitment of ENUSA with the affected persons and their families.

- > “ENUSA pedals to Lisbon against school bullying” posed the participation of teams from the ENUSA Group in a relay race on mountain bikes. The initiative is associated with a series of activities aimed at promoting the prevention, early detection and action against school bullying, in collaboration with the Spanish School Bullying Prevention Association (AEPAE).

During the weekend of 20 to 22 September, a team of four workers from ENUSA participated in the mountain bike relay race that covered the route Madrid-Lisbon. Throughout the ten stages making up the race, the cycling team confronted a very physically difficult route with many days of pedalling, bad weather and a demanding psychological challenge.



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As support activities, different initiatives were carried out:

Awareness sessions

With the collaboration of the FEFQ and AEPAE, awareness sessions were organised on cystic fibrosis and school bullying.

- > In June, the informative session was held on cystic fibrosis in the work centre of Juzbado, in coordination with the Occupational Health Service, which had nearly thirty attendees.
- > In September, the centres of Madrid and Juzbado welcomed the informative sessions on school bullying, attended by more than twenty persons in each location.

Collection of funds through two different channels

- > Celebration of barbecue-calçotada to collect funds:

It was held on Saturday, 23 March in Ávila with the purpose of facilitating the participation of all the employees, both from Madrid and from the province of Salamanca.

Around 90 persons met with the aim of enjoying a day of fun and contribution to his €1,358.50.

- > Sale of wine and t-shirts

During the event and afterwards, wine and technical racing t-shirts were sold, activities with which €71 and €707.44, respectively, were collected.

The total collection, therefore, amounted to €2,136.94, to which was added €1,500 contributed by the company, which made a total of €3,636.94.



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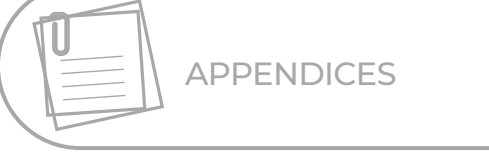
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 **Blood donor campaign**

Once again, within the activities of Corporate Volunteering, within the ENUSA Madrid centre and EMGRISA, we collaborated with the Red Cross in a blood drive that took place on Friday 10 May.

 **STEM Talent Girl**

Throughout the 2019-2020 schoolyear, two technological workshops were held in our offices of Madrid and in the factory of Juzbado in which nearly 50 students registered in the program participated. In these sessions, the students were able to approach the digital tools applicable to engineering such as the 3D technology, increased reality and simulation with CFD code, experiment in first person concepts such as the measurement of radiation, get to know the ENUSA laboratories and share with the mentors their training and professional experience.



 **Implementation of a quality management system in the Asperger Association of Madrid**

In 2019, the volunteers of the Quality Management area of ENUSA continued supporting the Asperger Association of Madrid on the technical level in the implementation and achievement of a quality management system according to the NGO Standard of Quality. The final objective is to implement a work model that favours and ensures the correct functioning of its programs.

 **Clothes collection campaigns**

In the month of June, the 3rd Campaign for clothes collection was held with which more than 200 kilos were collected which were given to the Pato Amarillo Association to distribute to persons and families in risk of social exclusion.

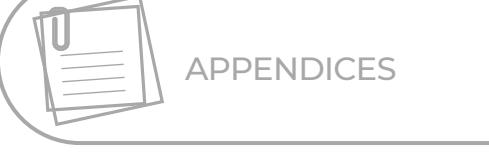
With the same purpose, a new campaign began on 29 October and extended until 15 November.

 **Food collection campaigns**

During the week of 24 to 28 June, the IV Food Collection Campaign “One + 1” in an edition that, as something new, had the collaboration of EMGRISA.

If previous editions in the Madrid centre reached 368, 609 and 770 kilos, respectively, on this occasion they managed to bring together 888 kilos of aid in the form of food (755 kg in ENUSA and 133 kg in EMGRISA), a figure that was increased by the contribution that the companies made, which for each kilo that the workers supplied, they contributed €1.

The collection is dedicated to the Pato Amarillo and Ayudar a Quien Ayuda (AAQUA) associations, which on Wednesday, 10 July, came to our offices to receive the aid.





Thinking of the Christmas season, at the end of the month of November, the 5th Food Collection Campaign “One + 1” was put into effect, in which ENUSA and EMGRISA again participated.

On this occasion, 977 kilos of food (787 kilos at ENUSA and 190 at EMGRISA) were collected, which is the largest collection up to now. As in the previous campaign, the Pato Amarillo and Ayudar a Quien Ayuda (AAQUA) were the receivers of these donations, which, along with the equivalent contributions in euros made by the companies, received this aid on 5 December.



“Superheroes’ capes workshop” with the Theodora Foundation

On Saturday, 16 November, the “Superheroes’ capes workshop” was held in the offices of the Madrid centre. During the activity, the more than 40 participants were divided into teams and they transformed bibs into superhero capes which were delivered to the hospitals for boys and girls with functional diversity with the help of two exceptional visitors: Dr. Sonrisas Zepi and Tirita Traun. At the end of the workshop, each of the teams paraded with the capes and read the messages of encouragement for all the receivers.



SUPERHEROES’ CAPES WORKSHOP IN OUR OFFICES

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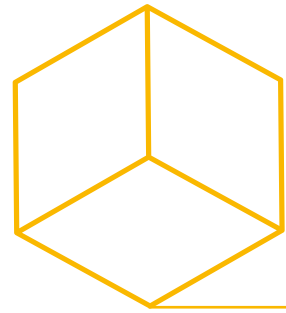
Corporate Volunteering Portal and Newsletter

After the start-up and launch of the Corporate Volunteering Portal of ENUSA in October 2018, in this year 2019 the planned activity continued regarding the edition and publication of contents.

In this portal, contents were published that were considered of interest in the CSR area and especially on corporate volunteering. In addition, periodically a newsletter is sent to the employees of the ENUSA Group with four outstanding contents. In the year 2019, eight newsletters were sent, which correspond to the months of January, February, March, April, May, June, July and October.

The Corporate Volunteering Portal can be consulted in this link: <http://voluntariado.enusa.es/>





COMMUNICATION WITH OUR STAKEHOLDERS

As we are aware that communication has to respond to the challenges that confront the Group, its activity during 2019 has been aimed at the achievement of clear objectives: create for the company a strong brand image and a favourable positioning as well as improve the general view of the nuclear sector in the society. On this road, transparency, responsibility and solidarity are key.

Internal communication

ENUSA Group's communication also starts from and is directed to its employees, who are essential in achieving that good image. For this, the internal communication tools and channels contribute to create a positive environment of wellbeing that favours the feeling of belonging, generates company culture and values, and facilitates the professional performance, harmony and understanding between departments and persons.



Brand image, favourable positioning and improvement of the general view of the nuclear sector, 2019 objectives

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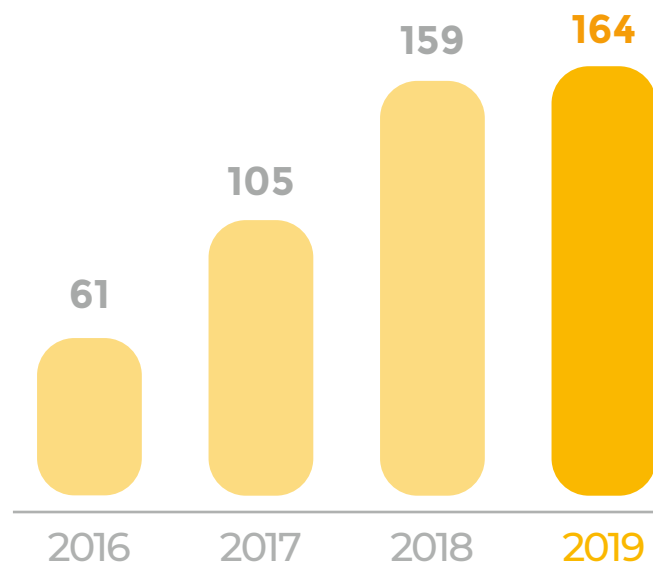
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Internal notes

The internal notes continue being a basic information channel to the employees with the aim of keeping the people who work in our Group more and better informed. These notes are broken down into: communiqués that different organisations issue; informative notes on strategic matters and general information on the business; and alerts, either of a social or general nature on issues of internal operations.

SENDING OF INTERNAL COMMUNICATIONS



Updating of the corporate intranet

Another of the key tools for the internal communication is the corporate intranet. Last year the need was detected, on the one hand, of updating it and improving its usability and the experience of the staff when using this resource, and, on the other, of modernising its image and graphic standard.

In 2019 the first phase of this project was completed, which consisted of the drawing up of a draft of the new website structure and graphic proposal. Simplicity and improvement in its usability was sought. The next step will be to initiate the work so that the new intranet is a reality.

Digital signage new audio-visual programming

One of the tools that has greater impact was reactivated in the past year: digital signage. In 2019 we again started working with this channel in the Madrid centre, giving it new programming and audio-visual content. Material was compiled that was already added to our usual stock and that was adapted to the new platform but, in addition, original pieces had been filmed, mounted, edited and labelled. The stock of videos will be expanded in order to project varied content along with other types of material: informative notes, weekly agenda, social networks... In 2020 this channel will be implemented in the Juzbado factory.



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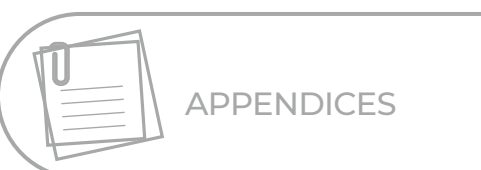
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New office formats, layout of corporate documents and brochures of the ENUSA Group

Another of the actions that was carried out in 2019 was the design of new formats for the corporate documents (Word and PowerPoint) in which a simple and clear appearance was sought in which image prevails and the text is not excessive. With this new format and similar premises, a general presentation of the ENUSA Group was also prepared.

The design and layout of various corporate documents was also worked on: Communication Plan, Equality Plan and Code of Conduct. Informative brochures on the companies of the Group –ETSA and EMGRISA– are also being prepared.



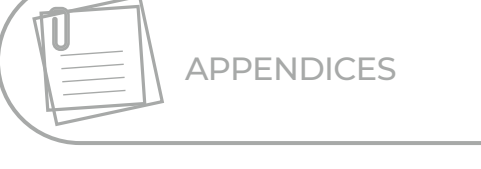
Video-reports “What do we do at ENUSA?”

An audio-visual series was also launched last year, “What do we do at ENUSA?” with the idea of making known the work that is done in the different addresses of ENUSA and the people who do the work. The videos will be projected on the informative screens of the work centres and in events or presentations of an institutional nature that will be done outside the centres.

Activity “Open house days for family members”

In 2019 this cultural program of open house days was initiated at the Juzbado facilities for family members of the ENUSA staff (initially university-aged children).

With this initiative, a young segment of the society, immersed in an advanced training stage and with emotional ties to our company through their parents, can get to know the fuel plant directly. The open houses will promote transparency in the company and let the young people linked to our company see what is being done in the industrial setting.

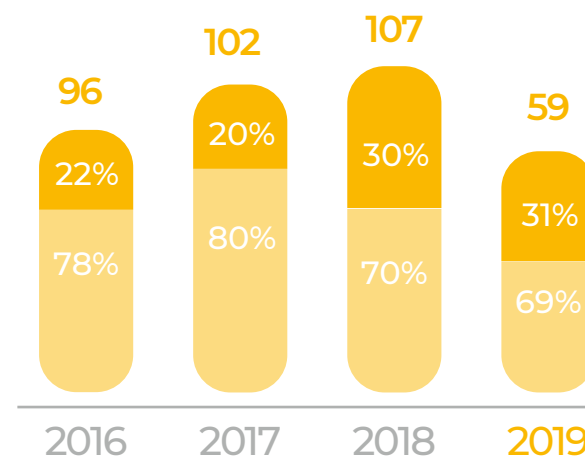


ENUSA in the media

The ENUSA Group sees the communication media as a key channel for being close to society in the areas where it operates. It has therefore followed the ideas in its Media Plan. This Plan was again a fundamental tool in achieving this goal under the structure of the three aspects of advertising, marketing and sponsorship of financial and business forums.

NO. OF APPEARANCES IN THE PRESS

- Local / Regional
- National



Presence in social networks

The ENUSA Group has understood that the social networks are a basic element for communicating with its public and sharing with it the activity that is carried out. The tendency of the social networks of the ENUSA Group is growing, opening the road both in Twitter and in Instagram.

The Twitter account, [@enusa_sa](#) ended the year 2019 with a total of 1,016 followers, fulfilling one of the posed goals, which was to reach a thousand followers in this social network.

Furthermore, 2019 has meant, without a doubt, a turning point in the generation of graphic and audio-visual material to be used in the social networks and to achieve in this way greater dissemination of the messages. It has exponentially increased the number of videos prepared to accompany the actions that have been disseminated.

Collaboration with other areas

One of the lines on which the area of Communications –both internal and external– has continued to work was its collaboration with other company organisations on questions of communication.

Work has continued in the area of Corporate Social Responsibility, especially with the Sustainable Development Goals, a subject that has been converted transversally in all the communicative actions that have been carried out during 2019. There is also the promotion of the STEM Talent Girl program, from which a special monitoring has been done, and in the volunteering campaigns, preparing signage and other dissemination media for the activities and using social networks and the press. It has also participated in preparing the Corporate Annual Report, and in the writing and publication of the newsletter associated with the Volunteering Portal.

The organisation of internal events, commercial meetings and trade fairs of the sector has been supported.

Visits

Due to the limited time for this activity for reasons of physical safety, the ENUSA factory at Juzbado continues to work with universities and schools, through its Nuclear Youngs program, to give talks about ENUSA and nuclear energy and offering Basic Courses on Science and Technology.

Within the authorised visits, an important increase has occurred in the number of visits related to the communication media related to the sector. Thus, the visit of reporters of the sector is highlighted, who, called within the framework of the Communication Committee of the Nuclear Forum, visited the facilities. Also, from the public radio and television of Castilla y León which prepared a “Made in Castilla y León” within the factory and more recently, the blog Xataca, which has more than five million followers, carried out a long and exhaustive report on ENUSA’s activity in Juzbado.



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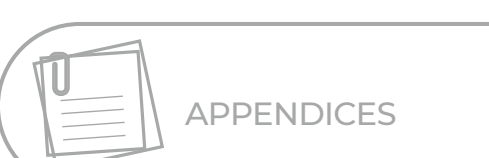
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Conferences and fairs

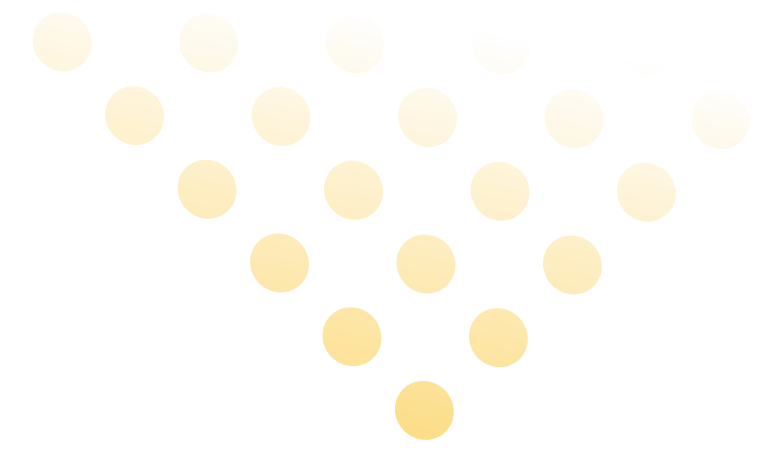
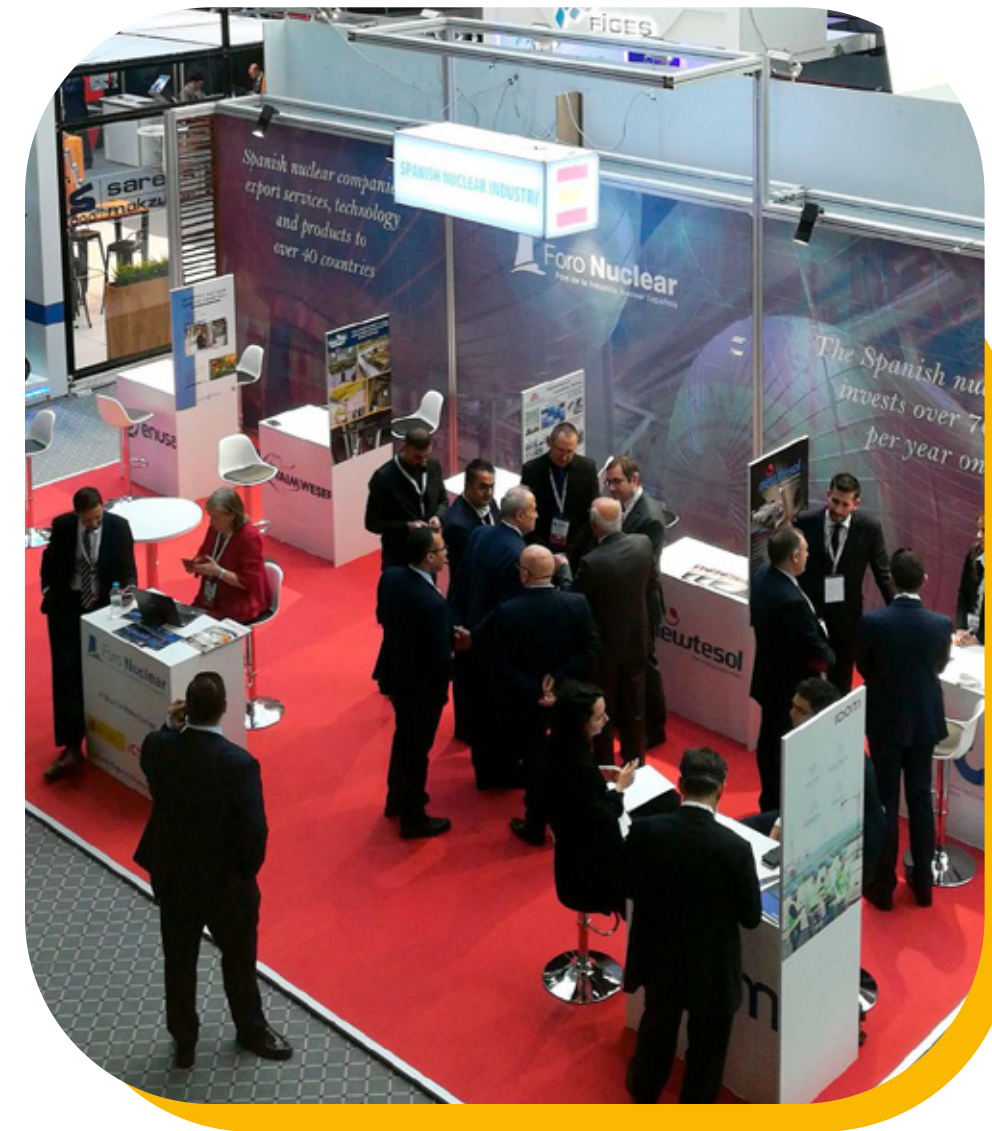
ENUSA participated in several conferences and fairs. Below we list the most important:

- > ENUSA EDF-EFG Technical Steering Committee Meeting. Paris, 24 October 2019.
- > WNFM 46th Annual Meeting. Lisbon, 9-11 June 2019.
- > 2019 Westinghouse Fuel Users Group Conference. The Westin Poinsett, Greenville, S.C., 17-19 June 2019.
- > ATF Fuel Workshop. Seville, 20-21 June 2019.
- > IAEA International Conference on the Management of Spent Fuel from Nuclear Power Reactors 2019. Vienna, 23-28 June 2019.
- > ENUSA was present in the 45th Annual Meeting of the Spanish Nuclear Society which was held in Vigo and in which a large group of workers participated in different technical sessions. In addition, ENUSA again participated with its own stand in the exhibitor island. For this edition, it carried out intense communication action, personalising each presentation and making reference to each and every one of them in our social networks.
- > Meeting of customers in San Sebastian, held in February 2019.
- > 27th Women in Nuclear Global Annual Conference, held in Madrid between 17 and 21 June, which had a large representation of women from ENUSA and with which we had great presence in the social networks.

In 2019 we continued to use our usual channels of communication and some recently implemented ones:

- > “ENUSA Nuclear Fuel” news bulletin
- > Welcome manual
- > Corporate Intranet
- > ENU-Agenda
- > E-mail: comunicacion@enusa.es / Comunicacion-Interna@enusa.es
- > Corporate communications
- > Corporate website
- > B2B customer portal
- > Twitter, Instagram, YouTube and Google

If you want to contact the Communication Department of ENUSA, send an e-mail to comunicacion@enusa.es



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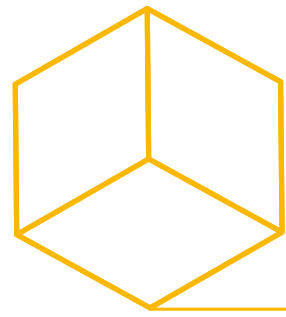
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MAIN SUCCESSES, DEFICIENCIES, RISKS AND OPPORTUNITIES

SUCCESSES:

- > Personnel experience and qualification.
- > Signing of collective bargaining agreements with the work centres of Juzbado and Saelices.

DEFICIENCIES:

- > Impact of the measures imposed to reduce the public deficit, which directly affect the regulation on personnel hiring in the public commercial companies.
- > Sector with scarce female presence.

RISKS:

- > Knowledge transfer and talent retention.
- > Cybersecurity.

OPPORTUNITIES:

- > Integration in the strategy of the Sustainable Development Goals (SDGs) identified with a higher level of impact for the company.
- > Equality and diversity policies in the company.



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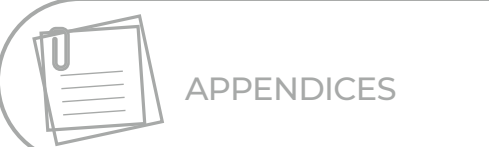
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OBJECTIVES

2019

DEGREE OF COMPLETION

Sending the testing plan for declassifying waste to the CSN.

Partial

Review of the regulations concerning purchases.

Total

Public SDG commitment: divulge and integrate into strategy.

Partial

Creation of a new corporate website, infocentre and internal social network.

Partial

2020

DIGITAL TRANSFORMATION: Continue with the integration of digital technologies in all the business areas, improving the way to operate and generating value for the customers by means of innovation and the creation of new solutions.

INTERNAL COMMUNICATION: Implementation of the new intranet and strengthen communication through digital signage.

EQUALITY: Reinforce the training and awareness of gender equality with further actions.

HR: New Human Resources management model.

ORP: Campaigns on the subject of health: no smoking and prevention of blindness associated with glaucoma.

DIGITAL TRANSFORMATION: Continue with the integration of digital technologies in all the business areas, improving the way to operate and generating value for the customers by means of innovation and the creation of new solutions.

INTERNAL COMMUNICATION: Implementation of the new intranet and strengthen communication through digital signage.



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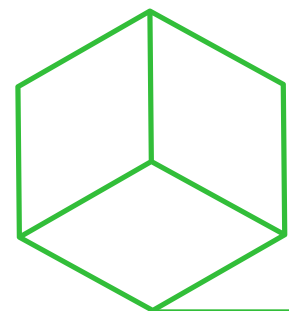
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JUZBADO FUEL ASSEMBLY FACTORY

Located in the Salamanca town of Juzbado since 1985, ENUSA's fuel assembly factory is one of the most innovative in Europe, incorporating state-of-the-art technology that optimises resources and protects the environment.


The Centre has a highly qualified, specialised staff that covers the full cycle of fuel production: uranium procurement and storage and logistics of the components required for manufacturing, fuel production, control of the product quality level, equipment development for manufacturing of PWR, BWR and VVER products and management of the logistics and distribution to plants all around Europe.

The facility current has a capacity of 500 tons of uranium (tU). In 2019, it manufactured 273,694 tU via input into the process of 353.5 tons of uranium oxide in powder form. Approximately 10% of the uranium oxide that is used re-enters the process.



It is one of the most innovative in Europe incorporating the latest technology

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Because of the industrial nature of its activity, the Salamanca facility is governed by strict control of the working conditions of its workers and the environment. This control is adapted at every moment to the recommendations and surveillance of the competent bodies, the International Commission on Radiological Protection and the Spanish Nuclear Safety Council (CSN), which in turn reports to the Spanish Congress on the operations of nuclear and radioactive facilities.

ENUSA has a Quality and Environment Management Department which develops the implemented Environmental Management System, as well as a Radiation Protection Service where the Environmental Management division develops the facility's environmental operations.

The radiological impact of the facility is controlled through the Environmental Monitoring Program (PVA) which comprises an Environmental Radiation Monitoring Program (PVRA) and the Environmental Chemical Monitoring Program (PVQA), which will be described in detail later.

The Centre has six specialised laboratories that adhere to strict criteria of quality, independence, experience, professionalism, safety and respect for the environment, as confirmed by the ENAC technique certifications as per standard UNE-EN ISO 17025 and by AENOR as per standard UNE-EN ISO 9001. These laboratories analyse samples from the manufacturing process, from the factory's monitoring programs and the personal dosimetry process, and they conduct determinations of drinking water quality and discharge parameters.

ENVIRONMENTAL MANAGEMENT

From the time it was created, the Juzbado factory has strived to carry out its industrial activities in an environmentally friendly way and to always ensure the protection and preservation of its surroundings.

Since April 1999, the factory has implemented an Environmental Management System certified by AENOR (No. CGM-99/031) pursuant to the requirements of Standard UNE-EN ISO 14001:1996. Furthermore, in July 2003, it adhered to European Regulation 761/2001 EMAS through assurance by AENOR of its Environmental Management System (VDM-03/010) and the Environmental Declaration, in accordance with the requirements of this Regulation. It is the first industrial facility in Salamanca to have obtained this assurance and the second longest certified facility in Castilla-Leon, a factor that evidences its high level of excellence in environmental management and its strong commitment to environmental protection. In December 2016, it received a silver category recognition from the Castilla-Leon regional government.

In 2005, ENUSA adapted the Environmental Management System to the UNE-EN ISO 14001: 2004 Standard, a process endorsed by certification of the System (No. GA-1999/0031), in accordance with the requirements of the new standard, in the external audit conducted by AENOR in May 2005. Since 2010, the System has been adapted to the requirements of the new European Regulation 1221/2009 EMAS III.



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In 2018 ENUSA certified the Environmental Management System in accordance with the new UNE-EN ISO 14001:2015 standard and verified it against the European Regulation 1221/2009 EMAS III, modified by the EU Regulation 2017/1505, evidencing a great maturity, maintainability and reliability of the system, as well as a very high degree of engagement by all company personnel in its performance and in the application of best practices associated with it.

The ENUSA Environmental Management System comprises the following elements:



Organisational context: both the internal and external contexts are included, as well as the characterisation of the interested parties (person or organisation that may affect, be affected or be perceived as affected by a decision or activity).



Leadership: senior management should show leadership and commitment to the Environmental Management System.

- > Environmental Policy. Public document which reflects the commitment of the ENUSA Management to the environment.
- > Organisational structure. The ENUSA Systems and Quality and Nuclear Fuel Operations Offices are responsible for maintenance of the Environmental Management System.
- > Record of legal requirements and other applicable requirements.

- > Risks and opportunities: potential adverse effects (threats) and potential beneficial effects (opportunities).
- > Evaluation of direct and indirect environmental aspects caused by the factory's activities.
- > Action planning: once the environmental aspects, legal requirements and other applicable requirements, as well as the risks and opportunities have been identified, actions must be planned to address them.
- > Establishment of annual environmental targets and goals.
- > Environmental Management Program. Assignment of responsibilities and allotment of resources, with planning of the time needed to execute the different activities.
- > Worker training plan. It is defined every year for all company personnel and covers three levels: raising awareness, improving qualification and specific training for the job to be performed.
- > Operational control. Monitoring of the environmental aspects of the factory, divided into two blocks: radiological and non-radiological control.
- > Communication. Primarily through the Environmental Declaration (validated as per the requirements of the EMAS regulation), and made available to the public on the ENUSA website (www.enusa.es).
- > Periodic evaluation of compliance with legal requirements.
- > Annual audits of the Environmental Management System, which is subject to two types of audits: internal and external (by the certification/assurance entity and also by customers).
- > Annual review of the System by the Management. Formal assessment of the status and compliance of the Environmental Management System in relation to the declared Environmental Policy.



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OPERATIONAL CONTROL OF ENVIRONMENTAL ASPECTS OF THE FACTORY

The factory takes into account the factors that are assessed in a conventional industrial business and, in addition, because of the specific features of its industrial activity, a series of especially significant radiological parameters. For this reason, its Environmental Management System is based on radiological and non-radiological operational control.

RADIOLOGICAL CONTROL

Monitoring of the installation working conditions

ENUSA exhaustively controls the workstations and the possible exposure of its workers in order to guarantee the safety of the installations, check that the stipulated dose limits are met and minimise the doses by applying ALARA criteria (“As Low As Reasonably Achievable”). Personal dosimeters, ambient samplers and individual controls of internal contamination are used for this purpose; the work times and the doses received by all the workers are also evaluated. The results of the analyses carried out on the factory workers throughout 2019 have been much lower than the established limits.

Radioactive liquid effluents

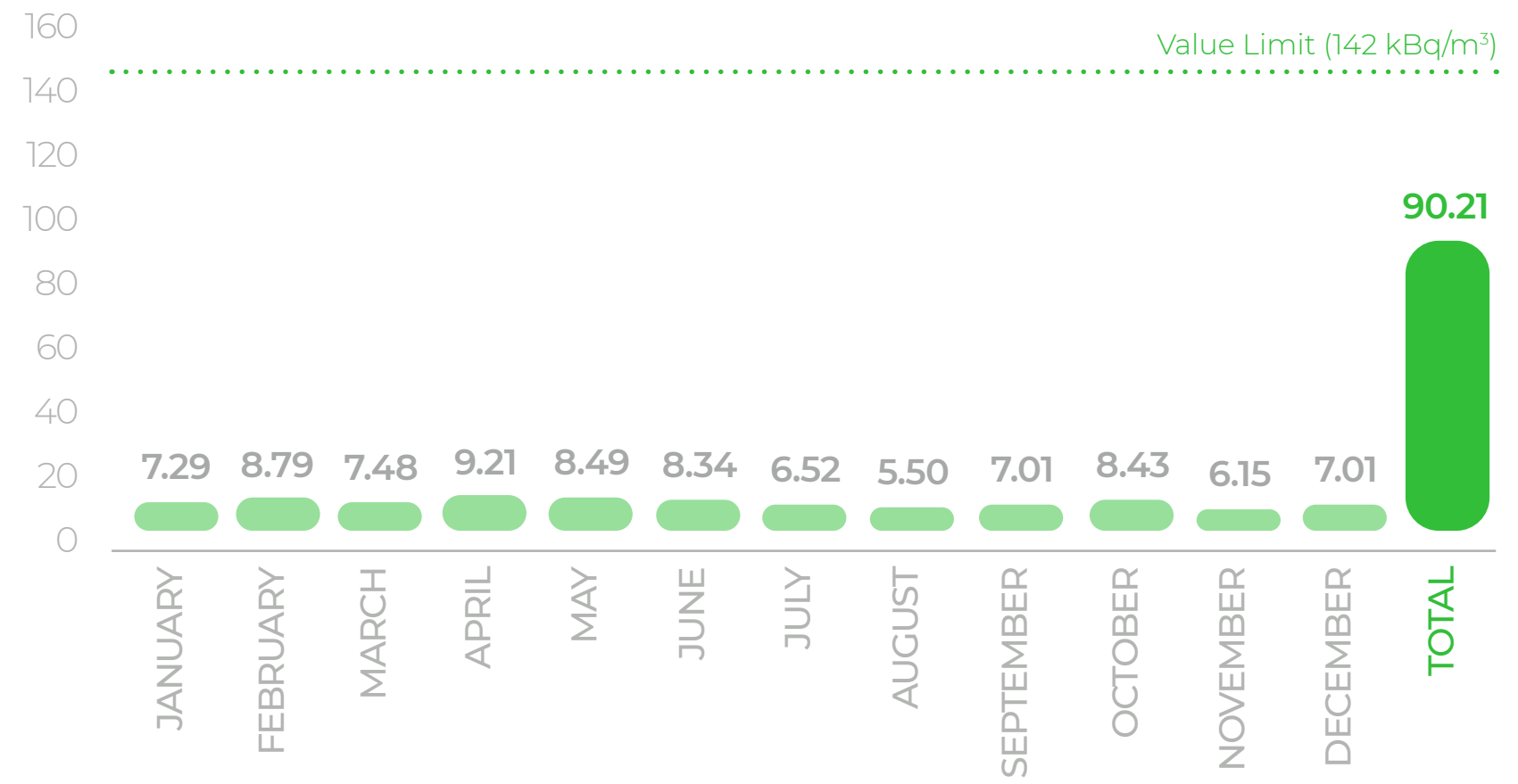
The factory discharges liquid effluents to the Tormes River. These discharges are controlled with a strict treatment system that ensures that their average concentration of overall alpha activity is within the limits set by current legislation. The discharged activity is less than the established limit, and the following measures are taken to ensure that limit:

- > Limitation of water use in the factory ceramics zone.
- > Application of treatment systems based on the use of decantation tanks, separation by centrifugation, press filters and power driven filters.
- > Provision of a regulation pool.
- > Control of the discharges to the river via a mixing basin, complying with the established instantaneous limit (142 kBq/m³).



The following graphic shows the data for average monthly concentration (measured in kBq/m³) of activity discharged to the Tormes River via liquid effluents during 2019, together with the authorised limit. As can be seen, values much below this limit were recorded:

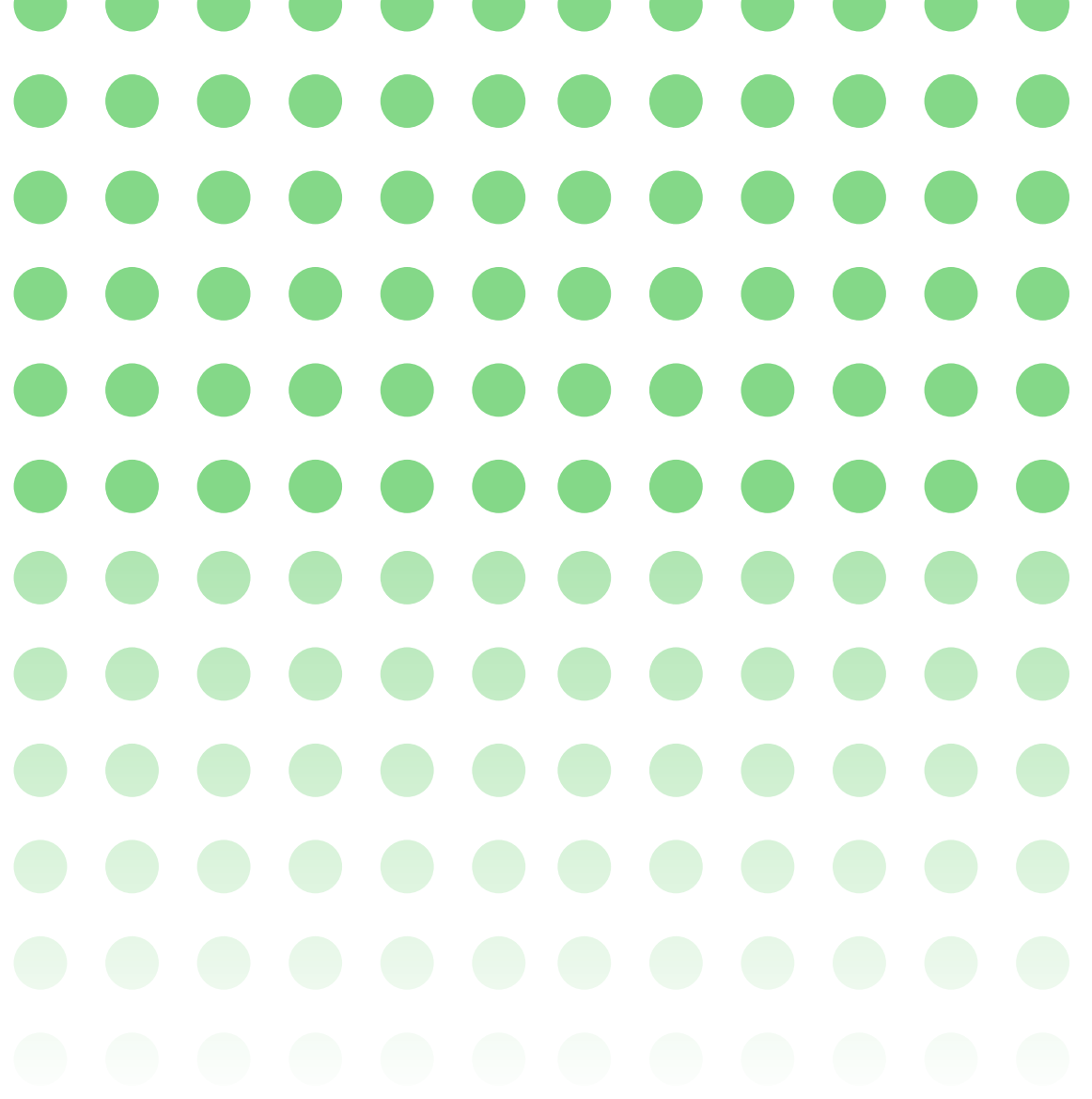
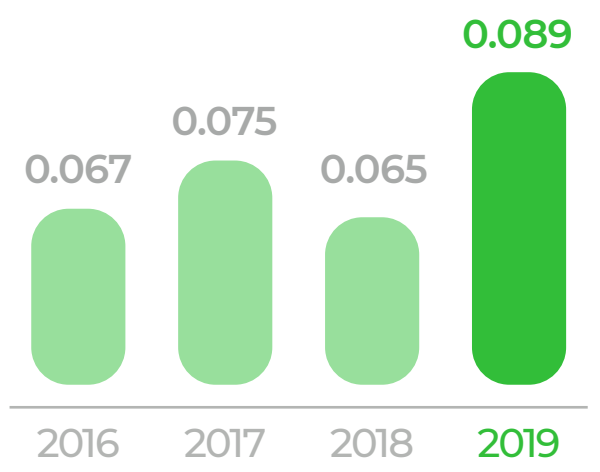
RADIOACTIVE LIQUID EFFLUENTS 2019



There was an increase of approximately 19% of the average concentration discharged in 2019 with respect to 2018.

As for the evolution of the total alpha activity with respect to the tons of uranium produced, we see a slight increase with respect to the three previous years, due to a higher number of discharges carried out.

EVOLUTION OF THE RADIOACTIVE LIQUID EFFLUENTS (MBq/tU)



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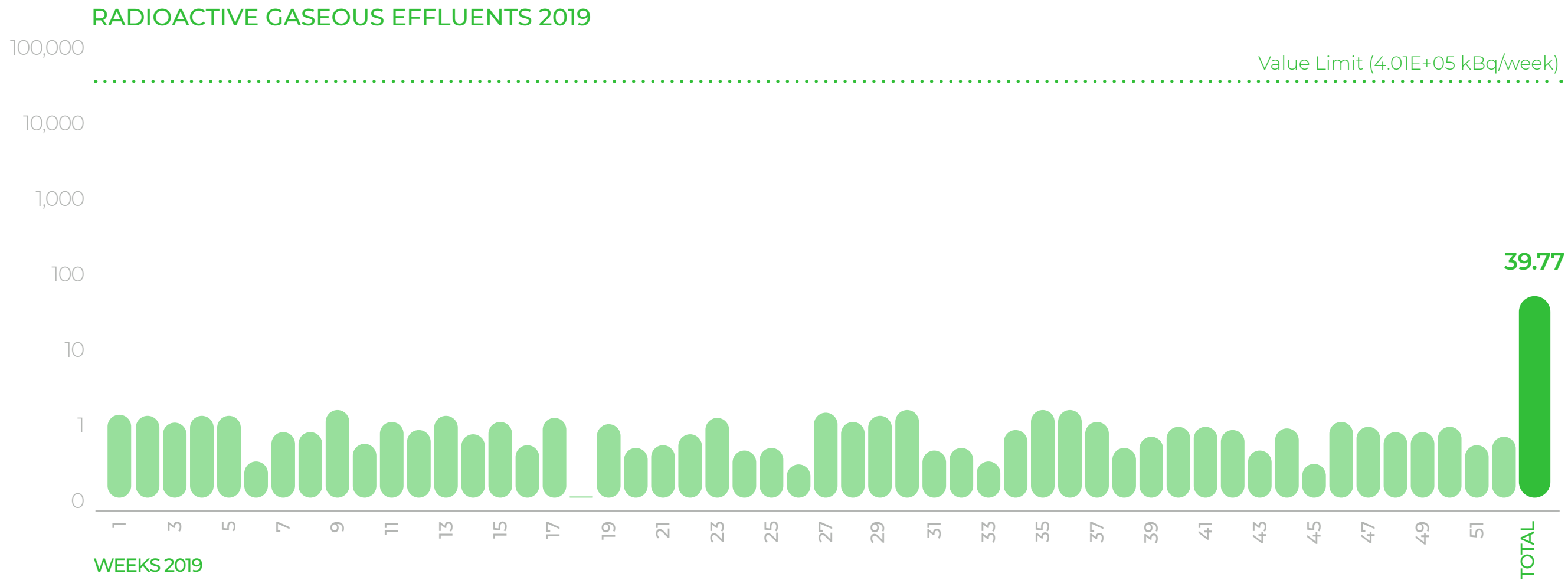
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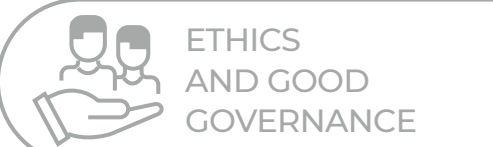
Radioactive gaseous effluents

Against the risk of emission to the atmosphere of polluting gaseous effluents, the design of the Juzbado factory's fabrication building itself acts as effective protection. The installation has an extraction system that controls the emission of gaseous effluents and ensures the flow towards the interior of the work areas, maintaining a depression in the interior of the fabrication building which has a double filtering system equipped in the final stage with high efficiency filters. In addition, a radiological protection system automatically controls the ambient activity in the different work areas, supplying periodic information about it and about the emissions of gaseous effluents. In case the values surpass the preset alert value, a warning would be generated that would allow taking immediate actions.

The graph shows the data of total alpha activity emitted to the atmosphere during the year 2019 by weeks and the activity limit authorised for radioactive gaseous effluents (4.01E+05 kBq/week). The recorded values were much below the cited limit:



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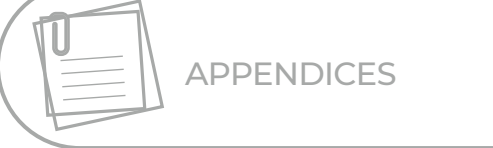
ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE

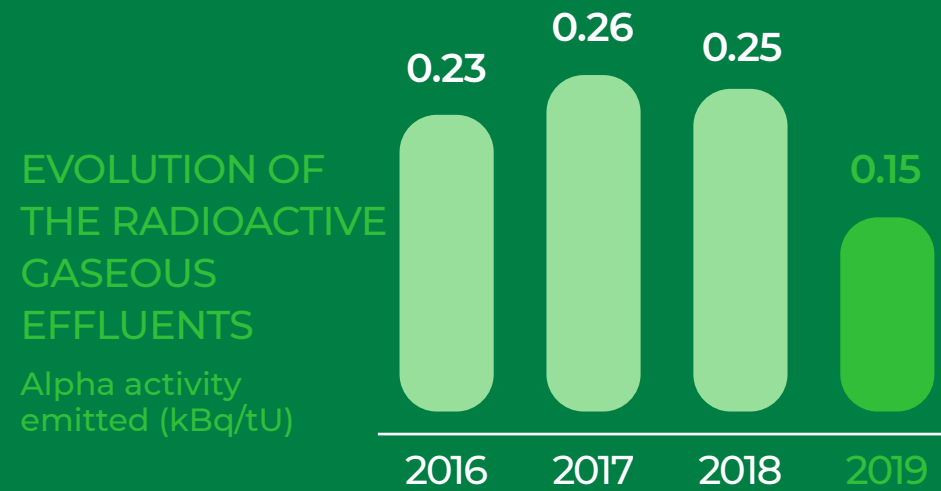


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In the following graph, the alpha activity emitted to the atmosphere due to gaseous effluents, per ton of produced uranium, compared to that emitted in the three previous years.



Dose to the population

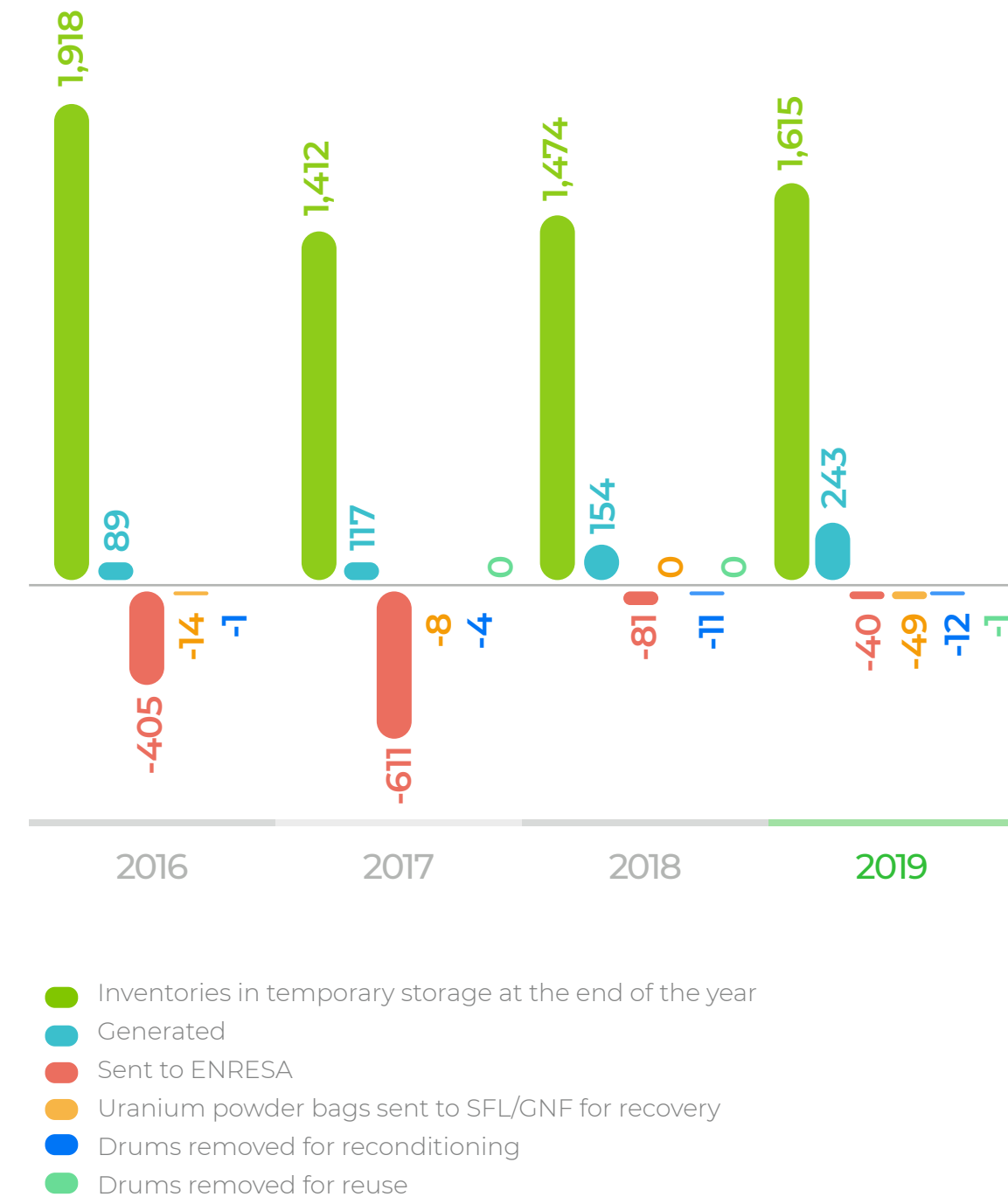
The results obtained in 2019 from analyses performed on liquid and gaseous effluents are well below the authorised limits. For the most exposed group, the results obtained show insignificant values with respect to the authorised limits, on the order of 6.78E-03% of the effective dose limit and 6.02E-5% of that corresponding to the equivalent skin dose limit (considering that the limits stipulated in the factory Operating Permit are 0.1 mSv for the effective dose and 5 mSv for the equivalent skin dose).

Radioactive solid wastes

These are non-conventional wastes, i.e., all those materials that come from the factory's ceramics area (cleaning utensils, tools, rags, paper, plastics, etc.) that cannot be reused in the manufacturing process or decontaminated. They should be treated in such a way as to permit their transfer off the site under safe conditions and their subsequent acceptance by the agent responsible for their final destination.

In 2019, 243 220-litre drums containing newly generated radioactive wastes were produced. A total of 40 drums of radioactive wastes were sent to the only authorised agent in Spain, ENRESA. Moreover, 12 drums were reconditioned and 1 drum was removed to be reused. Finally, during 2019, 49 drums with plastic bags were sent to Global Nuclear Fuel (GNF) for recycling and recovery.

CHANGES IN THE NO. OF 220-LITRE DRUMS OF RADIOACTIVE WASTES



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Environmental Radiation Monitoring Program (PVRA)

The purpose of this program is to assess the potential environmental impact of the facility on the exterior due to discharges via liquid and gaseous effluents. It is defined on a yearly basis and is approved by the Spanish Nuclear Safety Council (CSN). It analyses different radiological parameters, for which purpose different types of samples are collected (air, surface water, groundwater, public supplies, aquatic flora and fauna, plants, meat and milk, soils and sediments, etc.) at 76 sampling points located in a 10 km radius around the factory, encompassing the most representative habitats in the area.

Although no conclusions can be drawn until the samples from the last quarter are processed, quarterly values show that no impact will be recorded by the facility and that the results of the 2019 campaign will be very similar to those obtained since the beginning of the facility's activity in 1985, with no effect being detected on the radiological background of the site due to the low activity values of the emissions of liquid and gaseous effluents from the factory.

Reportable environmental incidents in 2019

No radiological or non-radiological environmental emergency has been registered during this year.



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NON-RADIOLOGICAL CONTROL

Liquid effluents

The analysis of liquid effluents is based on the criteria and standards provided in the discharge permit granted by the competent regulatory body, the Duero River Hydrographic Confederation. The factory has a non-radioactive liquid effluent treatment system to purify sanitary water, taking into account the limits stipulated in the discharge permit. The treatment system to purify sanitary sewage is composed of three stages: sanitary wastewater treatment plant, storage tanks and regulation (or discharge) catch basin.

In the catch basin, a sample is taken and the parameters regulated in the discharge permit (pH, detergents, chemical oxygen demand, suspended solids, total phosphorus, total nitrogen and ammonia) are analysed before their incorporation into the Tormes River, in order to ensure compliance with the limits established in this permit. The downstream quality characteristics, once the mixing zone is reached, are also periodically determined, and the values obtained are compared to the characteristics of the river upstream of the facility.

In 2019, the discharges to the Tormes River have complied with the limits established for the parameters specified in the current Discharge Permit.

DISCHARGE OF FACTORY WASTEWATER (m³)

| | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|--------|-------|--------|-------|
| Sanitary and industrial wastewater | 11,244 | 7,875 | 10,231 | 9,466 |
| Process wastewater | 3,353 | 2,999 | 2,903 | 3,167 |



NON-RADIOACTIVE LIQUID EFFLUENT TREATMENT SYSTEM



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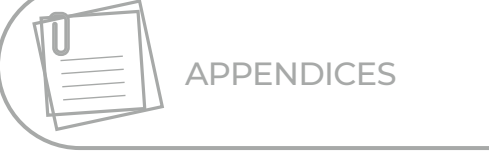
ECONOMIC PERFORMANCE



SOCIAL PERFORMANCE

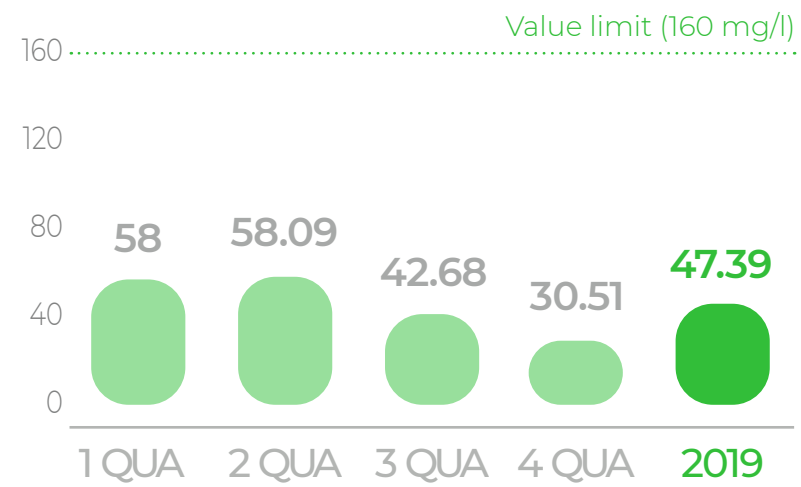


ENVIRONMENTAL PERFORMANCE

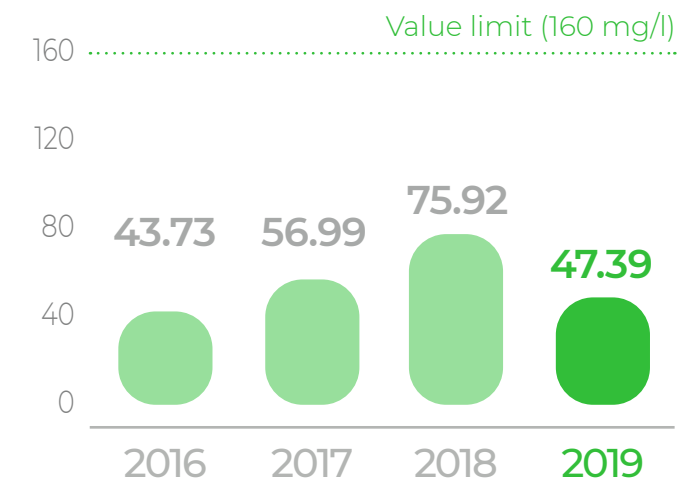


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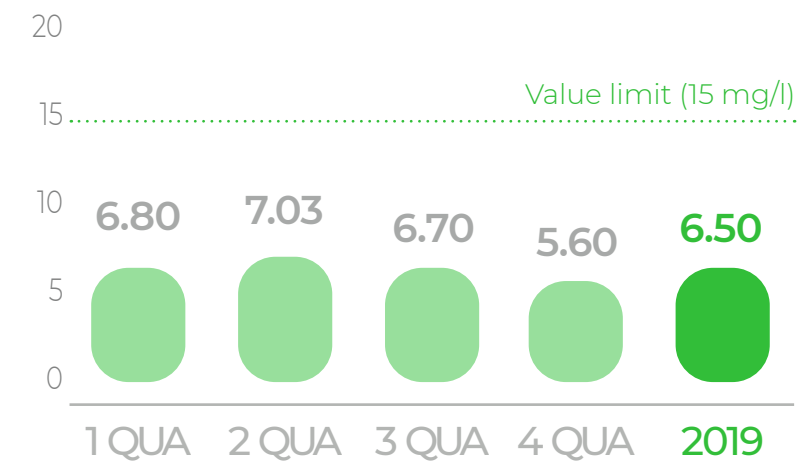
INCORPORATION OF COD TO THE RIVER (mg/l)



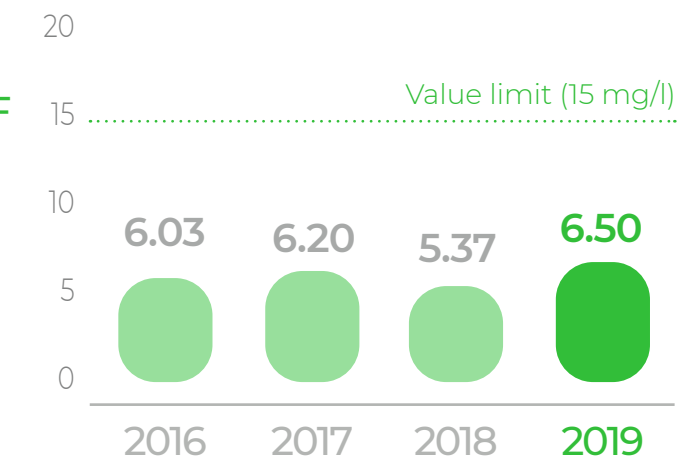
EVOLUTION OF THE INCORPORATION OF COD TO THE RIVER (mg/l)



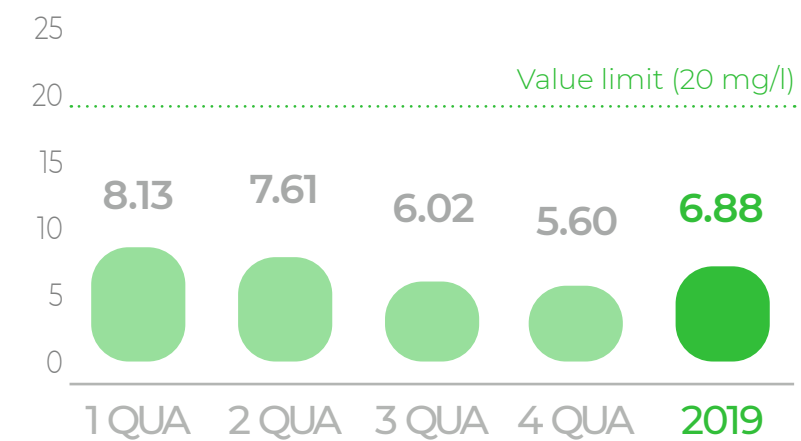
INCORPORATION OF AMMONIA TO THE RIVER (mg/l)



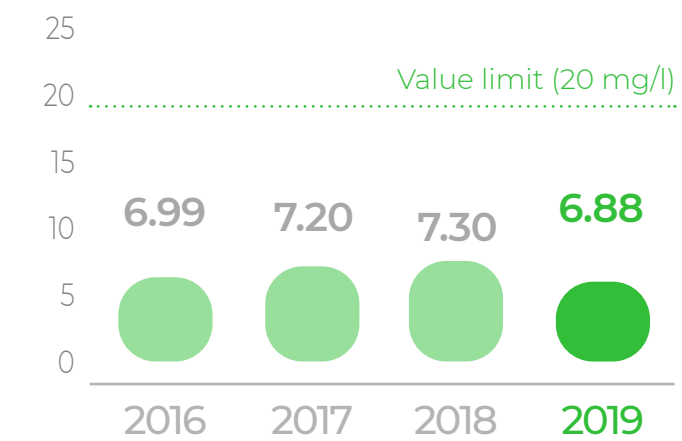
EVOLUTION OF THE INCORPORATION OF AMMONIA TO THE RIVER (mg/l)



INCORPORATION OF NITROGEN TO THE RIVER (mg/l)



EVOLUTION OF THE INCORPORATION OF NITROGEN TO THE RIVER (mg/l)



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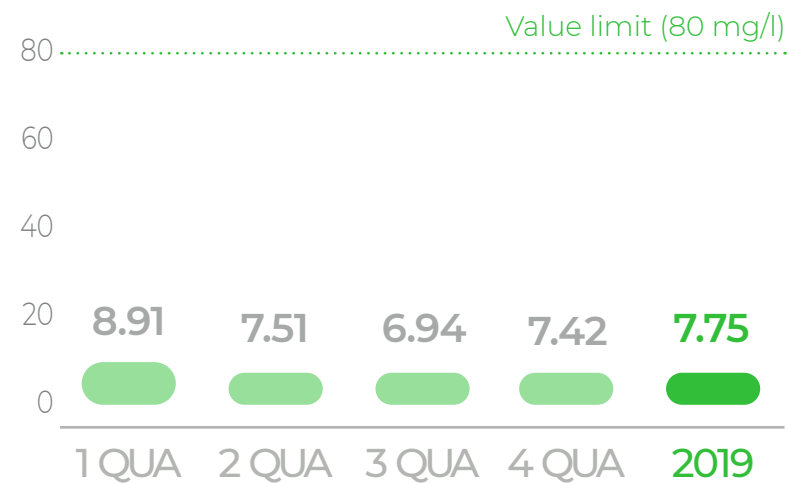


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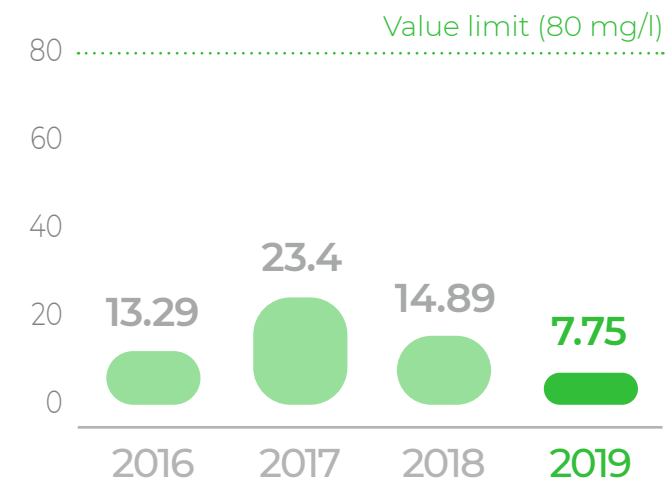


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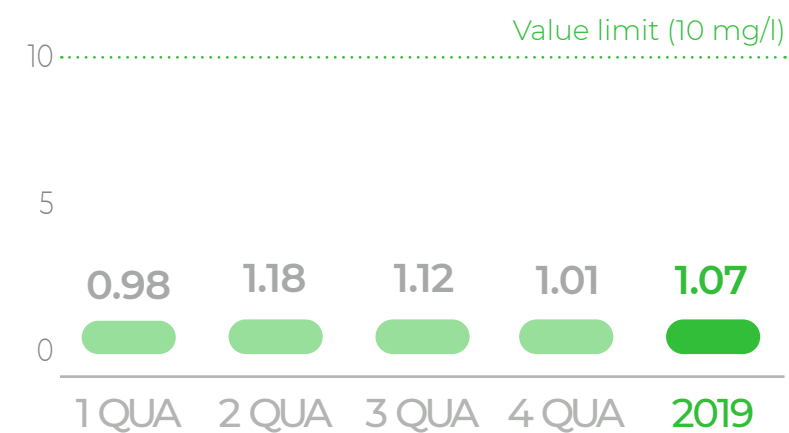
INCORPORATION OF SUSPENDED SOLIDS TO THE RIVER (mg/l)



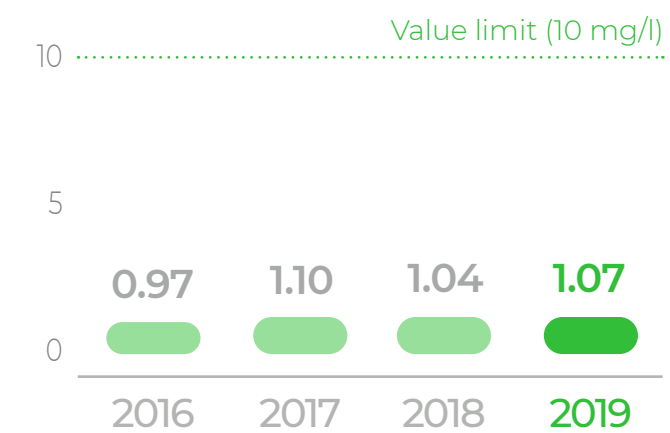
EVOLUTION OF THE INCORPORATION OF SUSPENDED SOLIDS TO THE RIVER (mg/l)



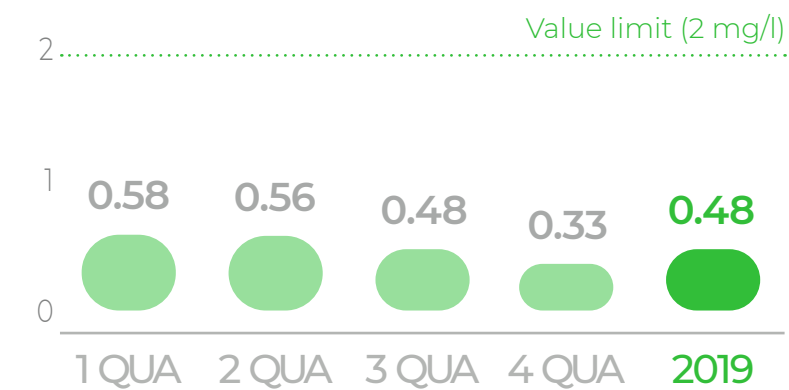
INCORPORATION OF PHOSPHORUS TO THE RIVER (mg/l)



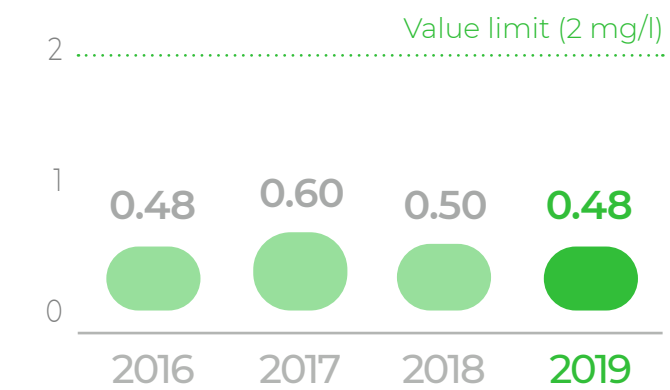
EVOLUTION OF THE INCORPORATION OF PHOSPHORUS TO THE RIVER (mg/l)



INCORPORATION OF DETERGENTS TO THE RIVER (mg/l)



EVOLUTION OF THE INCORPORATION OF DETERGENTS TO THE RIVER (mg/l)





Conventional wastes

In 2019, the factory has continued with the minimisation measures implemented in recent years, such as the introduction of specific contents on waste management in the initial basic training, specific training on the Environmental Management System, as well as specific awareness campaigns.

Conventional wastes include the following:



Hazardous wastes

The factory differentiates the non-radioactive wastes that can be considered as hazardous in accordance with Royal Decree 952/1997 of June 20, which modifies R.D. 833/1988 (Regulation enacting the Basic Toxic and Hazardous Waste Act 20/1986 of May 14), and Order MAM/304/2002 of February 8, which publishes the European waste list. These wastes are delivered to an authorised agent (CETRANSA in general, except for specific cases such as fluorescent lamps, which are delivered to a specialised agent –Ambilamp–, toner to the company Tragatóner & Tragatinta, batteries to the company Ecopilas, and waste occasionally generated or waste coming from specific works in which the waste can be sent to other authorised managers) to proceed with final treatment and disposal on a controlled basis.

| TYPE OF WASTE | DESCRIPTION | QUANTITY (kg) | TREATMENT |
|---------------------|--|---------------|----------------------------------|
| HAZARDOUS WASTES | Absorbents with hydrocarbons | 337.5 | Delivered to an authorised agent |
| | Waste oil | 121 | |
| | Asbestos | 9,020 | |
| | Antifreeze | 73 | |
| | Car battery | 1,138 | |
| | Halogenated organic solvents | 89 | |
| | Empty metal containers | 93 | |
| | Empty plastic containers | 93 | |
| | Aerosols | 25.5 | |
| | I.T. material | 1,257 | |
| | Aqueous film forming foams | 258.5 | |
| | Fibreglass | 60 | |
| | Fluorescent tubes | 154 | |
| | Photograph developing liquid (fixer) | 60 | |
| | Photograph developing liquid (developer) | 43.5 | |
| | Contaminated materials | 39.5 | |
| | Materials that contain liquid Hg | 27.5 | |
| | Paints with solvents | 13.5 | |
| Laboratory reagents | 80.5 | | |
| Cutting fluids | 283 | | |
| Toners | 114.5 | | |
| Sanitary wastes | 6.7 | | |
| TOTAL | | 13,388.20 | |

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Inert Wastes

The inert wastes generated in 2019 correspond to the sum of wastes from wood, scrap metal and rubble, and they have been managed for subsequent revaluation by an authorised agent.

The increase in 2019 is due above all to rubble generated from the work of tearing down the old buildings of the property (1,449 t) and, to a lesser measure, the PWR dock (1.12 t).

Furthermore, in 2019 the frequency of the removals of wood increased, being amounts similar to those managed in 2018.

Urban-Assimilable Wastes

The fraction of solid urban wastes currently represents 43% compared to the 57% that would represent that of urban-assimilable wastes.

Solid urban wastes

The non-recyclable fraction (solid urban wastes) were collected by the services of the Community of Ledesma to carry out the subsequent management in the waste treatment centre of Gomecello (deposit in controlled landfill).

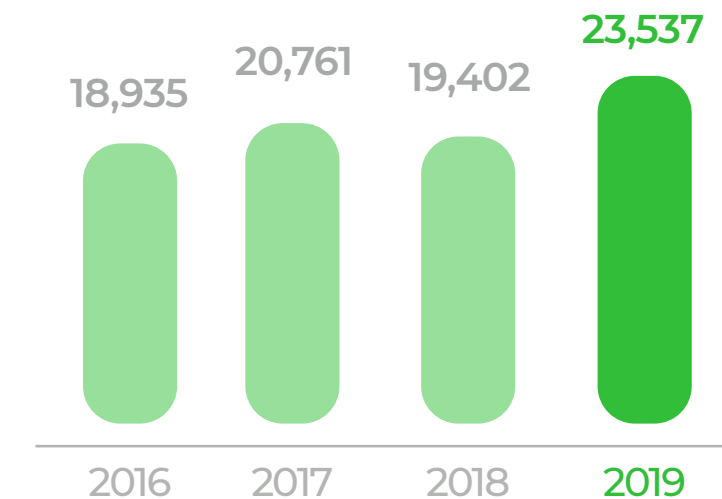
INERT WASTES (kg)

| | WOOD | SCRAP METAL | RUBBLE | TOTAL |
|------|--------|-------------|-----------|-----------|
| 2016 | 10,540 | 3,760 | 7,960 | 22,260 |
| 2017 | 4,020 | 35,150 | 31,902 | 71,072 |
| 2018 | 47,380 | 21,640 | 294,500 | 363,520 |
| 2019 | 41,860 | 23,200 | 1,450,120 | 1,515,180 |

URBAN-ASSIMILABLE WASTES (kg)

| | PAPER AND CARDBOARD | PLASTIC AND ALUMINIUM | GLASS |
|------|---------------------|-----------------------|-------|
| 2016 | 17,840 | 7,260 | 0 |
| 2017 | 17,840 | 8,600 | 1,080 |
| 2018 | 20,079 | 5,640 | 0 |
| 2019 | 20,420 | 9,700 | 1,080 |

SOLID URBAN WASTES (kg)



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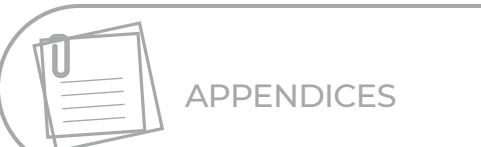
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Sludge

During the year 2019, the company managed 159,810 kg of sludge from the treatment plant and 12,460 kg of sludge from water clarification.

Computer consumables

During 2019, 114.5 kg of toner, considered as hazardous waste, were delivered to an agent for subsequent treatment.

Acoustic pollution

During 2019, sound level measurements have been taken around the factory to check whether these levels comply with the allowable limits for noise emission to the exterior environment, in accordance with current applicable legislation. The results obtained show that the maximum allowable levels have not been exceeded, in spite of the fact that the new legislation in effect on acoustic pollution has reduced these values, and therefore it has not been necessary to adopt any corrective measures.

Environmental Chemical Monitoring Program (P.V.Q.A.)

Its purpose is to detect the environmental impact that the factory's activity can have from a non-radiological point of view. It is defined on a yearly basis and is based on an analysis of 32 parameters in samples of water (surface and groundwater) collected from around the facility, as established by the discharge permit granted by the Duero River Hydrographic Confederation.

Although no conclusions can be drawn until the samples from the last quarter are processed, quarterly values show that no impact will be recorded by the facility and that values below the authorised limits were registered during 2019.

OTHER ENVIRONMENTAL PERFORMANCE INDICATORS OF THE JUZBADO FACTORY

ENERGY CONSUMPTION

Direct consumption

DIRECT ENERGY CONSUMPTION (ITEMISED BY PRIMARY SOURCES)

| | PROPANE (kg) | FUEL-OIL (kg) | GASOIL (l) | ELECTRICITY (kWh) |
|-------------|--------------|---------------|------------|-------------------|
| 2016 | 18,120 | 100,259 | 11,997 | 9,301,250 |
| 2017 | 19,295 | 0 | 9,992 | 9,141,691 |
| 2018 | 19,974 | 0 | 9,991 | 8,921,924 |
| 2019 | 19,974 | 0 | 7,996 | 8,917,302 |

In 2017, fuel oil boilers were dismantled and replaced by a hot sanitary water supply and air conditioning from the biogas plant, so since then fuel oil consumption is 0.

The decrease in electricity consumption in 2019 is due in part to measures designed to reduce consumption, such as replacing conventional fluorescent tubes with LED fluorescents in the ceramics area, and the insulation of the opening room.



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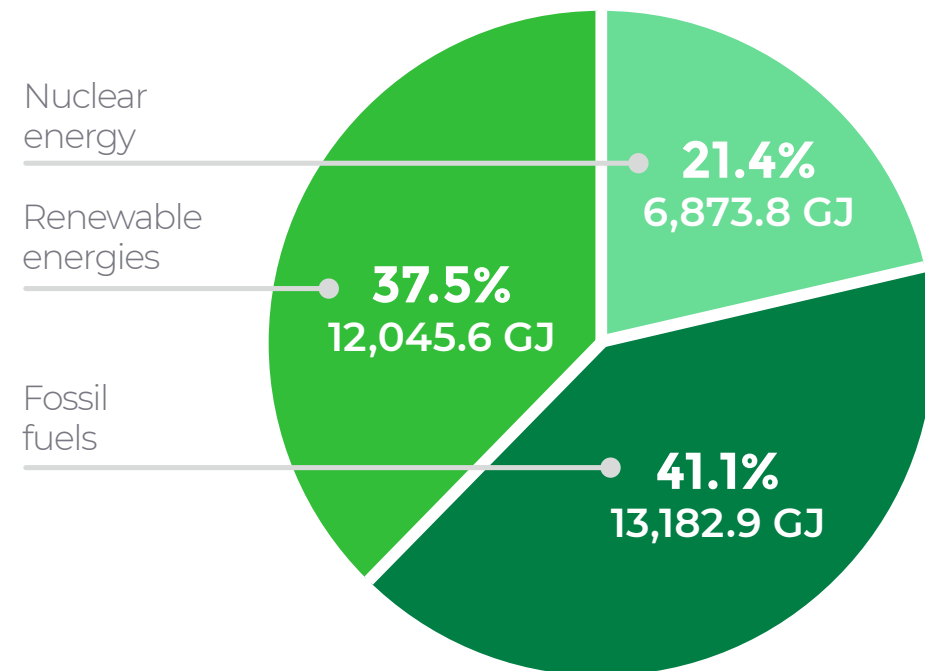
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Indirect consumption

Percentage of the electric power supply that comes from renewable, nuclear and other sources:



**TOTAL AMOUNT:
32,102.3 GJ**

Data extracted from the report "The Spanish Electrical System: 2019 Advance Report". (Red Eléctrica de España).

External energy consumption

| DESCRIPTION | KILOMETRES TRAVELLED | ESTIMATED AVERAGE CONSUMPTION (l gasoil/100km) | TOTAL GASOIL CONSUMPTION (litres) | AMOUNT CO ₂ EMITTED (2,520 kg CO ₂ /l gasoil) t |
|---|----------------------|--|-----------------------------------|---|
| Personnel transport to the factory and business trips | 907,187 | 8 | 72,574.96 | 182.89 |
| Employee transportation to the factory | 157,680 | 25 | 39,420 | 99.34 |
| Package reception | 308,935 | 25 | 77,233.75 | 194.63 |
| Refuelling in the gas plant | 42,321.33 | 30 | 12,696.40 | 31.99 |
| Subcontracts: Management of assimilable, inert and hazardous wastes (with vans) | 1,403 | 8 | 112.24 | 0.28 |
| Subcontracts: Management of assimilable, inert and hazardous wastes (with trucks) | 15,464 | 30 | 4,639.20 | 11.69 |
| Subcontracts: RSU collection company | 10,150.40 | 30 | 3,045.12 | 7.67 |
| Component reception | 102,684 | 30 | 30,805.20 | 77.63 |
| Uranium powder reception | 35,566 | 30 | 10,669.80 | 26.89 |
| Product transport: Fuel assemblies | 119,146 | 30 | 35,743.80 | 90.07 |
| Component or skeleton transport (with trucks) | 10,665 | 30 | 3,199.50 | 8.06 |
| Component or skeleton transport (with vans) | 2,540 | 8 | 203.20 | 0.51 |
| Empty cask transport | 44,514 | 30 | 13,354.20 | 33.65 |
| Transport of bags | 11,025 | 30 | 3,307.50 | 8.33 |
| Total indirectly generated CO₂ | 1,769,280.73 | | 307,004.87 | 773.65 |

Note: It is considered that all the trips are made in vehicles that consume gasoil, thus eliminating the sea and air transports.

Energy intensity

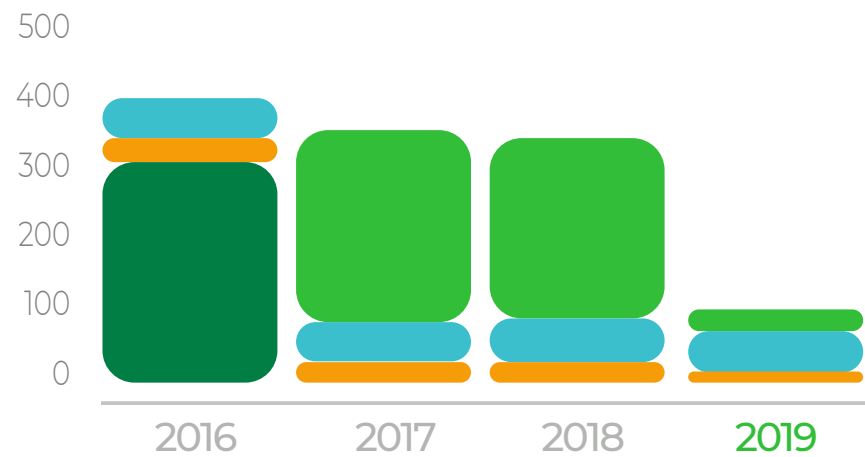
The energy consumption of electricity and fuels (propane and gasoil are taken into consideration. The chosen activity unit is tons of uranium equivalent (tU).

| ELECTRICITY (MWh) | PROPANE (MWh) | GASOIL (MWh) | tU | ENERGY INTENSITY (MWh/tU) |
|-------------------|---------------|--------------|---------|---------------------------|
| 8,917.30 | 267.5 | 88.1 | 273.694 | 33.88 |

GREENHOUSE GAS EMISSIONS

Direct emissions

CO₂ EMISSIONS RESULTING FROM BURNING FUEL (t)



| | 2016 | 2017 | 2018 | 2019 |
|----------|--------|-------|-------|-------|
| HFC | | 271.7 | 257.4 | 23.75 |
| Propane | 53.24 | 56.69 | 58.68 | 58.68 |
| Gasoil | 34.41 | 28.66 | 28.65 | 22.93 |
| Fuel-oil | 313.51 | 0 | 0 | 0 |

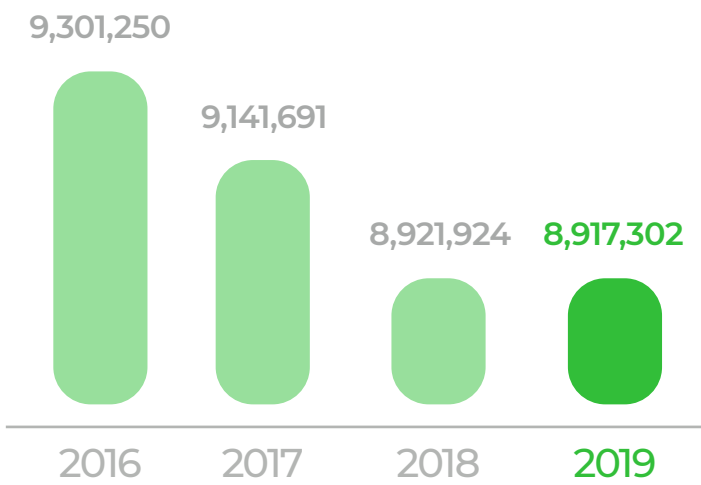
Indirect emissions

Indirect emissions are those resulting from energy consumption outside the factory. Up until now, only the CO₂ from the production of the electricity consumed was considered, but since the heating and hot water boilers have been shut down, the emissions produced by the biogas plant, which is the current source of heat production, are included.

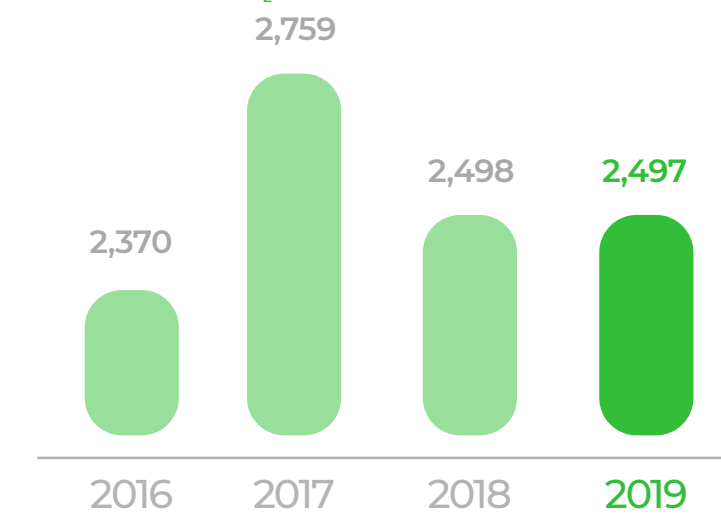
| SOURCE | CONSUMPTION | AMOUNT OF CO ₂ IN WEIGHT (t) |
|----------------------------|---------------|---|
| Electricity | 8,917,302 kWh | 2,496.84 |
| Biogas plant (natural gas) | 126,421 kg | 344.76 |

CO₂ EMISSIONS RESULTING FROM ELECTRICITY CONSUMPTION

CONSUMPTION (kWh)



EQUIVALENT CO₂ (t)



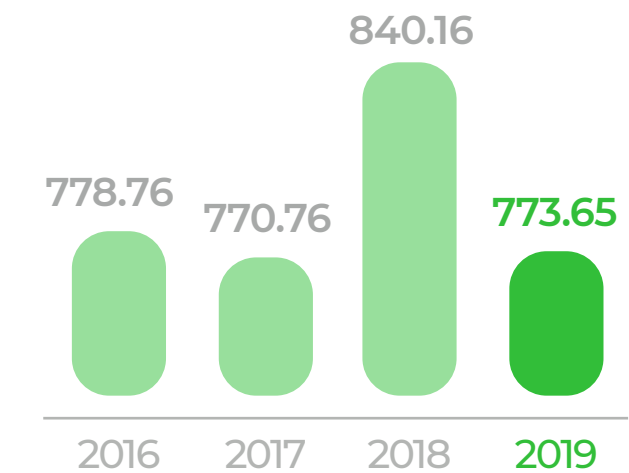
See the basis for the calculation of the indicators in the Appendices

Other indirect greenhouse gas emissions

Indirect greenhouse gas emissions primarily correspond to emissions of carbon dioxide due to the transport of both goods and services and personnel in relation to the normal operation of the facility.

The following table shows the emissions from the most significant transports related to the factory.

EVOLUTION OF OTHER INDIRECT EMISSIONS (t)



GHG emission intensity

| DIRECT EMISSIONS (t) | INDIRECT EMISSIONS -ENERGY (t) | OTHER INDIRECT EMISSIONS - TRANSPORT (t) | tU | INTENSITY OF GHG EMISSIONS (t/tU) |
|----------------------|--------------------------------|--|---------|-----------------------------------|
| 105.37 | 2,841.61 | 773.65 | 273.694 | 13.59 |

BIODIVERSITY

Special Area of Conservation (SAC)

There is a protected space in the vicinity of the Juzbado factory. Specifically, the area in question is SAC ES4150085 (banks of the Tormes River and tributaries), which is part of the Red Natura 2000. The surface area of the SAC encompasses the river waterway plus a width of 25 meters on each side of each of the stretches. Its specific features are:



SPECIAL AREA OF CONSERVATION (SAC)

| SAC CODE | ES4150085 |
|------------------------|---|
| Name | Banks of the Tormes River and tributaries |
| Administrative region | Salamanca 67% and Ávila 33% |
| Rivers | Tormes River, Arroyo de la Corneja, Arroyo de Becedillas, Arroyo Moralejas and Arroyo Aravalle. |
| Hydrographic sub-basin | Tormes River |
| Hydrographic basin | Duero River |
| Latitude of centre | 40° 26' 06" N |
| Longitude of centre | 5° 30' 35" W |
| Average altitude | 1,271 m |
| Area | 1,834.49 hectares |
| Biogeographical region | Mediterranean |

Based on the national topographic land map of the National Geographic and Cadastral Institute (1984), it is estimated that the surface area of the Juzbado factory land included inside the SAC is 7.5 hectares, with a described habitat of barely existent gallery forest and pasture land.

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Protected or reclaimed habitats inside the SAC

| CODE | HABITATS OF APPENDIX I (DIRECTIVE 92/43/EEC) |
|------|--|
| 3250 | Constantly flowing Mediterranean rivers with <i>Glaucium flavum</i> |
| 3260 | Water courses of plain to montane levels with the <i>Ranunculion fluitantis</i> and <i>Calli-tricho-Batrachion</i> vegetation |
| 3270 | Rivers with muddy banks with <i>Chenopodion rubri p.p.</i> and <i>Bidention p.p.</i> vegetation |
| 3280 | Constantly flowing Mediterranean rivers with <i>Paspalo-Agrostidion</i> species and hanging curtains of <i>Salix</i> and <i>Populus alba</i> |
| 5120 | Mountain <i>Cytisus purgans</i> formations |
| 6160 | Oro-Iberian <i>Festuca indigesta</i> grasslands |
| 6230 | Species-rich <i>Nardus</i> grasslands, on silicious substrates in mountain areas (and submountain areas in Continental Europe) |
| 6420 | Mediterranean tall humid grasslands of the <i>Molinio-Holoschoenion</i> |
| 6510 | Lowland hay meadows (<i>Alopecurus pratensis</i> , <i>Sanguisorba officinalis</i>) |
| 7140 | Transition mires and quaking bogs |
| 8220 | Siliceous rocky slopes with chasmophytic vegetation |
| 8230 | Siliceous rock with pioneer vegetation of the <i>Sedo-Scleranthion</i> or of the <i>Sedo albi-Veronicion dillenii</i> |
| 91B0 | Thermophile ash groves of <i>Fraxinus angustifolia</i> |
| 91E0 | Alluvial forests of <i>Alnus glutinosa</i> and <i>Fraxinus excelsior</i> |
| 9230 | Galicio-Portuguese oak woods with <i>Quercus robur</i> and <i>Quercus pyrenaica</i> |
| 92A0 | Gallery forests of <i>Salix alba</i> and <i>Populus alba</i> <i>Quercus ilex</i> and <i>Quercus rotundifolia</i> forests |
| 9340 | Siliceous rock with pioneer vegetation of the <i>Sedo-Scleranthion</i> or of the <i>Sedo albi-Veronicion dillenii</i> |

Species potentially found inside the SAC

It should be taken into account that the surface area affected by the facility corresponds to approximately 0.41% of the proposed total. The species are as follows:

| FAUNA | PUBLICATION | EXTENT OF THREAT |
|--|--|-------------------------------|
| MAMMALS | | |
| <i>Lutra lutra*</i> (Eurasian otter) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Near threatened LERPE |
| <i>Galemys pyrenaicus*</i> (Pyrenean desman) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Vulnerable Vulnerable |
| <i>Rhinolophus euryale*</i> (Mediterranean horseshoe bat) | Spanish Catalogue of Threatened Species RD 139/2011 IUCN red list | Vulnerable Vulnerable |
| <i>Myotis myotis*</i> (Greater mouse-eared bat) | Spanish Catalogue of Threatened Species RD 139/2011 IUCN red list | Vulnerable Near threatened |
| AMPHIBIANS | | |
| <i>Discoglossus galganoi*</i> (Iberian painted frog) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern LERPE |
| <i>Salamandra salamandra</i> (Common fire salamander) | IUCN red list | Least concern |
| <i>Rana ibérica</i> (Iberian frog) | | Vulnerable |

* Species included in Appendix II or IV of the Habitat Directive

** LERPE: List of specially protected species

| FAUNA | PUBLICATION | EXTENT OF THREAT |
|--|--|--|
| REPTILES | | |
| Mauremys leprosa* (Mediterranean turtle) | Spanish Catalogue of Threatened Species RD 139/2011 | LERPE. Vulnerable |
| Emys orbicularis* (European pond turtle) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Near threatened LERPE. Vulnerable |
| Chalcides bedriagai (Bedriaga's skink) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Near threatened LERPE |
| Lacerta schreiberi* (Iberian emerald lizard) | IUCN red list List of specially protected wild species | Near threatened |
| BIRDS | | |
| Circus aeruginosus (Western marsh harrier) | IUCN red list National Catalogue of Threatened Species 2011 | Least concern LERPE |
| Gyps fulvus (Griffon vulture) | IUCN red list National Catalogue of Threatened Species 2011 | Least concern LERPE |
| Milvus milvus (Red kite) | IUCN red list National Catalogue of Threatened Species 2011 | Near threatened In danger of extinction |
| Milvus migrans (Black kite) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern LERPE |
| Falco peregrinus (Peregrine falcon) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern LERPE |
| Elanus caeruleus (Black-winged kite) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern LERPE |
| Hieraetus pennatus (Booted eagle) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern Special protection |

| FAUNA | PUBLICATION | EXTENT OF THREAT |
|---|--|-------------------------------|
| Falco tinnunculus (Common kestrel) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern LERPE |
| Circaetus gallicus (Short-toed snake eagle) | IUCN red list Spanish Catalogue of Threatened Species RD 139/2011 | Least concern LERPE |
| FISH | | |
| Squalius alburnoides* (Calandino) | Proposed for IUCN. Annex II Habitat Directive | Vulnerable |
| Cobitis palúdica* (Loach) | IUCN red list | Vulnerable |
| Chondrostoma Polylepis (Iberian nase) | IUCN red list | Least concern |
| Achondrostoma arcasii* (Bermejuela) | IUCN red list | Vulnerable |
| Pseudochondrostoma duriense* (Northern straight-mouth nase) | | Vulnerable |
| INVERTEBRATES | | |
| Macromia splendens | IUCN red list Red Book of Invertebrates of Spain | Vulnerable Critical danger |
| Oxygastra curtisii | IUCN red list Red Book of Invertebrates of Spain | Near threatened Endangered |
| Euphydryas aurinia | Catalogue of Threatened Species of Aragón | Special interest |
| FLORA | PUBLICATION | EXTENT OF THREAT |
| VASCULAR PLANTS | | |
| Veronica micrantha | Red List of Spanish Vascular Flora 2008 Spanish Catalogue of Threatened Species RD 139/2011 | Vulnerable LERPE |
| Festuca elegans* | Spanish Catalogue of Threatened Species RD 139/2011 | LERPE |

* Species included in Appendix II or IV of the Habitat Directive
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SAVING AND EFFICIENCY INITIATIVES AND ACTIONS: ENERGY SAVING MEASURES BASED ON CONSERVATION AND IMPROVED EFFICIENCY

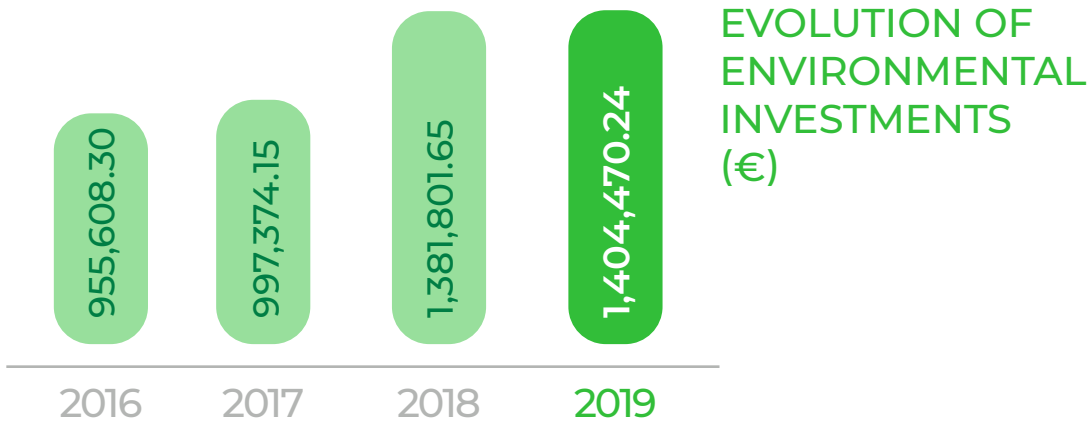
As measures to ensure that energy consumption is reduced and to promote energy savings, several actions have been taken throughout 2019:

- > The 200 traditional fluorescent lamps were substituted by 100 LED fluorescent lamps in the ceramics area that consume half with the same level of illumination.
- > The factory opening room has been thermally insulated to achieve less energy loss.

In 2019 no modifications have been made to the energy requirements of the products and services sold.

ENVIRONMENTAL INVESTMENTS 2019

| EQUIPMENT | ENVIRONMENTAL IMPROVEMENT | TOTAL INVOICE (€) |
|--|--|---------------------|
| Development of new passive scanner | Minimisation of radioactive waste generation | 332,245.05 |
| New passive scanner | Minimisation of radioactive waste generation | 809,323.61 |
| Change to LED lamps | Decrease in the consumption of natural resources and in the control of emissions. Minimisation of waste generation | 18,758.27 |
| Change double luminaires on fencing and exterior | Decrease in the consumption of natural resources and in the control of emissions. Minimisation of waste generation | 8,792.55 |
| Waste treatment equipment | Minimisation of radioactive waste generation | 3,472.75 |
| NILFISK VHW 320 vacuum | Minimisation of radioactive waste generation | 13,061.8 |
| Radioactive effluent system | Improved control of radioactive liquid effluents and minimisation of radioactive waste generation | 23,987.05 |
| Multi-parametric probe for water analysis | Improvement in the control of the facility's environmental impact | 1,135.7 |
| Multi-parametric probe for water analysis | Improvement in the control of the facility's environmental impact | 848.4 |
| Ion chromatography equipment for determining the anions and cations in water | Decrease in the consumption of laboratory reagents and in the generation of hazardous waste. | 18,600 |
| Assembly of isokinetic probes of UO ₂ area | Improvement in emission control | 6,094.8 |
| Adaptation HVAC to CSN requirements | Improvement in emission control | 168,150.26 |
| TOTAL | | 1,404,470.24 |



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CONTINUOUS IMPROVEMENT ACTIVITIES OF THE ENVIRONMENTAL MANAGEMENT SYSTEM




1. Reduction in consumption of natural resources

In the framework of the Environmental Policy and in keeping with company's commitment to reduce resource consumption, a series of actions have been taken which were identified in the energy audit carried out in the facility according to Royal Decree 56/2016, such as the substitution of 200 fluorescent tubes in the ceramics area with LED fluorescent lamps.

In 2019 the opening room was also insulated, which means a reduction of the energy demand of the facility.

2. Minimisation of waste generation

Adhesion to new waste managers through the signing of agreements that include the lifecycle focus:

-  **Integrated Management System:** Ambilamp for luminaires, Ecopilas for batteries.
-  **Establishment of the factory as a waste collection point for toner and ink waste** by the company Tragatóner y Tragatinta.
-  **Textile waste delivery** to the company Porsiete (which belongs to the Asociación Española de Recuperadores de Economía Social y Solidaria).

3. Minimisation in the generation of radioactive waste and reduction of the waste existing in the Temporary Storage Facility

ENUSA's productive activity entails the generation of radioactive wastes of low and very low activity associated with the fuel assembly manufacturing process. This fact is considered as a significant issue from an environmental perspective and, therefore, its minimisation is thereby one of the objectives included in the 2019 Environmental Management Program.

In addition to improved efficiency of the investments associated with the productive process, which mean a minimisation of rejects and, therefore, of wastes, over 1,626 kg of contaminated material have been decontaminated, thus preventing their generation as radioactive waste. In addition, the shipment of 40 scheduled drums has been made to El Cabril pursuant to the conditions agreed with ENRESA and 49 packages with plastic bags have been returned to SFL for recycling.



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4. Actions in forests in the W-NW sector between the double and single fencing:

Cleaning of the rural land by means of the provision of services of flocks of sheep.



5. Management improvements

- > Improvement in the supervision of services provided in the facility from the environmental point of view with the issue of the environmental management sheet “Requirements for the evaluation of services and application of products from the environmental point of view”.
- > Issue of revision 2 of the Environmental Risk Catalogue.
- > Updating and automation of the List of Environmentally Approved Suppliers through the development and implementation of the GESSUM supplier management application.

6. Communication improvements

- > The transmission of monthly messages has continued successfully in the change of shifts of the production and equipment maintenance and incident or anomaly systems recorded in the installation, analysed in all cases from the environmental point of view.
- > Promotion of internal communication on the environment through communications in the environmental management forum. Participation in the first forum and in the elaboration of the inventory of actions put into motion by the Industrial sector of Castilla y León in the framework of waste prevention.



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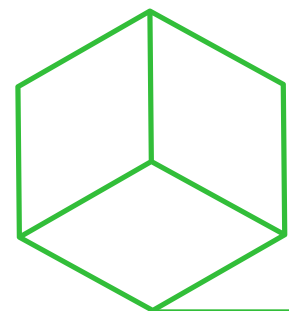
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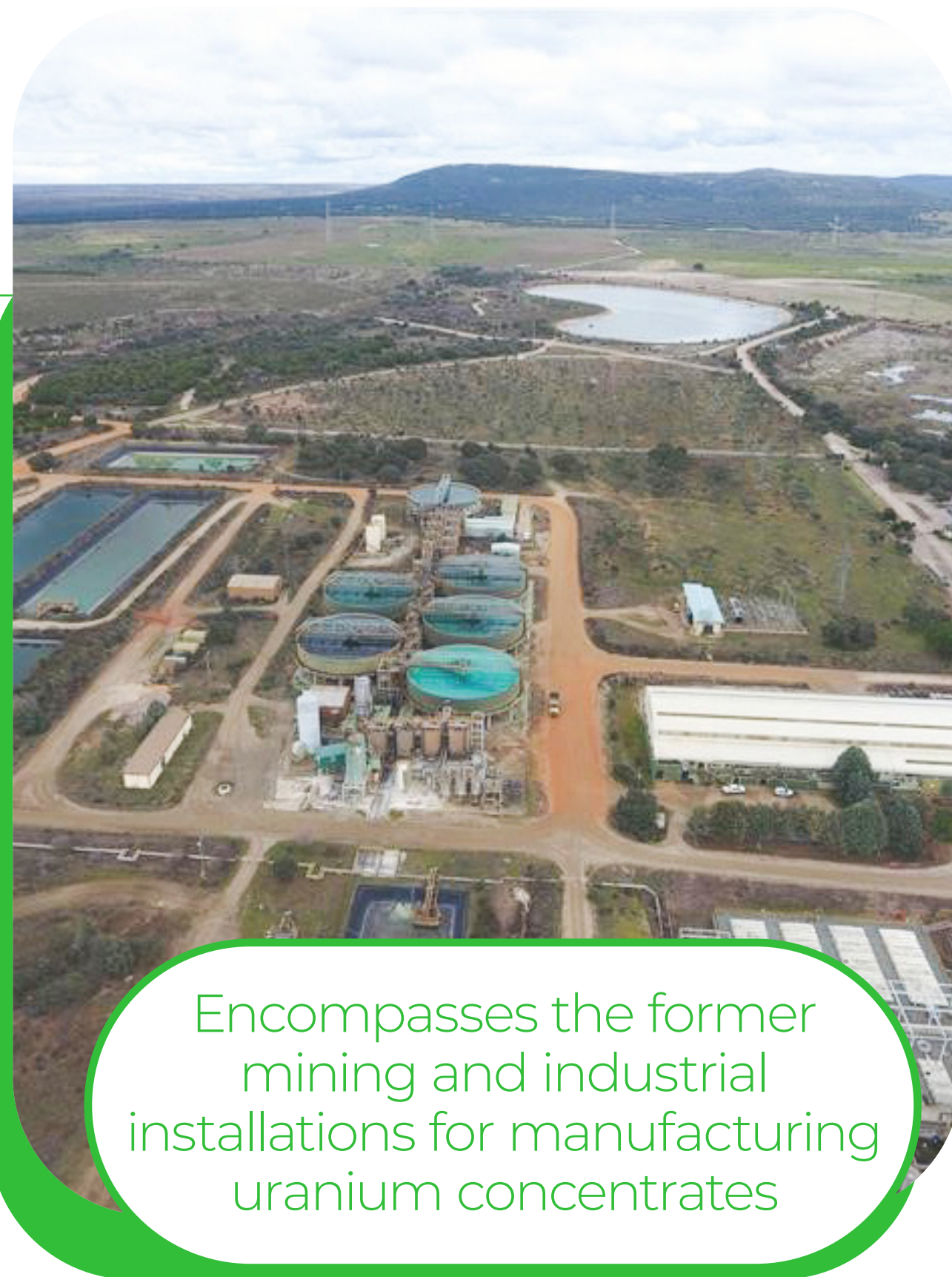
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SAELICES EL CHICO CENTRE

The efforts of ENUSA, in general, and of the Saelices centre, in particular, are directed to the reclamation of the natural space affected by the exploitation of uranium mineral deposits and its benefit by means of hydrometallurgical processes to obtain uranium concentrates for more than 30 years. With the primary objective: to ensure that, once the work is finalised, the environmental conditions of the reclaimed site is as similar as possible to those existing before the exploitation.

The Saelices El Chico Centre encompasses the former mining and industrial installations for manufacturing uranium concentrates, located in this municipal district, and in that of Carpio de Azaba, very near to the town of Ciudad Rodrigo. When the production activities ceased in December 2000, those corresponding to the dismantling of the treatment plants (classified as first category radioactive installations of nuclear fuel) and to the reclamation of the mining exploitations were immediately initiated, in accordance with the regulations in effect and



Encompasses the former mining and industrial installations for manufacturing uranium concentrates

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the permits granted by the different official authorities competent in each case (Ministry for the Ecological Transition and Demographic Challenge, Nuclear Safety Council, Mining Division of the Territorial Economics Service, and the Territorial Environmental Service, both belonging to the Territorial Agency of the Regional Government of Castilla y León in Salamanca).

The work performed in 2019 has continued to focus on the surveillance and control of the facilities, with specific monitoring on the Elefante plant, dismantled between the years 2001 and 2004, and the mining exploitations, reclaimed between the years 2004 and 2008, as well as the management of water collected in the affected site due to the acid drainage of the mine. The management of the acid water not only included its collection, storage and treatment for its elimination through the controlled discharge to public waterways, but also the remedial actions that are being developed to reduce or minimise them to the utmost, and among which can be highlighted the application of *technosols* for the possibilities that it offers as a short-, medium- and long-term solution.

As for the dismantling and closing of the Quercus plant, which is currently in a situation of permanent cessation of operation, the procedure and review continues of the documentation associated with the request for authorisation of the first phase (phase I) of this dismantling and closure, which was presented in September 2015 to the competent authorities and reviewed in 2017, in accordance with the conclusions of the assessment conducted by the Nuclear Safety Council during 2016 and 2017. In the year 2019, this organisation sent new assessment conclusions and in April a fifth petition for additional information was sent which involves the modification of different documents, as well as the establishment of specific criteria for the recovery of a site of these characteristics from a radiological viewpoint. All of this would seem to indicate that the concession of the corresponding authorisation of dismantling and closure, and, therefore, the start of the new stage, will be delayed until the end of the year 2020.

Consequently, until the aforementioned dismantling and closure authorisation is granted and this phase begins, the Surveillance and Maintenance Plan required by the Nuclear Safety Council will continue to be executed in order to ensure that the facilities associated with the Quercus plant are maintained in adequate safety conditions, avoiding a negative radiological impact for the employees and the public, as well as for the environment.

The recovery actions of the industrial-mining site carried out since 2001 have managed to meet most of the proposed objectives regarding the integrity and stability of the structures, the orographic and landscape integration, the recovery of the levels of radiological background of the site... However, it has still not been possible to reach the desirable quality of the surface and groundwater, due to the natural acidification they undergo when they come into contact with the rocks in the soil, since there is a high presence of pyrites in slate. The generation of acid drainage in mines is a major problem that is difficult to solve due to the natural composition of slate, the extent of the surface affected and the location of the site itself; this issue determines



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the need to undertake the study of different alternatives for its solution, conditioning the closure of the centre. Consequently, at least in the short and medium term, the sections for conditioning liquid effluents for controlled discharge into public waterways will continue to operate once the appropriate chemical and radiological quality has been achieved, as well as all the activities linked to the management of the waters generated at the site: derivation and segregation of clean waters, and the collection, storage and transfer of the impacted waters for treatment, in such a way as to ensure a sustainable impact on the environment. Likewise, remedial measures will be maintained and extended, such as the addition of amendments and the replanting of areas, construction of diversion channels and dykes of clean water, waterproofing of surfaces, etc. All these activities are supported by the technical studies and the surveillance and characterisation programs carried out for a good control of all the factors involved.

Among the surveillance and control programs carried out at this stage, special mention should be made of those relating to the control of potential environmental impacts, which are highly oriented towards radiological parameters such as environmental radiation rate, radon exhalation, and concentrations of natural radionuclides in air, water, soils, and sediments, among others.



CONTROL OF POTENTIAL ENVIRONMENTAL IMPACTS

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At the Elefante plant, its dismantling Monitoring and Control Program, begun in 2006, continues in order to check the stability of the dismantled structures and make sure that their radiological impact is similar to the defined radiological background, common for the entire site. The scope of the program has evolved over time, according to the results obtained, which in 2019 continue demonstrating the fulfilment of the set objectives, both radiological and environmental. It can be highlighted that, to date, no incident or deviation has been detected.

As for the former mining operations, execution of the Monitoring and Control Program of the reclaimed site continues; this program, which was implemented with the current scope in 2014 after it was approved by the Nuclear Safety Council, although since 2009 different controls of the reclaimed mining site have been conducted. The inspections and controls of recent years show that the reclamation objectives are being achieved, except those set for water quality due to the acid mine drainage problem indicated above.

In this regard, as has been pointed out, a number of actions continue to be taken in an attempt to reduce their acidity and also the volumes generated progressively. The latter are based on the application of artificial soils (called *technosols*), manufactured from inert waste that will try to achieve what the natural soils originally did, seeking the chemical and biological balance of the whole.

The results obtained in the previous tests, carried out in the site since 2016 both in soils and in waters, were positive and encouraging, although too simplistic to extrapolate them to the affected soils in general. Therefore, an R&D project on a larger scale, called the TEKURA project, was undertaken to contrast the results on a mini hydrographic basin, both in terms of surface waters and underground and deep waters (filling of mining voids). It was presented to the Centre for Industrial Technological Development, signing the corresponding agreement in May 2017, once it was approved. ENUSA, as owner and agency in charge, EMGRISA and CIEMAT as collaborators in the development, and the University of Santiago de Compostela, as technologist, have participated in this project. The construction of a small pilot composting plant was carried out for its execution, in order to manufacture *technosols* on site using inert waste coming from outside, as well as other organic and inorganic materials (from forests, agriculture and aggregates of detritic origin, mainly) present at the site. The launch took place in April 2018, after obtaining the required authorisation for the research project and the pilot plant for the elaboration of artificial soils for their exclusive use in the remediation of the degraded areas of the Saelices el Chico mining exploitation from the Directorate General for Quality and Environmental Sustainability of the Regional Government of Castilla y León. This Authorisation is accompanied by ENUSA's qualification as a non-hazardous waste manager, and the assignment of a NIMA (Environmental Identification Number) code to the processing installation.



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As part of the TEKURA project, three reactive wetlands have also been built, which receive the different natural channels arranged on the surface of the project, and whose mission is to complement the adaptation of the physical conditions of the runoff waters collected in order to reach suitable values that make treatment prior to their discharge into the public hydraulic domain unnecessary. The project is carried out over a large part of the restored mining area, some 52 hectares in size.

Furthermore, the project has included strict analytical controls on the waste entering the process to avoid the inclusion of foreign elements in the formation process, as well as controls of the physical, chemical and agronomic properties of the *technosols* produced in the plant. Various deep soundings, sub-surface piezometers and of other points of surface waters are also continuing through on-site instrumentation or sampling and analysis campaigns, in order to control the flows and quality characteristics of the different waters that flow through the project's test area. Nonetheless, the effectivity of the *technosols* has not been able to be assessed fully, due to not having sufficient information on the evolution of the area and the evolution of the quality of the waters because of lack of samples, due to the low rainfall during the year.

The TEKURA project was developed between October 2017 and will very probably extend until May 2020, but, in order to ensure the continuity of this line of work, in the year 2019 two new R&D&I projects were defined to be carried out during the upcoming years, the MINETRA project and a bioremediation project.

In parallel to the progress of the TEKURA project, the tests begun in previous years in the reactive wetland and in soils eroded by the presence of old rubble dumps continue, although with a lesser development, as well as the necessary tests for the study of the remediation of deeper waters, a much more complex process than that of superficial *technosols*.

The characterisation and control of water quality also continues at the established sampling points, in order to check the results of the different actions aimed at reducing the formation of acid waters carried out in previous years (drainage works, canal waterproofing, application of organic amendments, such as carbonation foams from sugar factories, etc.).

With all the cited activities, the aim is to complete the recovery of the natural spaces affected by the mining activities in as short a time as possible, although it must be taken into account that a period, of variable duration, will be needed for the advance and refinement of the different committed processes, considering, in addition, the special characteristics of the site and the corresponding technical-economic, legal and environmental conditions.



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The purpose of the centre is to remedy the site affected by production activities

ENVIRONMENTAL MANAGEMENT

According to the foregoing, the purpose of the centre is to remedy the site affected by uranium concentrate production activities and, through proper environmental management, to ensure that the activities it carries out are implemented in as environmentally conscious way as possible. The facility directs its management towards radiological control activities and non-radiological control activities. In this respect, in 2019 the most relevant aspects were as follows:

MONITORING OF THE FACILITY'S RADIOLOGICAL CONDITIONS

Periodic inspections and measurements are performed on the different sections of the facilities to ensure that the employees' exposure conditions comply with the principles of radiation protection, minimising radiological risk. At the same time, we intend to identify early unexpected situations or progressive impairment that could mean a degradation of the state of the facilities.

The results of this monitoring show that the environmental radiation levels, superficial contamination or environmental concentrations are maintained without relevant changes and within the limits or reference values that apply in each case. They also infer that the installations, infrastructures and equipment is in good condition, ensuring their integrity and confinement.

Thus, the doses received by personnel, belonging both to staff and to external companies, in 2019 for tasks performed under the radiological conditions the facilities were well below the established limits, in line with those of previous years.

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MONITORING OF THE RADIOLOGICAL CONDITIONS IN THE INSTALLATIONS

| DOSE INTERVAL (mSv) | NO. OF USERS | TOTAL % | COLLECTIVE DOSE (mSv-p) |
|---------------------|--------------|------------|-------------------------|
| Background | 29 | 96.7 | 0 |
| Background – 1.00 | 1 | 3.3 | 0.1 |
| 1.00 – 2.00 | 0 | 0 | 0 |
| Greater than 2.00 | 0 | 0 | 0 |
| TOTAL | 30 | 100 | 0.1 |

In order to assess these data, as supplemental information, the levels of exposure of other dosimetrically controlled professional groups, which are also exposed to ionising radiation fields due to their line of work, are considered.

COMPARATIVE TABLE OF AVERAGE INDIVIDUAL DOSES IN DIFFERENT TYPES OF INSTALLATIONS

| INSTALLATIONS | AVERAGE INDIVIDUAL DOSE (mSv/year) | | | |
|--|------------------------------------|------|------|------|
| | 2015 | 2016 | 2017 | 2018 |
| Nuclear power plants | 1.34 | 0.93 | 1.35 | 1.03 |
| Nuclear fuel cycle facilities, waste repositories and CIEMAT | 0.53 | 0.49 | 0.45 | 0.45 |
| Radioactive medical facilities | 0.63 | 0.64 | 0.63 | 0.59 |
| Radioactive industrial facilities | 0.81 | 0.86 | 0.83 | 0.9 |
| Radioactive research facilities | 0.32 | 0.42 | 0.38 | 0.35 |
| Facilities being dismantled and decommissioned | 2.15 | 2.9 | 1.68 | 1.36 |
| Transport | 2.14 | 2.22 | 1.95 | 1.8 |
| Exposed workers | 0.76 | 0.72 | 0.74 | 0.65 |

These data, which are included as reference, are in the CSN annual reports to Spain's Congress and Senate. At the time this annual report 2019 was written by ENUSA, the CSN had not yet published the previous year's report, so that the data for 2019 are not included, but the year 2018 has been updated with regards to the latest information submitted.

LIQUID EFFLUENTS

The water management of the site occupies a large part of the centre's activity and, within it, the treatment and conditioning of waters affected by the acid mine drains so that the liquid effluents generated have the level of chemical and radiological quality required for controlled discharge into the Águeda river, in accordance with the existing permits. The effluents basically come from the runoff waters collected in the different hydraulic infrastructures (dams, ponds, etc.). The treatment process, based on chemical neutralisation, the effluents and the receiving channel are routinely controlled in order to ensure the adequate operation of the facilities and compliance with the imposed limits by means of continuous measurement of characteristic parameters or by the collection of samples (daily, weekly, monthly, etc.) and subsequent laboratory analysis. In 2019 a volume of effluents amounting to 466,999 m³, very similar to the discharge volume of the previous year. This year the conditions of low flow of the Águeda river were repeated, due to the low rainfall throughout the year (except for the month of December, in which they were exceptionally high), which has supposed restrictions on the discharge flows in order not to affect the quality objectives set for the flow. Nevertheless, the volume of waters managed in 2019 is within the range of those of recent years.



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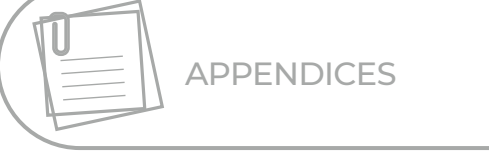
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As regards the radiological quality of the waters released, the characteristic parameters of the effluents (radioactive elements of the uranium-238 series), as well as the impact on the receiving channel, remained below the limits required by the Nuclear Safety Council (CSN), as the radiological regulatory body.

As for the physical-chemical quality of the discharge, the limits for non-radiological parameters (acidity, salts, metals, etc.), both in the liquid effluents and in the receiving channel, are established by the Duero River Basin Authority. Due to the origin and composition of these discharges, special attention is paid to a series of parameters that are considered characteristic: pH, sulphates, ammonia and metals such as uranium and manganese. The limits established for the effluents have also been complied with at all times. Likewise, the quality levels of the Águeda river have been maintained, with hardly any variations between the control points located upstream and downstream from the discharge point, despite the low river flows from mid-May until mid-December.

Finally, it should be noted that, as in previous years and, according to the forecast planning, no discharge was made in the months of November and December.

LIQUID EFFLUENTS

| RADIUM-226 DISCHARGES | LIMIT (Bq) | MAXIMUM VALUE REACHED | |
|-----------------------|------------|-----------------------|------------|
| | | Bq | % of Limit |
| 12 consecutive months | 1.65 E+09 | 0.77 E+07 | 0.5 |
| 90 consecutive days | 0.825 E+09 | 0.246 E+07 | 0.3 |
| 24 hours | 16.5 E+06 | 9.91 E+04 | 0.6 |

RECEIVING WATERWAY

| PARAMETER | LIMIT (Bq/m ³) | MAXIMUM VALUE REACHED | |
|------------------------------------|----------------------------|-----------------------|------------|
| | | Bq/m ³ | % of Limit |
| Increased Radium-226 activity | 3.75 | 0.17 | 4.5 |
| Radium-226 concentration | 185 | 22 | 12 |
| Total alpha activity concentration | 555 | 289 | 52 |

RECEIVING WATERWAY

| PERIOD | PH | | SULPHATES (mg/l) | | AMMONIA (mg/l) | |
|----------------|----------|-------------|------------------|-------------|----------------|-------------|
| | UPSTREAM | DOWN-STREAM | UPSTREAM | DOWN-STREAM | UPSTREAM | DOWN-STREAM |
| First quarter | 7.7 | 7.4 | 9 | 65 | 0.17 | 0.41 |
| Second quarter | 7.5 | 6.9 | 5.6 | 40 | 0.62 | 0.89 |
| Third quarter | 7.1 | 7 | 3.2 | 57 | 0.29 | 0.38 |
| Fourth quarter | 6.8 | 7.1 | 4 | 49 | 0.3 | 0.56 |

Limits imposed on receiving waterway: pH: 6-9; Sulphates: 250 mg/l; Ammonia: 1 mg/l



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LIQUID EFFLUENTS

| PERIOD | pH | SULPHATES (mg/l) | AMMONIA (mg/l) | URANIUM (mg/l) | MANGANESE (mg/l) |
|-----------|-----|------------------|----------------|----------------|------------------|
| January | 6.8 | 2,200 | 2.6 | 0.013 | 0.097 |
| February | 7.1 | 2,274 | 2.7 | 0.015 | 0.100 |
| March | 6.7 | 2,077 | 2.5 | 0.011 | 0.060 |
| April | 6.7 | 2,134 | 2.5 | 0.013 | 0.089 |
| May | 7.5 | 2,165 | 2.7 | 0.013 | 0.076 |
| June | 7 | 2,281 | 3.7 | 0.014 | 0.109 |
| July | 7.1 | 2,141 | 1.8 | 0.009 | 0.058 |
| August | 7.3 | 2,050 | 0.39 | 0.007 | 0.022 |
| September | 7 | 2,016 | 0.13 | 0.0059 | 0.058 |
| October | 6.8 | 2,285 | 0.08 | 0.0056 | 0.065 |
| November | (*) | (*) | (*) | (*) | (*) |
| December | (*) | (*) | (*) | (*) | (*) |

(*) No discharge.
 Limits imposed on the effluent: pH: 6.5 – 8.5; Sulphates: 2,500 mg/l; Ammonium: 10 mg/l;
 Uranium: 0.1 mg/l; Manganese: 0.4 mg/l

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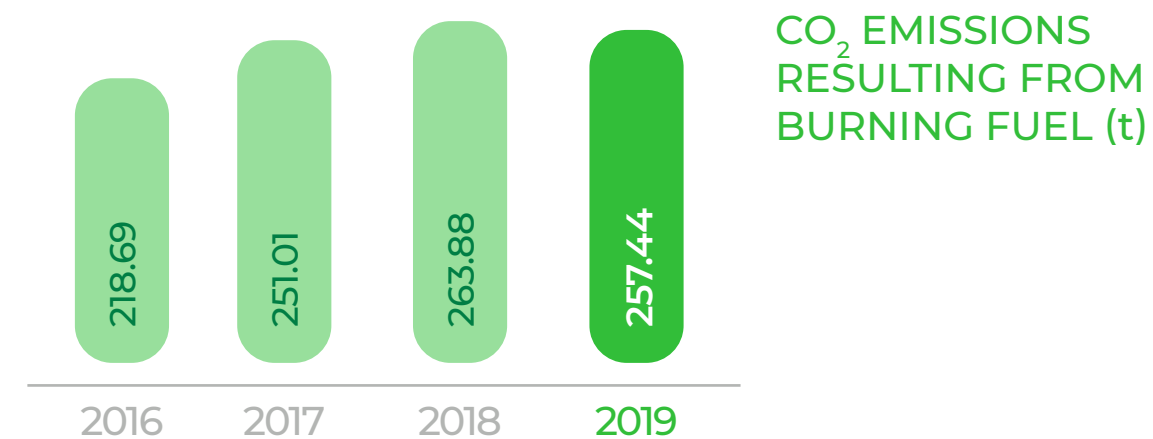
GASEOUS EFFLUENTS

From the radiological viewpoint, in the current shutdown phase of productive activities or execution of dismantling and reclaiming work, there are no emissions from channelled sources and the emission of diffuse sources (such as mine waste dumps, leach dumps, material deposits, etc.) by dispersion of dust particles or the exhalation of radon gas from these structures is very minimised. On the one hand, there are no jobs that involve soil movements in the stacks of sterile materials and, on the other, the construction of covering layers over a large part of the diffuse sources, carried out during mine dismantling and restoration activities, avoids erosion phenomena that result in the generation of dust and mitigates the release of radon gas into the atmosphere. Furthermore no other works are being done that might suppose the mobilisation of other types dust with radioactive content.

As for gaseous effluents of a non-radiological nature, none are generated, not even by occasional sources or for extensive sources, except for direct or indirect emissions of gases derived from fuel burning, electricity consumption or the transport of goods, equipment and people.

Total direct and indirect emissions of greenhouse gas, by weight

Direct gas emissions. 2019 measurement: Burning of fuel-oil, gas oil and gasoline



Indirect emissions. Emissions from consumption of electricity

| | CONSUMPTION (kWh) | EQUIVALENT CO ₂ (t) |
|------|-------------------|--------------------------------|
| 2016 | 1,934,467 | 270.83 |
| 2017 | 2,317,882 | 324.5 |
| 2018 | 1,726,961 | 241.77 |
| 2019 | 1,683,725 | 235.72 |

See calculation base of the indicators in the Appendices.



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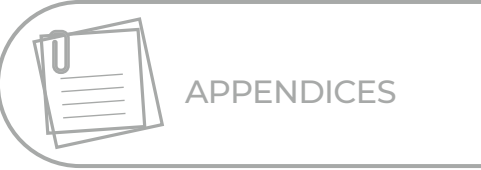
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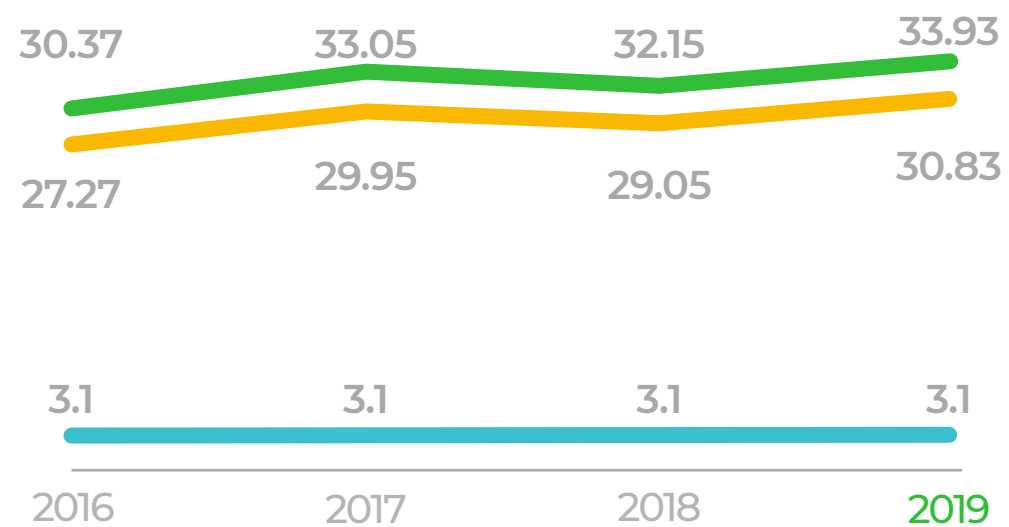


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Other indirect greenhouse gas emissions, by weight

Indirect greenhouse gas emissions primarily correspond to emissions of carbon dioxide due to the transport of both goods and services and personnel which are derived from the normal operation of the facility (procurements, carriers, messenger services, trips to or from the workplace, etc.).

EVOLUTION OF OTHER INDIRECT GREENHOUSE GAS EMISSIONS (t)



● Total
● Transport of employees
● Reception of packages



POPULATION DOSE

On the date of publication of this report, data for 2019 are not available, so data for 2018 are included. These data continue being very far from the authorised limits, and the small variations observed in this stage from some years to others correspond to differences in the climate (speed and predominant direction of the wind, rain, thermal inversion periods, etc.), for the impact via air or in the regime of the Águeda river, along with the conditions of the discharge of the liquid effluents (volume, concentrations, etc.), for the impact via water.

| TYPE OF DISCHARGE | CRITICAL INDIVIDUAL | EFFECTIVE DOSE (microSv/a) |
|-------------------------|---------------------|----------------------------|
| Gaseous effluents | Adult | 0.42 |
| Liquid effluents | 1-year-old children | 0.83 |
| Specific facility limit | | 300 microSv/a |
| General limit | | 1,000 microSv/a |

SOLID WASTES

The mining and industrial activity generates different types of solid waste. The most important, due to their volume or radioactive nature, are mine tailings and the waste materials from processing, such as mineralurgical sludge and effluent-conditioning sludge, or the depleted minerals from static leaching. The first are initially stored in mine dumps; for the second, the alternatives are different: the sludge is stored in dikes built for the purpose; and the minerals from static leaching, once the recovery of uranium they contained is concluded, are considered depleted and are maintained stacked in leaching beds as waste materials.

In accordance with international practice in this type of facility of the first part of the nuclear fuel cycle and the regulations that apply to it, in restoration and dismantling activities, all these materials along with those coming from the dismantling of the processing plants are confined and decommissioned on site, favouring the spatial concentration against dispersion and creating long-term stable and self-maintainable structures that ensure the confinement of the materials to avoid undue risks to nearby population groups, as well as the deterioration of the environment in the area of the operations. With these criteria, the mine tailings are remodelled and condition *in situ* (remaining waste dumps) or else they are used for filler for the restoration of the mining voids, improving the geomorphological and landscape integration. The processing tailings are also conditioned *in situ*, in the stacks constructed where they have been deposited during the operative stage, although in this case the techniques and requirements are much stricter due to their nature and their higher radioactive content.

At present, the waste materials coming from the Quercus plant are pending final conditioning since, as indicated previously, its dismantling has still not been authorised.

In addition, the treatment of liquid effluents in progress continues generating sludge due to the chemical neutralisation with lime slurry that is applied; this sludge is deposited in the dike of the tailings of the Quercus plant or, as occurred between May 2005 and June 2019, in the static leaching bed of the Quercus plant, along with the depleted minerals stored in it.

With a noticeably lower volume and a very different type of problem, conventional waste is also generated, without radioactive content, but which must also be managed adequately, according to the corresponding legislation, to avoid a negative environmental impact and to improve sustainability. These wastes are grouped into three types: hazardous, sanitary and urban waste.



Hazardous waste: This type of waste, usually stored and removed by authorised managers, are mineral oils, batteries, fluorescent tubes, etc. Given the characteristics of the centre and of the activities under way, the volume of waste generated each year for some items is very small, except for very exceptional circumstances, and therefore, there is no annual removal of all the classes of waste. Specifically, in the year 2019 only 2.76 t of mineral oils were removed by an authorised manager.



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 **Sanitary:** The amounts generated are irrelevant and are, therefore, managed together with those of the Juzbado fuel assembly plant, after selection at source.

 **Urban:** This waste, also of a small amount, is managed through the “Puente la Unión” municipal association (to which the municipalities of Saelices el Chico and Carpio de Azaba, among others, belong), with which it has contracted this service.



ENVIRONMENTAL MONITORING PROGRAMS

Control in the facilities and in the site itself is basic to ensure that the activities are carried out in a responsible manner and according to the legal commitments and for environmental stability. This control must be complemented by specific monitoring programs whose purpose is to examine and quantify the impact of the activities on the environment. At the Saelices centre, various programs are carried out with this aim, such as the Groundwater Monitoring and Control Program, although, due to their scope, the two most important are: the Environmental Radiological Monitoring Program and the Environmental Monitoring Program.

 The objective of the **Environmental Radiological Monitoring (P.V.R.A.)** is to establish the variations in the radiological background of the site as a result of the activity and its evolution during the different stages of the facilities’ lifetime (production, dismantling and restoration, post-monitoring, etc.). With the results obtained since its start, this program assesses the environmental radiological impact that may be caused to the environment. Its scope is defined taking into account the characteristics of the site and its area of influence, as well as the mining and industrial activities carried out, which determine the most important indicators and the main exposure routes to be controlled. The program includes the collection of different types of samples at the control points located within a 10-kilometre radius around the facility, as well as the analysis of a series of characteristic radiological parameters associated with the radioactive materials present. The development of the program is planned annually, and the schedule for collecting samples is defined. The program considers the collection of around 1,000 samples in different matrices, mainly water and air, at some 77 control stations, on which approximately 2,500 analyses are carried out: natural radionuclides, radon gas, environmental gamma radiation, etc. In 2019, the same scope as in recent years has been maintained. The historical results indicate that, up to now, the impact is of very little or no significance, even in the productive stages, without significant changes having been observed in it.



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The Environmental Monitoring Program (P.V.A.), which is developed in compliance with the Environmental Impact Statement of the Quercus plant for the exploitation stage, covers the monitoring and control of the chemical quality of the surface waters of the Águeda river and of the groundwater in the towns close to the facility, which are associated with public supplies from springs or wells, although they do not have a hydrogeological connection with the site, as well as the metal content of the aquatic biota and sediments of the Águeda river as it passes through the facilities, examining the variations that may occur between the control points located upstream and downstream of the point of discharge of liquid effluents. It also analyses atmospheric quality with respect to non-radioactive pollutants through the measurement of the levels of immission of sedimentary particles in points situated in the site. The results obtained in this program are similar to those of previous years, with the usual seasonal fluctuations depending on the atmospheric conditions or the regime of the river, and no anomalous impact has been detected.

REPORTABLE ENVIRONMENTAL INCIDENTS IN 2019

No incident with environmental repercussions has occurred in the year 2019 derived from the on-going activities. We can only mention that on 30 July a forest fire occurred on the slope of a former mine dump, which extended to its foot, reaching a surface area of less than 2 hectares. The fire, although there were no consequences from the radiological point of view or of the safety of the installations, had significant environmental impacts in the affected area:

- > Loss or physical damage to part of the plant population, species from scrubland and mountain pastures and some small-sized pines and oaks.
- > Erosion of the soil due to the disappearance of the plant layer.
- > Modification of the biological and chemical composition of the soil.
- > Loss or physical damage to part of the animal population of the area, particularly on that of lesser mobility (such as invertebrates).
- > Impact on the landscape.

However, given the moderate intensity of the fire, the type of structure and the small surface area affected in the end, all the impacts were reduced, being expected, in addition, that the space will regenerate rapidly and the ecosystems will recover in a short time. These processes are favoured by dealing with flat areas or those with little slope, with trees or bushes in which the treetops or only part of the leaves were singed but not consumed, for which reason the undamaged parts will avoid loss of soil, protecting it from the erosion due to the wind or the rain and accelerating its recovery and, consequently, that of the habitat of the plant and animal communities.



OTHER ENVIRONMENTAL PERFORMANCE INDICATORS

MATERIALS USED, BY WEIGHT OR VOLUME

Restoration activities in natural areas affected by mining activities use natural materials from the site itself and its surroundings (tailings from the mining operation, slate, clay, topsoil, etc.) to improve vegetation growth, repair eroded areas, carry out or extend hydraulic works and infrastructures, etc. During 2019 some actions have been carried out that have required the use of these materials, always in reduced quantities, since it has dealt with occasional actions on very specific, small areas. On the one hand, a total of 985 m³ of arkose and 250 m³ of a of quartzite and clay mixture were used in the waterproofing and protection of breakwaters, as well as 7,941 m³ of quartzite and clay mixture for the restoration or conditioning of tracks. On the other hand, as a component of the *technosols* for the TEKURA project, a total of 3,756 m³ of arkose were used to provide them with structure.

Furthermore, in the development of the TEKURA project of applying *technosols*, the different components (biomass ashes, sewage sludge, chipping material, etc.) necessary to produce the *technosols* with different properties to be spread on the experimental site have been collected. Throughout the year 2019, 35,269 kg of waste have been collected, with which 32,800 m³ of *technosols* of various types (andic, calcareous reductic, etc.) were manufactured, totalling 44,560 m³ from the start of the project and of which 74% have been extended on the areas subject of study.

ENERGY CONSUMPTION BROKEN DOWN BY PRIMARY SOURCES



Direct energy consumption

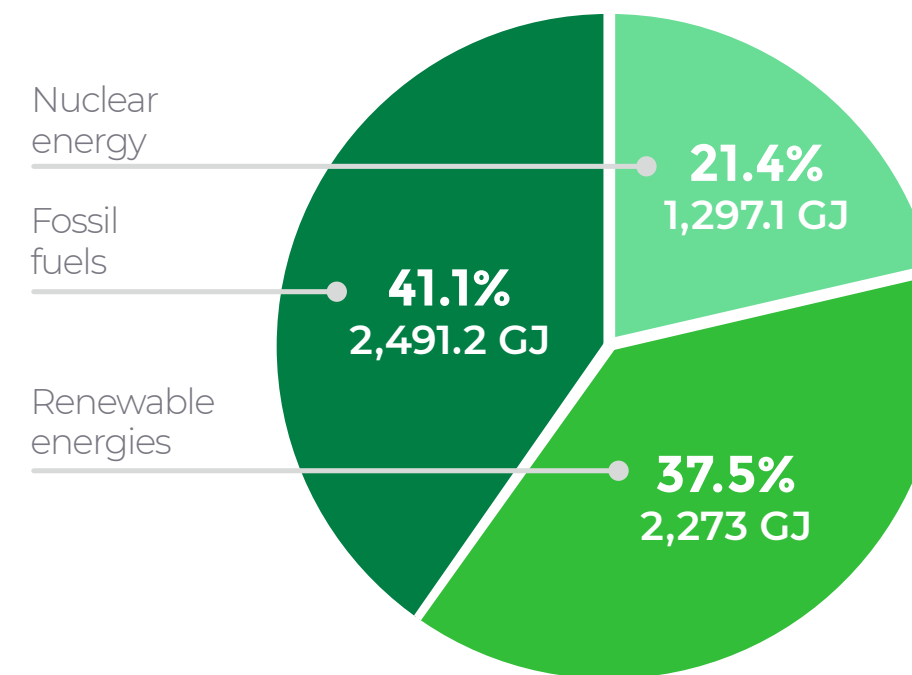
| | GASOIL (kg) | GASOLINE (kg) | ELECTRICITY (kWh) |
|-------------|-------------|---------------|-------------------|
| 2016 | 64,533 | 178.39 | 1,934,467 |
| 2017 | 76,131 | 220.35 | 2,317,882 |
| 2018 | 80,953 | 233.99 | 1,726,961 |
| 2019 | 79,308 | 346.29 | 1,683,725 |

There has been no propane or fuel oil burning



Indirect energy consumption

Percentage of electric power supply that comes from renewable, nuclear and other sources.



TOTAL: 6,061.3 GJ

Data extracted from "The Spanish Electric System-2019 Advance Report". (Red Eléctrica de España).

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WATER

Total wastewater discharge, according to nature and destination.

WASTEWATER DISCHARGE, ACCORDING TO NATURE AND DESTINATION (m³)

| | DESTINATION | 2016 | 2017 | 2018 | 2019 |
|--|--------------|----------------|----------------|----------------|----------------|
| Sanitary and industrial wastewater (*) | Águeda river | 1,249 | 1,333 | 1,764 | 1,493 |
| Process wastewater | Águeda river | 294,716 | 523,371 | 442,127 | 466,999 |
| TOTAL | | 295,965 | 524,704 | 443,891 | 468,492 |

(*) Estimated as a fraction (60%) of the drinking water intake.

BIODIVERSITY

The entire site occupied by the industrial-mining facilities occupies part of a property owned by ENUSA, with an area of 1,670 hectares, and is located as a whole within the Special Protection Area for Birds (SPA) "Campo de Argañán", ES0000218, which is a sanctuary for black storks (*Ciconia nigra*).

During the 1974-2000 period, the area of the ENUSA property that was affected by open-pit mining and the associated industrial facilities were subjected to deforestation and significant geomorphological alteration as befits this type of activity. The majority of the surface area of this zone has progressively recovered during the 2001-2008 period through the implementation of the dismantling project of the facilities of the Elefante plant and, especially, through the reclamation project of the area affected by mining, both of which were approved by the competent administrations, in which the appropriate preventive, corrective and compensatory measures were applied. Likewise, during the construction and operation of the Quercus plant, actions were carried out to minimise the impacts of the alteration of the affected areas, which will be compensated for almost entirely as the different stages of dismantling and closure are executed.

In any case, the plant communities and animal species existing in the area of action and bordering areas, as bioindicators of pollution, point to the influence of the old mining exploitation being scarce, since, although there occurred a reduction in the flora and a displacement of the fauna in the exploited areas during the productive and restoration stages, once these were completed, both have been gradually restored, given the subsequent low activity and environmental recovery of the areas affected by the dismantling and the restoration, without having put them, up to now, to other uses that could interfere with the life of these species, thus fostering their proliferation and settlement. The vegetation, in particular, has been recovering with the campaigns of reseedling and replanting that have been carried out, with the mainly scrubland characteristics (bush species such as broom, rockrose, etc.), to support integration of the works into the landscape of the bordering areas and the settlement of layers of protection. Furthermore, the remedial action to reduce the generation of acid drains (highlighting the amendments to the land and the application of *technosols*) contributes to the development of the vegetation.



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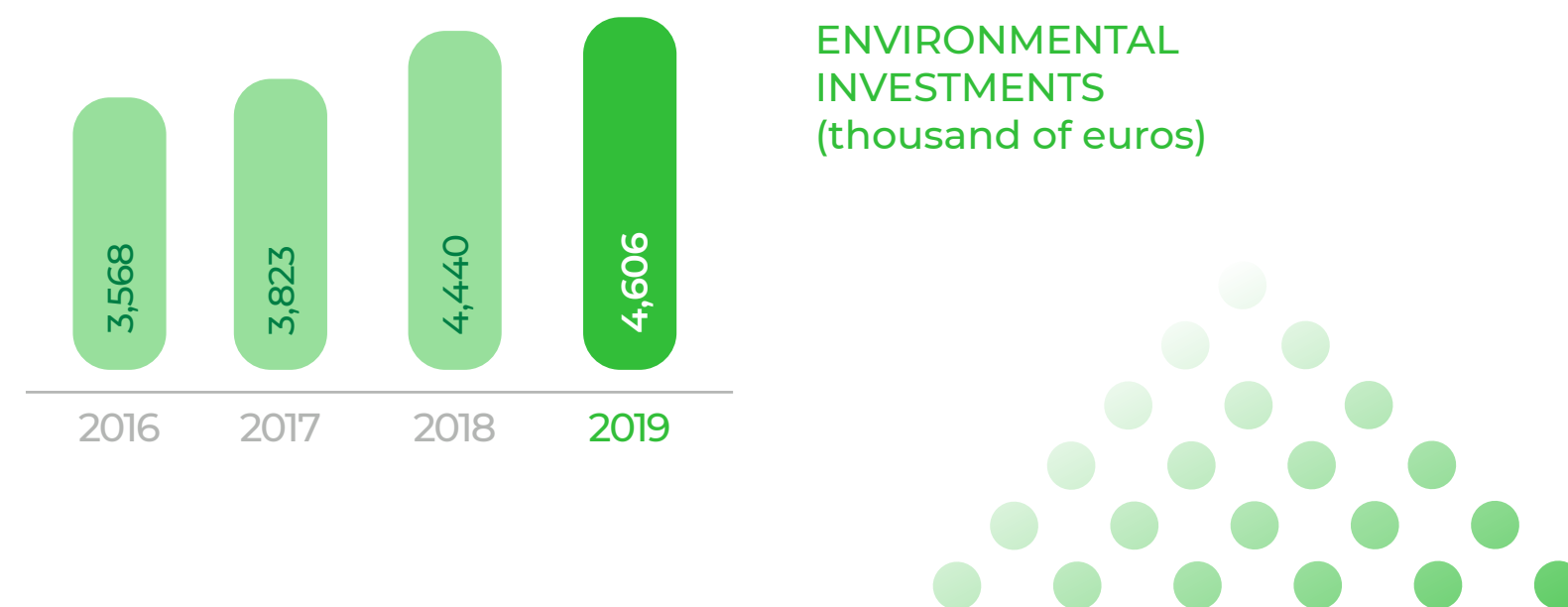
INITIATIVES TO MITIGATE THE ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES AND EXTENT OF REDUCTION OF THIS IMPACT

As has been pointed out, the dismantling project of the Elefante plant was finalised in 2004 and the final reclamation project of the ENUSA mining operations in Saelices el Chico was concluded in 2008 and its ultimate purpose was to return completely or partially the lands affected by the activity to their former uses, minimising in full or at least partially the environmental impact, adapting the orography to the immediate environment and integrating them into the region's landscape. The original uses can be recovered, in any case, with the approval of the competent authorities, once all the recovery work at the site is concluded, shared by the mining operations and the treatment plants, and in view of the results of the respective programs of monitoring and control, that ensure the site's good environmental condition and the fulfilment of the set objectives. In accordance with the results of the ongoing programs, with the exception of the quality of the waters due to the aforementioned phenomenon of acid drains, the radiological and environmental recovery objectives are met satisfactorily in the areas in which dismantling and reclamation activities have been undertaken. With the pending execution of the dismantling and decommissioning activities of the Quercus plant, along with the action aimed at water management and remedy of areas affected by acid drains, the objective is to achieve the complete recovery of the site and, in this way, conserve and protect the environment indefinitely.

ENVIRONMENTAL EXPENSES AND INVESTMENTS

As in previous years, the expenditure generated during 2019 (4,606 million euros) can be considered an environmental investment, since it was essentially dedicated to the treatment of polluted water, the maintenance and control of restored areas, the conducting of laboratory and field tests together with the development of ongoing projects aimed at helping to optimise water management (soil behaviour studies, soil amendments, characterisation of the generated waters, implementation of the TEKURA project for the application of *technosols*, etc.), as well as the continuity in the execution of the monitoring and control programs established and approved by the different bodies with competence in the activities in progress, which are aimed to a large extent at monitoring and evaluating their impact on the environment and verifying compliance with the limits imposed in each case by the different mandatory authorisations, informing these bodies promptly of the activities carried out and the results obtained by means of periodic reports, inspections, institutional meetings, etc.

With respect to previous years, it should be noted that the specific actions in 2019 have entailed a cost of 1,095,554 euros for water treatment and 1,480,761 euros for land remediation actions and the development of pilot projects and the TEKURA project for the application of *technosols* that are carried out in the different areas and structures of the site, costs which are slightly higher than those of 2018, but significantly higher than those of preceding years.



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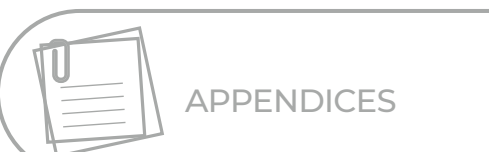
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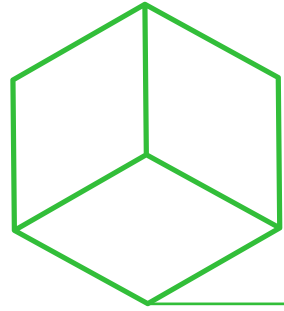
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EMGRISA

EMGRISA's business is the environment, so its activities focus on its improvement per se, such as the business lines associated with waste management, environmental research, or the recovery and full remediation of spaces.

The company strives to be a leader in the recovery and preservation of spaces where human activity takes place, and to help the community to enjoy a dignified environment under the permanent commitment of customer and society satisfaction, all based on the development of a competitive organisation that allows the development of its objectives from the financial point of view.



EMGRISA is the environmental subsidiary of the ENUSA Group

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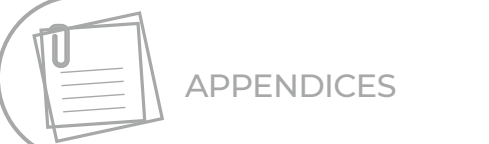
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In this order, EMGRISA's commitment as indicated entails an ongoing investment and effort, whose results are materialised in the following:

- > Recognition of its management systems, certified by SGS TECNOS, an internationally accredited firm.
- > Effective loyalty of its traditional customers and acquisition of new customers in all the new business lines.
- > Continuous improvement of its productive processes, seeking the utmost respect for the environment and the renovation, improvement and optimisation of its infrastructure.

In the search for the greatest respect for the environment, EMGRISA has processes with which to identify, evaluate and determine the controls to be adopted with regards to the significant environmental aspects generated by its activities.

To this end, the organisation has on staff a team specialised in the prevention of environmental risks, in addition to the entire operations staff, which has experience and training in said prevention. In addition, it has specific means of prevention, control and mitigation against the potential materialisation of environmental risks, such as specific management plans for each project and centre, spill containment means, alarm systems or firefighting resources, among others.

The precautionary principle is implemented in the design phase of the organisation's operations and is one of the specific principles included in its policy.

The organisation has an environmental liability insurance policy that covers the potential adverse effects that its activity could generate.

The following are some of the company's environmental management parameters, except for paper, electricity and water consumption and waste, which are included in the section on "Main Environmental Performance Indicators of the ENUSA Group":

Pollution:

EMGRISA has defined environmental codes of conduct which include measures to be adopted with regards to fuel consumption or gas emissions by support and operational process, i.e., from the design process, through purchasing to execution and control processes.

Specifically, all the organisation's projects and fixed operating centres have specific management plans in place that set out the environmental guidelines and/or actions to be carried out with a view to mitigating gas or noise emissions.

Circular economy and waste prevention and management:

As stated in the application requirements, EMGRISA's activities related to waste management give priority to a responsible management of the waste it is in charge of, for example: recycling versus landfilling. On another front, effective waste disposal, substitution and management measures are established for each action and fixed centre.

Sustainable use of resources:

The effluents and waste generated by EMGRISA at its fixed centres are managed in accordance with the applicable regulations and subject to analytical control as indicated in its permits. With regards to waste, by its own activity, the organisation has the capacity for self-management.

Climate change:

EMGRISA has no data on its GHG emissions, given that they are not significant for the assessment of its environmental aspects. However, it does identify as relevant its fuel consumption, from which GHG emissions are derived, and reduction measures for this environmental aspect are implemented.




ETSA

The ETSA subsidiary, like all companies in the ENUSA Group, is fully aware of its responsibilities towards the environment and society. Minimising the environmental impact (current and foreseeable effects) of all its activities is an essential objective for the entire organisation. Due to its activity and characteristics, ETSA can cause the following effects on the environment:

- > Consumption of limited raw materials.
- > Atmospheric pollution by gas emissions.
- > Waste generation.
- > Disruptive activities (noises and smells).
- > Possibility of accident involving hazardous goods (including nuclear and radioactive goods).

ETSA has a Significant Environmental Aspects Procedure in place which details how these aspects (both direct and indirect) are identified in accordance with their activity and the life cycle of the products, as well as the impact thereof. They are re-evaluated annually based on standard or extraordinary operating conditions and, depending on the estimated level of risk, actions are suggested to reduce the risk. They are also reviewed in the event of operational changes (new activities, services or modifications thereof) as well as if an abnormal or emergency situation has occurred that had not previously been identified.

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ETSA's Environmental Management System complies with the applicable legislation, is periodically reviewed and is certified based on the points of the UNE-EN-ISO 14001:2015 Standard.

ETSA has a Quality and Environment department in order to organise and manage work related to the prevention of environmental risks in all areas of activity. In addition, there is a quality and environment committee made up of the management, the quality department manager, the managers of each of the operating areas, the safety adviser and the person in charge of radiation protection. This committee meets at least once every four months. It decides on the measures, the persons in charge and the technical, human and economic resources necessary to minimise environmental risks (both in terms of reducing the possibility of the risk materialising and its consequences in the event of its occurrence).




The organisation will provide all technically and economically viable necessary resources to minimise the environmental impact of its activity.

It also has a Quality and Environment Policy in place, which establishes the premise of reducing environmental impacts regardless of their origin and possible adverse effects, to which end it applies the best available technologies whenever technically and/or economically viable and adopts the principle of pollution prevention.

The following are some of the company's environmental management parameters, except for waste and paper, electricity and water consumption, which are included in the section on the "Main Environmental Performance Indicators of the ENUSA Group":

Pollution:

In order to prevent and reduce greenhouse gas emissions generated by its main activity (transport), ETSA carries out:

-  **Periodic renewals** (within a maximum of 4 years) of its vehicle fleet, acquiring new vehicles with the most ecological engines on the market within its financial means.
-  **The driving times and speeds of heavy vehicles are strictly monitored** in accordance with tachograph regulations, which contributes to efficient driving values that minimise consumption and emissions.
-  **Vans are also renewed every two years by means of a renting service.** Moreover, they include a fuel supply and consumption management and control system, as well as a warning system that alerts to energy inefficient driving behaviour.

Annually, ETSA establishes in its environmental objectives the reduction of fuel consumption and emissions in accordance with the values of the previous year. Each Quality Committee analyses the results in accordance with the objectives set and, where necessary, additional measures are established for their reduction.



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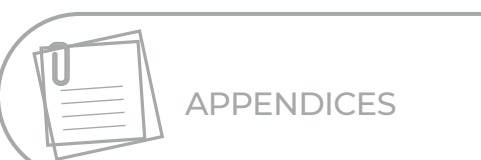
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Circular economy and waste prevention and management:

ETSA has authorised suppliers for the appropriate management of the entire lifecycle of the products it uses to carry out its activity: toners, paper, fluorescent lamps, batteries, computer equipment, etc., and uses environmental criteria when bidding and selecting suppliers of products or services:




-  They should have an **Environmental Management System in place**.
-  They should have a **Quality Plan, ISO 9001 and ISO 14001 Certificates or any other document issued by an external certifier**.
-  It verifies that the company carries out **adequate waste management** (it should have an authorisation certificate as a Producer of Small Volumes of Toxic and Hazardous Waste -RTP- issued by its Autonomous Region or a certificate issued by the authorised company that performs this function on its behalf).

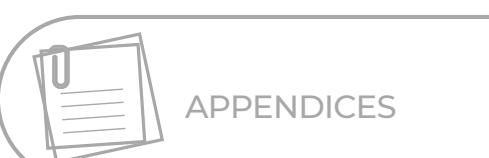
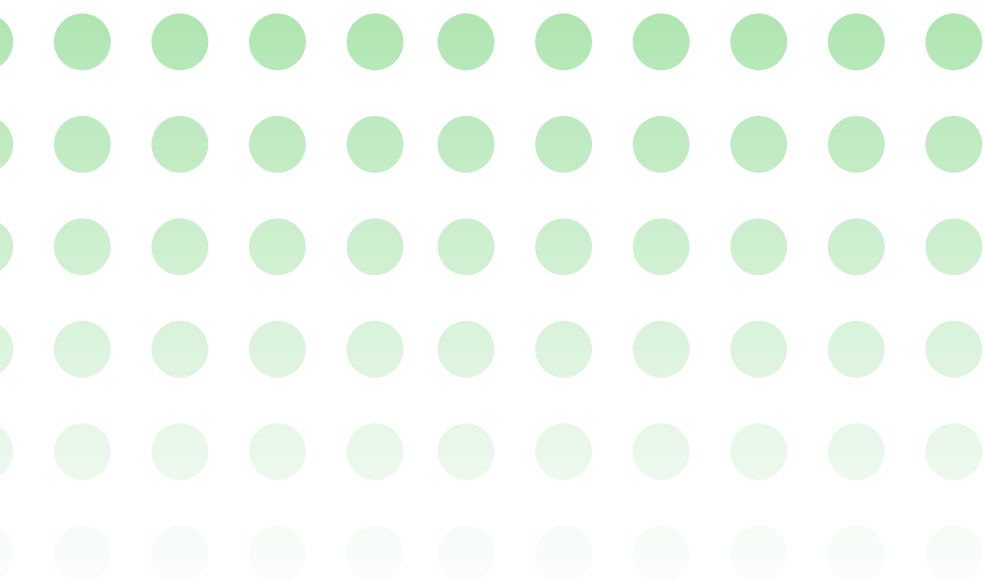
Environmental criteria are also used for the selection of office supplies:

-  **Single-material resources, free of mixtures** (preferably recycled).
-  **Reusable or recoverable materials.**
-  **Long-lasting, rechargeable, repairable materials.**
-  **Use of non-polluting liquids** (water-based).

In addition, the company has a best environmental practices manual that it provides employees and subcontractors.

It follows the three basic principles of proper waste management:

-  **Reuse:**
 - > Employing resources that have already been used for other ends.
-  **Reduction:**
 - > Switching off appliances to extend battery life.
 - > Using available means in an appropriate and responsible manner.
 - > Using resources until the end of their useful life.
-  **Recycling:**
 - > Disposing of materials in the appropriate containers.



Sustainable use of resources:

In 2019, with regard to fuel consumption by heavy vehicles, controls were carried out resulting in the total gasoil consumed for transport of heavy vehicles during 2019 being 151,846.94 litres.

Furthermore, the consumption of fuel for the vans that ETSA has contracted by renting systems for the transport of radiopharmaceuticals and other radioactive products for medical use amounted to 79,263.32 litres.

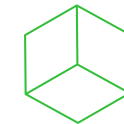
Below is the ratio of energy intensity according to the trips (transports per vehicle) made with its own resources:

For vans:

| TOTAL LITRES | PACKAGE DELIVERY TRIPS | SERVICE TRIPS | RATIO (LITRES OF GASOIL REFUELLED /TRIPS) |
|--------------|------------------------|---------------|---|
| 79,263.32 | 4,958 | 4,035 | 8.81 |

For heavy vehicles:

| TOTAL LITRES | TRIPS | RATIO (LITRES OF GASOIL REFUELLED /TRIPS) |
|--------------|-------|---|
| 151,846.97 | 832 | 182.5 |



ETSA'S TANKER TRUCK

Climate change:

ETSA has no data on current greenhouse gas emissions beyond fuel consumption data. However, it has specific measures in place to minimise transport emissions.

As an objective starting in 2020, ETSA will be substituting its light vehicles fleet (vans and trucks) with vehicles with hybrid gas-electric engines.

In addition, when technically feasible, ETSA will consider changing the combustion engines of the heavy vehicle fleet to hybrid and/or electrical engines with the most ecological technology available.



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UTE RSU CASTELLÓN

The temporary joint venture (UTE) is one of the infrastructures in the province of Castellón dedicated to the correction of negative environmental effects caused by municipal waste, especially solid urban wastes (RSU). It has a plant for the valorisation of RSU, green, voluminous and hazardous waste of domestic origin, as well as a reject repository and two transfer plants for the aforementioned waste.

The treatment plant is located approximately 15 - 20 km away, in a straight line from the Sierra de Irta Natural Park, on which it does not cause an impact of any kind.

The guarantees aimed at covering environmental risks are those established by the available Integrated Environmental Authorisations (AAI), especially that of the landfill.

During 2019 the procedures were initiated to implement an ISO 14001 environmental certification system.

The following are some of the company's environmental management parameters, except for waste and paper, electricity and water consumption, which are included in the "Main Environmental Performance Indicators of the ENUSA Group" section:



The UTE RSU Castellón has a waste treatment plant that covers 49 municipalities in zone I of Castellón

Pollution:

Most of its carbon emissions are indirect, due to electricity consumption and transport. Direct emissions are a consequence of the aerobic fermentation process (biodrying) of organic matter (OM) carried out in the plant, with biofilters being available for its mitigation. The biogas produced by the landfill as a consequence of the anaerobic fermentation of OM may also have an impact as greenhouse gases (GHG). A torch that reduces its incidence in the atmosphere is available for its mitigation, which burned 58,522 m³ of biogas in this facility during 2019.

Circular economy and waste prevention and management:

The UTE facilities are an essential part of the circular economy plans for the area in which it operates as a waste management service concessionaire.



Sustainable use of resources:

The raw material used is municipal waste produced in Zone 1 (also called C1, according to the new Integral Waste Plan of the Region of Valencia) and one of its main objectives is to recover materials for recycling. In 2019, 9,005.23 tons of materials (PET, HDPE, P/C, Fe, Al, etc.) were recovered, plus another 2,040 tons of biostabilised material for agricultural uses.

Diesel consumption in 2019 amounted to 37,291 litres.

At the Benlloch transfer plant, an electric power generation system has been installed using solar screens.

No wastewater discharges are carried out at the UTE facilities, and wastewater from the plant is recycled and reused. The landfill produces leachates due to rain and those that do not evaporate are taken to an external manager. In 2019, the latter amounted to 2,222.86 m³. At the plant, leachates are also generated as a consequence of the moisture in the received wastes, as well as in the biofilters, from which one part is reused in the composting process and the rest is set to an external manager, which in 2019 were 831.5 m³. Sanitary waters from toilets have no connection with any sanitation system (the facilities are far from any towns), and are therefore delivered to an external manager, which in 2019 were 80.84 m³.

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Climate change:

GHG emissions during 2019 have been estimated at:

- > Direct GHG emissions: 152.35 t of CO₂
- > Indirect GHG emissions: 1,051.44 t of CO₂

Other relevant information: environmental controls

As has been the case since the beginning of its activities in early 2012, the Castellón UTE RSU is subject every year to a series of environmental controls, thus complying with the conditions specified in the Integrated Environmental Permits (AAI) for both the Cervera del Maestre municipal waste treatment plant and the reject repository.

Thus, during the year 2019 the environmental controls carried out were as follows:

Air

The atmospheric emissions and immissions from the different sources, both in the plant and the repository, have been controlled by an accredited Environmental Quality Collaborating Entity (ECMCA), and the recorded values were below the established limits.

For the plant emission control, NH₃, SH₂, HCL, COT and HF particles are measured. Furthermore, the immission levels of NH₃ and SH₂ are measured, as required in accordance with the corresponding Integrated Environmental Permit (AAI), and the immission levels of particles (PST and PS) are measured on a voluntary basis as a complement to the above.

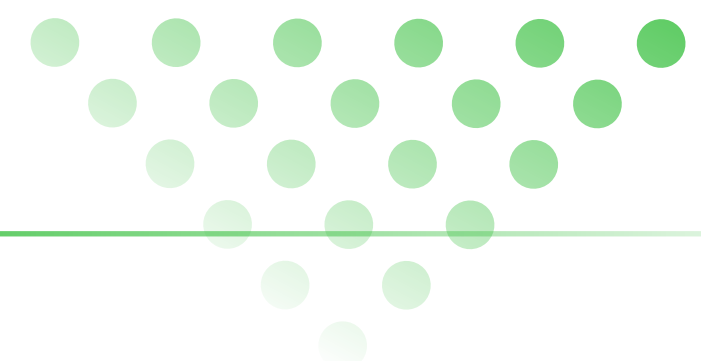
Just as in the plant, the reject repository has been subject to environmental control of the immissions, and the collected immission values and particle immission levels (PST and PS), NH₃ and SH₂ are below the established limits, as set by its AAI. In 2019, there was a change in the regulations, by which the immissions of particles (PST and PS) began to be analysed continuously during 12 months of the year. Furthermore, an analysis of the emissions produced by the combustion of the biogas collected in cell no. 1 of the reject repository was carried out in the rejection tank, and its values are also below the established limits.

Water

With respect to groundwater, in the reject repository, the controls of the different piezometers and the lixiviation pond on the groundwater are as follows:

- > Daily control of the bottom piezometer of repository C-5 (conductivity and temperature).
- > Weekly control of the 8 repository piezometers (conductivity and temperature).
- > Monthly control of the 8 repository piezometers (basic physicochemical analysis by an accredited ECMCA).
- > Six-monthly control of the 8 repository piezometers (complete physicochemical analysis by an accredited ECMCA).

All the recorded values are below the established limits.



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Leachates

On a quarterly basis, a complete physical-chemical analysis has been carried out on the leachate collected in the leachate pond of the Repository and periodically (usually every six months) on the leachate collection tanks of the plant by an accredited ECMCA entity, in which BOD₅, COD, TOC, conductivity, suspended solids, Cd, Cr, Hg, Cu, Zn, etc., among other values, were measured. In 2019 in the plant three complete physical-chemical analyses of the generated leachates were conducted.

Just as for the groundwater, the obtained values are below the established limits.

The leachates of the reject repository and those of the transfer plant of Benlloch and part of those of the plant were delivered to the appropriate authorised management agency for disposal. The other part of the plant's leachates were recirculated to activate the compost process. The three installations fulfil in this way the requirement of "zero discharges" imposed by the pertinent permits.

Topography of the reject repository

As a control and supervision measure, a topographical survey was made at the end of the year of the vessel currently in operation, in order to ascertain the occupied volume and the remaining available volume, as well as the settlements produced in the cell no. 1 due to the extracted biogas.

Others

During 2019, the biogas produced in the waste dump was also measured on a quarterly basis, to check its quality, composition and characteristics.

Also during 2019, a basic soil report was prepared in order to determine the impact that the plant's activity may have on the soil; therefore, soundings were realised in order to take samples and for their subsequent analysis. The conclusion of the report is that the activity does not have any impact on the soil.

As usual, and in accordance with the agreements between the UTE, the Cervera del Maestre City Council and the Waste Consortium of Castellón Zone I, the UTE facilities have been subject to an exhaustive environmental audit by a firm accredited for such purposes, which analysed in detail all the possible impacts of the facilities on the environment, obtaining a satisfactory result.

Characterisations of the incoming waste and of the outgoing rejects were performed periodically and in different intermediate stages.



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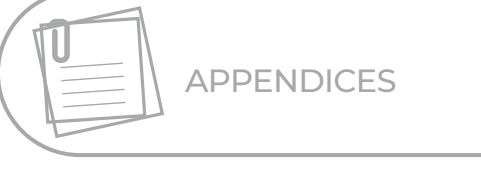
ECONOMIC PERFORMANCE



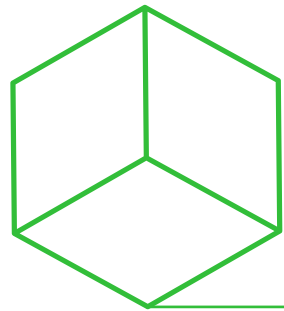
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MAIN ENVIRONMENTAL PERFORMANCE INDICATORS OF THE ENUSA GROUP

Given the special characteristics of their businesses, the different companies that make up the ENUSA Group are especially involved in and committed to the environment and its preservation.

Climate change is one of the fundamental aspects to conserve our surroundings. The concern with this phenomenon will most likely lead to a greater demand for efficient, low emission energy solutions. For the ENUSA Group, climate change can be an opportunity if we bear in mind that nuclear energy can contribute nearly 20% to the reduction of emissions in the global electricity system by 2050 and that the low greenhouse gas emissions make it an option to contribute to its mitigation. In addition, the absence of CO₂ emissions from the biogas plant is an opportunity for ENUSA Group's total emissions.



The ENUSA Group is especially committed to the environment and its preservation

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The most significant environmental performance indicators of the ENUSA Group are indicated in detail on the following pages. The Juzbado and Saelices El Chico centres of ENUSA, both of which have radiological and non-radiological environmental controls, are extensively covered in detail in their respective sections and, therefore, this section only includes their totals. In the specific case of the ENUSA Madrid work centre, where the corporate headquarters are located, in addition to the data on paper, electricity, water and CO₂ emissions from electric power consumption and business trips by employees, an estimate of the generated wastes is included.

A document destruction and paper recycling initiative was launched in 2015 in order to implement responsible environmental management of all paper documentation, whether confidential or not, that is produced in the ENUSA Madrid offices and that must be destroyed pursuant to the provisions of the Personal Data Protection Act. In this way, we ensure that all the paper generated is suitably destroyed and revalorised. Last year 2019 resulted in the confidential destruction and recycling of 5,045 kg of paper, which avoided the emission of 4,540.5 kg of CO₂, the equivalent to 33.63 trips of 800 km by car.

On the other hand, on occasion of this initiative, the waste management system has been modified in order to achieve adequate separation at source. Specifically, plastic bags have been removed from the workers' individual paper bins. Instead, both organic and plastic wastes must be placed in the containers provided for this purpose at the designated points for subsequent recycling and valorisation.

The consumption of electricity, water and paper, as well as the waste generated by the subsidiaries of the ENUSA Group are also included in this section, establishing therefore, a total sum of the consumption of these resources in the Group as a whole.



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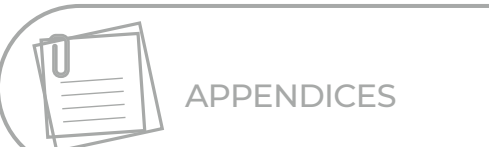
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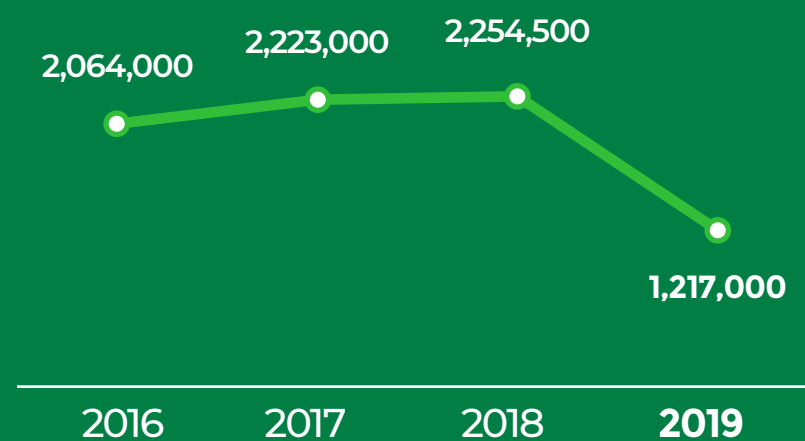
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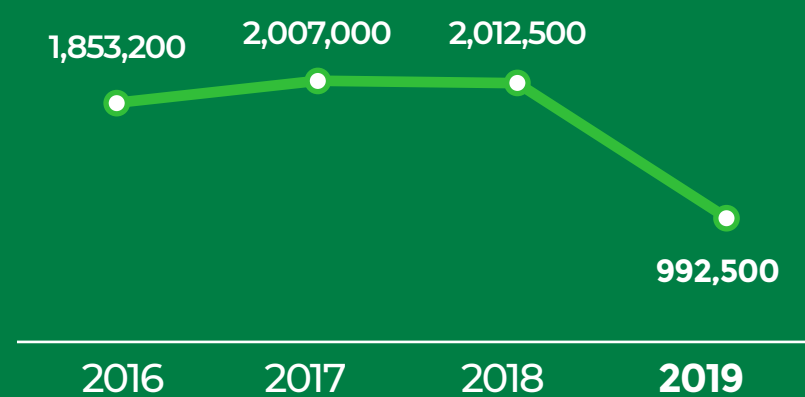
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PAPER

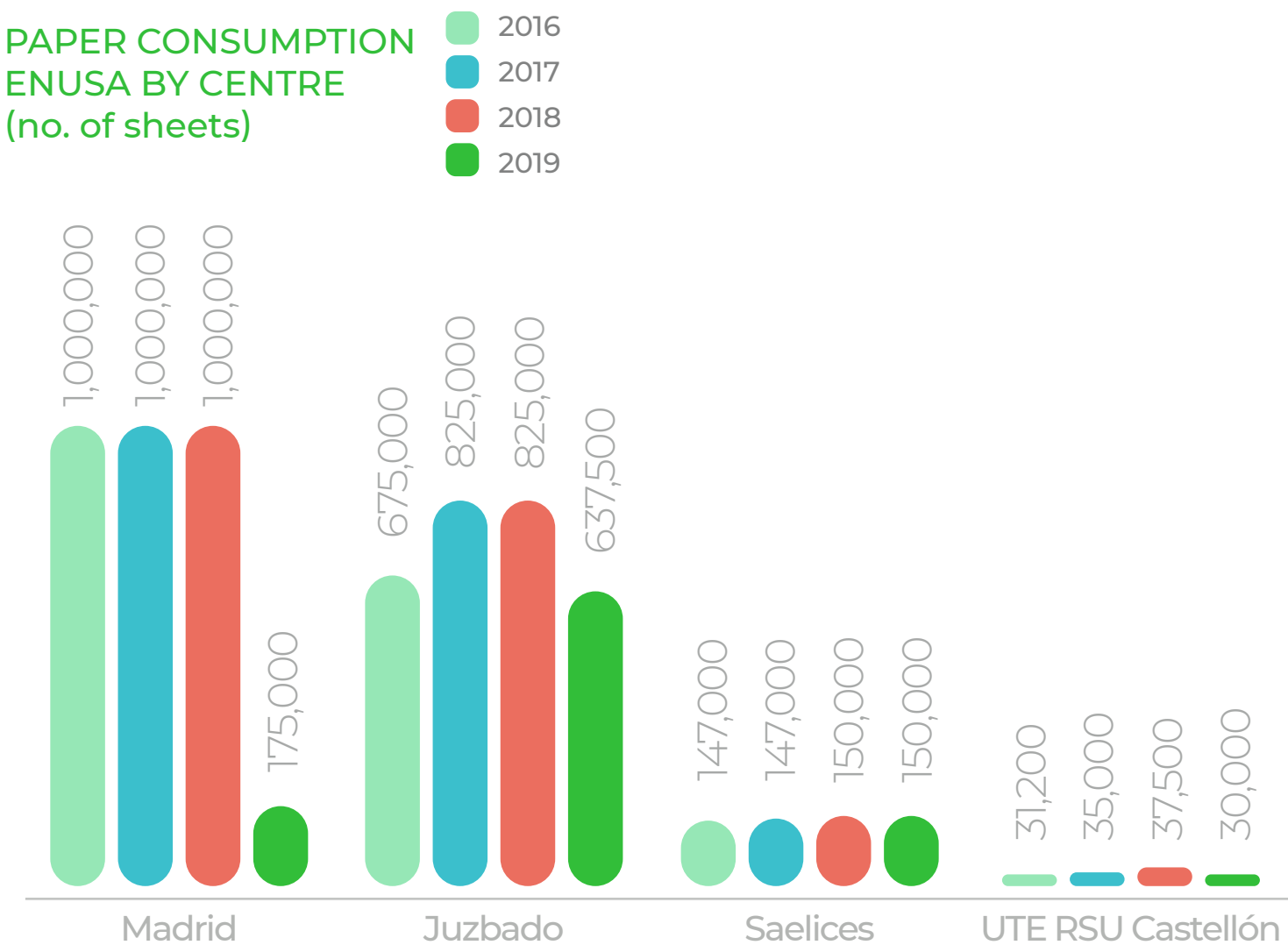
PAPER CONSUMPTION ENUSA GROUP (no. of sheets)



PAPER CONSUMPTION ENUSA (no. of sheets)



PAPER CONSUMPTION ENUSA BY CENTRE (no. of sheets)



PAPER CONSUMPTION ENUSA GROUP (no. of sheets)

| | 2016 | 2017 | 2018 | 2019 |
|---------------------------|------------------|------------------|------------------|------------------|
| EMGRISA | 163,600 | 165,400 | 157,000 | 134,500 |
| ETSA | 47,200 | 50,600 | 85,000 | 90,000 |
| TOTAL SUBSIDIARIES | 210,800 | 216,000 | 242,000 | 224,500 |
| ENUSA | 1,853,200 | 2,007,000 | 2,012,500 | 992,500 |
| TOTAL ENUSA GROUP | 2,064,000 | 2,223,000 | 2,254,500 | 1,217,000 |

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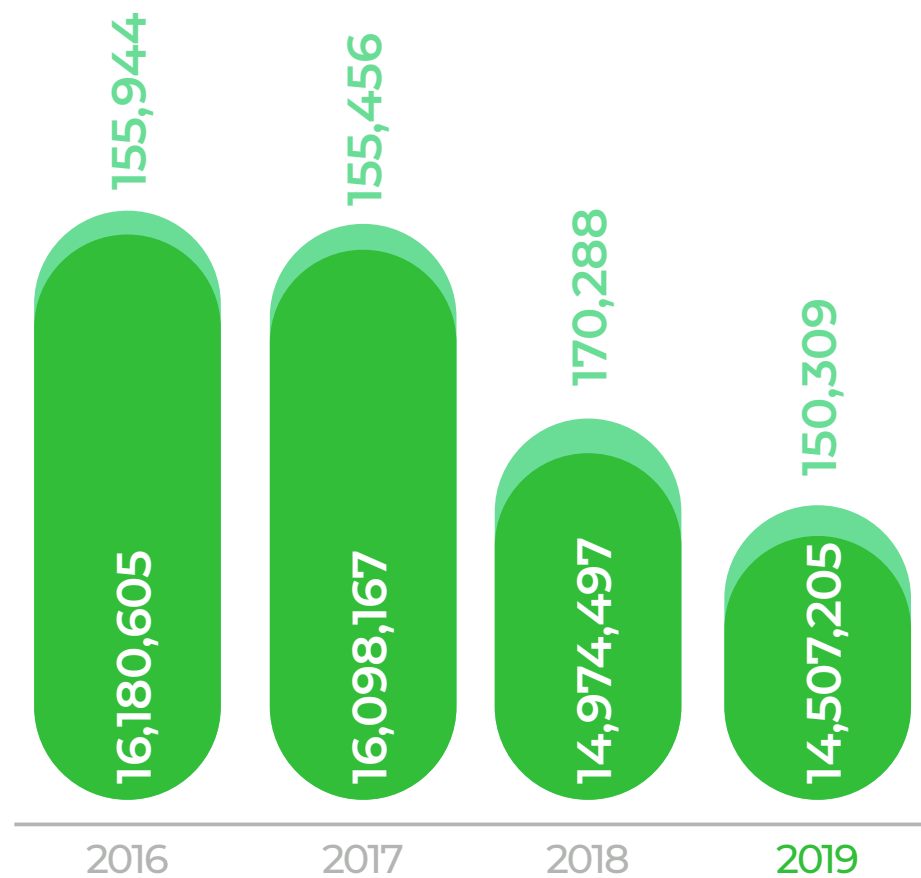
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ELECTRICITY

ELECTRICAL POWER CONSUMPTION ENUSA AND SUBSIDIARIES

■ ENUSA
■ Subsidiaries



ELECTRIC POWER CONSUMPTION ENUSA BY WORK CENTRES (kWh)

| | 2016 | 2017 | 2018 | 2019 |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| MADRID | 656,042 | 411,326 | 455,326 | 471,931 |
| JUZBADO | 9,301,250 | 9,141,691 | 8,921,924 | 8,917,302 |
| SAELICES | 1,934,467 | 2,317,882 | 1,726,961 | 1,683,725 |
| UTE RSU CASTELLÓN | 4,288,846 | 4,227,268 | 3,870,286 | 3,434,247 |
| TOTAL | 16,180,605 | 16,098,167 | 14,974,497 | 14,507,205 |

ELECTRIC POWER CONSUMPTION SUBSIDIARIES OF THE ENUSA GROUP (kWh)

| | 2016 | 2017 | 2018 | 2019 |
|--------------|----------------|----------------|----------------|----------------|
| EMGRISA | 105,231 | 105,513 | 116,005 | 108,854 |
| ETSA | 50,713 | 49,943 | 54,283 | 41,455 |
| TOTAL | 155,944 | 155,456 | 170,288 | 150,309 |

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WATER

WATER CONSUMPTION ENUSA GROUP (m³)

- ENUSA
- Subsidiaries



WATER CONSUMPTION ENUSA GROUP (m³)

| | 2016 | 2017 | 2018 | 2019 |
|---------------------------|---------------|----------------|----------------|----------------|
| EMGRISA | 613 | 1,694 | 741 | 674 |
| ETSA | 12 | 48 | 29 | 22 |
| TOTAL SUBSIDIARIES | 625 | 1,742 | 770 | 696 |
| ENUSA | 86,728 | 127,635 | 110,407 | 109,558 |
| TOTAL ENUSA GROUP | 87,353 | 129,377 | 111,177 | 110,254 |

WATER CONSUMPTION BY DESTINATION AND ENUSA WORK CENTRE (m³)

| | DRINKING WATER | IRRIGATION WATER | PROCESS WATER | TOTAL 2019 |
|-------------------|----------------|------------------|---------------|----------------|
| MADRID | 696 | 0 | 0 | 696 |
| JUZBADO | 22,212 | 13,597 | 0 | 35,809 |
| SAELICES | 2,489 | 23,097 | 42,894 | 68,480 |
| UTE RSU CASTELLÓN | 183 | 960 | 3,430 | 4,573 (*) |
| TOTAL | 25,580 | 37,654 | 46,324 | 109,558 |

(*) Recycled and reused water: 811 m³, coming from storm water retention ponds.



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WASTES

WASTES MANAGED BY ENUSA GROUP 2019 (kg)

| | MADRID | JUZBADO | SAELICES | UTE RSU CASTELLÓN | TOTAL ENUSA | EMGRISA | ETSA | TOTAL GROUP |
|------------------------------|----------------|------------------|--------------|-------------------|--------------------|---------------|------------|--------------------|
| HAZARDOUS | 258 | 13,388 | 2,760 | 6,220 | 22,626 | 10,523 | | 33,149 |
| INERT | | 1,515,180 | | | 1,515,180 | | | 1,515,180 |
| RECYCLABLE URBAN-ASSIMILABLE | 5,441.4 | 31,200 | | | 36,641.4 | | 105 | 36,746.4 |
| SOLID URBAN | 2,640 | 23,537 | | | 26,177 | | | 26,177 |
| LEACHATES | | | | 3,135,200 | 3,135,200 | | | 3,135,200 |
| TOTAL | 8,339.4 | 1,583,305 | 2,760 | 3,141,420 | 4,735,824.4 | 10,523 | 105 | 4,746,452.4 |

EVOLUTION OF WASTES MANAGED BY ENUSA (kg)

| | 2016 | 2017 | 2018 | 2019 |
|------------------------------|------------------|--------------------------|-----------------------|--------------------|
| HAZARDOUS ⁽¹⁾ | 5,240 | 48,160.31 ⁽²⁾ | 20,453 ⁽²⁾ | 22,626 |
| INERT | 22,260 | 496,322 | 363,520 | 1,515,180 |
| RECYCLABLE URBAN-ASSIMILABLE | 66,290 | 44,489.5 | 32,677.5 | 36,641.4 |
| SOLID URBAN | 21,575 | 23,348.2 | 21,566.8 | 26,177 |
| LEACHATES ⁽¹⁾ | 2,998,060 | 3,038,050 | 1,170,890 | 3,135,200 |
| TOTAL | 3,113,425 | 3,650,370 | 1,609,107.3 | 4,735,824.4 |

⁽¹⁾ Includes hazardous waste and leachates from the UTE RSU Castellón. The increase in the leachates is due to the need to externally manage those produced in the three installations susceptible to their generation (valorisation plant, transfer plant of Benlloch and waste dump). Especially important was the increase in the managed leachates coming from the waste dump, since the rain falling in the last quarter of 2018, along with the storms of the summer of 2019, disproportionately increase the generation of leachates in this installation.

⁽²⁾ Includes sanitary wastes.



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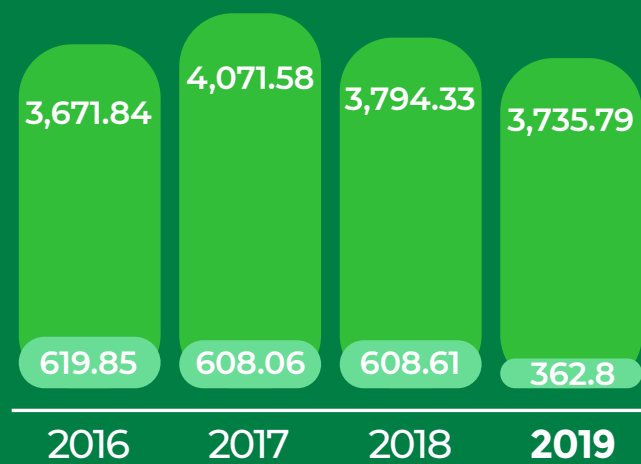
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CO₂ EMISSIONS

CO₂ EMISSIONS ENUSA (t)

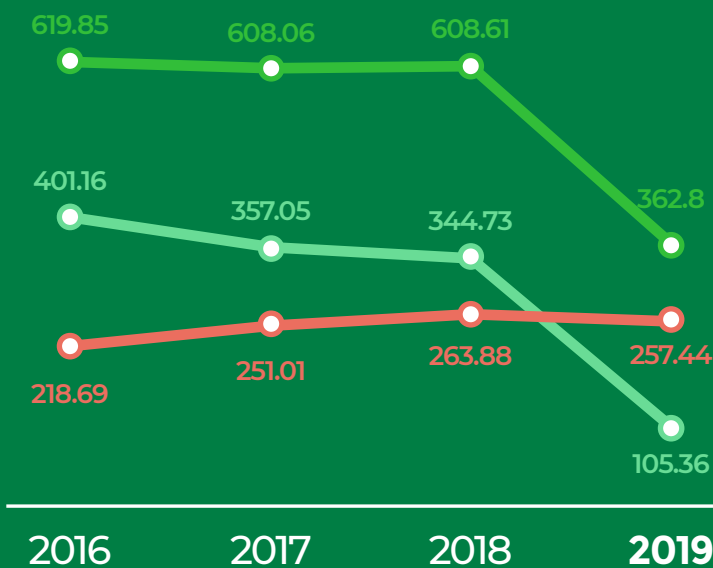
- Total direct emissions
- Total indirect emissions



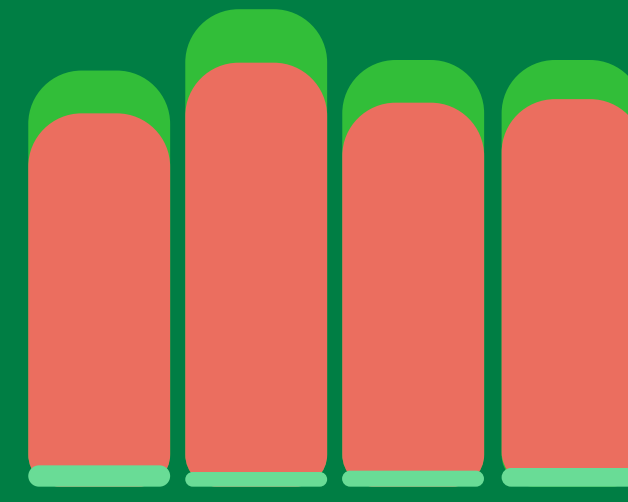
See Appendices for the calculation of the different conversion factors that affect CO₂ emissions

DIRECT EMISSIONS ENUSA (CO₂ t)

- Total
- Juzbado
- Saelices



INDIRECT EMISSIONS ENUSA ELECTRICITY CONSUMPTION (CO₂ t)



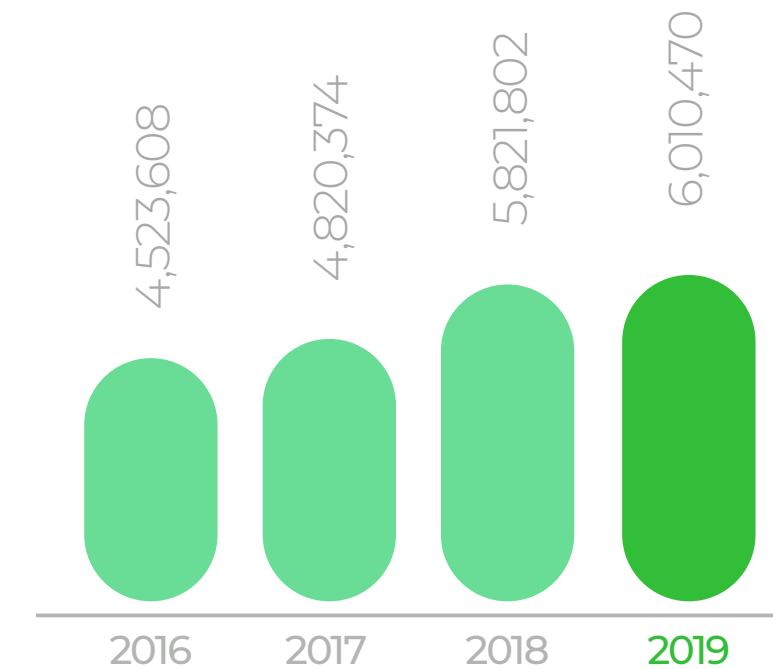
| | 2016 | 2017 | 2018 | 2019 |
|----------|-------|---------|--------|--------|
| Saelices | 270.8 | 324.5 | 241.77 | 235.72 |
| Juzbado | 2,370 | 2,758.9 | 2,498 | 2,497 |
| Madrid | 167.2 | 124.1 | 127.49 | 132.14 |

INDIRECT EMISSIONS ENUSA TRANSPORT OF PERSONNEL, GOODS AND SERVICES (CO₂ t)

| | 2016 | 2017 | 2018 | 2019 |
|--------------|---------------|---------------|---------------|---------------|
| MADRID | 54.71 | 60.07 | 54.76 | 63.35 |
| JUZBADO | 778.76 | 770.96 | 840.16 | 773.65 |
| SAELICES | 30.37 | 33.05 | 32.15 | 33.93 |
| TOTAL | 863.84 | 864.08 | 927.07 | 870.93 |

ENVIRONMENTAL EXPENSES AND INVESTMENTS

ENVIRONMENTAL EXPENSES AND INVESTMENTS (€)



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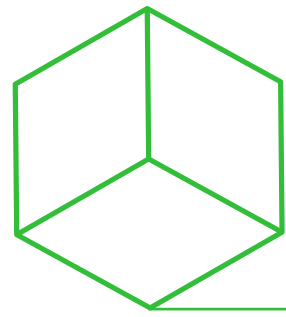
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MAIN SUCCESSES, DEFICIENCIES, RISKS AND OPPORTUNITIES

SUCCESSES:

- > Reduction in consumption of natural resources.
- > Minimisation of radioactive waste generation and reduction of existing wastes in the Temporary Storage Facility.
- > Minimisation of waste generation.
- > Actions in forests in the West-North West (W-NW) sector between the double fencing and the single fencing.
- > Management improvements.
- > Communication improvements.

DEFICIENCIES:

- > Delays in achieving some goals:
 - Systems for the reconditioning and filling with gravel of 220-litre drums of waste.
 - Design of the renovation of the cold water circuit of the air conditioning.

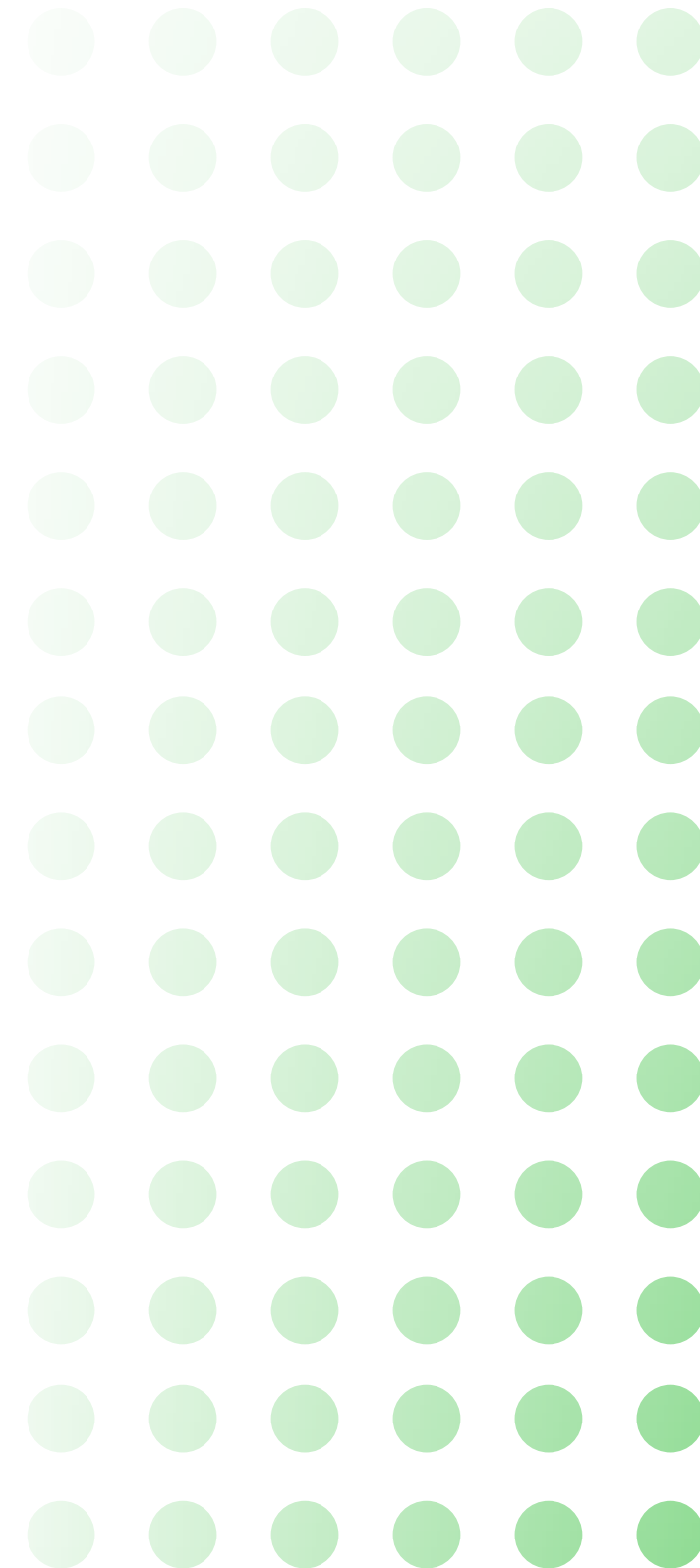
RISKS:

In order to comply with the new ISO 14001:2015 standard, an internal operational procedure has been developed for the identification and implementation of actions to address risks identified as necessary to ensure the ENUSA Quality Management System and the Environmental Management System of the Juzbado factory.

ENUSA also has a catalogue of environmental risks that includes all the identified risks and the actions suggested to address them.

OPPORTUNITIES:

- > Achievement of the goals pending completion in the 2019 Environmental Management Program:
 - Fine-tuning of the gamma spectrometer for declassification.
 - Issuing the Test Plan for declassification.
 - Renovation of CM-3.
 - Action in 18.5 hectares of forests between the NE and E-SSE sectors.



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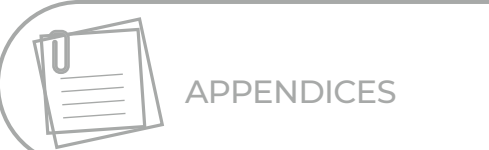
ECONOMIC PERFORMANCE



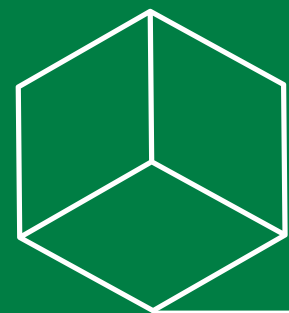
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OBJECTIVES

| 2019 | DEGREE OF COMPLETION |
|--|----------------------|
| JUZBADO: Fine tuning the gamma spectrometer for declassification. | Partial |
| JUZBADO: Issuing the Test Plan for declassification. | Partial |
| JUZBADO: Shipment of package of plastic bags to SFL for recycling. | Total |
| GTMA: Providing assurance of hot water supply to meet the needs of heating/cooling and hot sanitary water (ACS) from the fuel assembly factory of ENUSA in Juzbado, reducing the emissions of greenhouse gases with respect to the previous system of fuel oil consumption. | Total |
| GTMA: Generating 1,000 MWh of renewable energy from biogas from ENUSA's biodigestion plant in Juzbado for discharge into the distribution network. | Total |
| UTE RSU CASTELLÓN: Preparing the Base Soil Report (IBS), a regulatory inspection of soils and ground-water to certify that there is no potential or actual pollution of both media. | Total |
| UTE RSU CASTELLÓN: Increasing the number of characterisations of the plant's waste flows with the aim of improving management and thereby optimising resources and preserving the environment. | Total |
| 2020 | |
| JUZBADO: Declassification project of radioactive wastes: fine tuning the gamma spectrometer and issuing of the text plan for declassification. | |
| JUZBADO: Renovation of the CM-3 air conditioning equipment. | |
| JUZBADO: Action in 18.5 hectares of forests between the sectors NE and E-SSE. | |
| UTE RSU CASTELLÓN: Complete the implementation of a certification system ISO 14001. | |
| EMGRISA: Reduction of the use of plastics and GHG emissions (construction). | |
| ETSA: Reduce its fleet that uses fuels that expedite the greenhouse effect. | |



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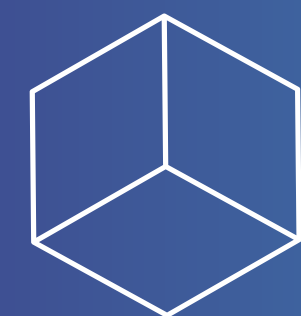
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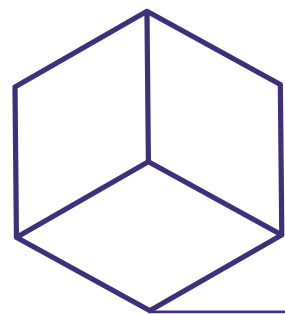
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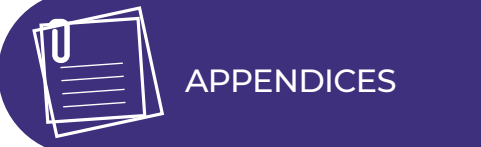
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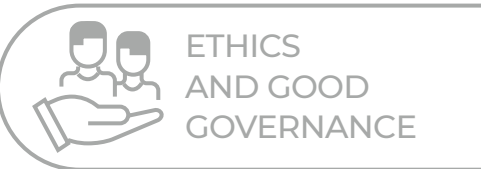
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| 305-7 | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 |      | Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions | SO ₂ , NO _x and CO emissions into the atmosphere from fuel oil boilers have disappeared due to the change in hot water supply from the biogas plant. |
| MATERIAL TOPIC: GRI 306: EFFLUENTS AND WASTE | | | | |
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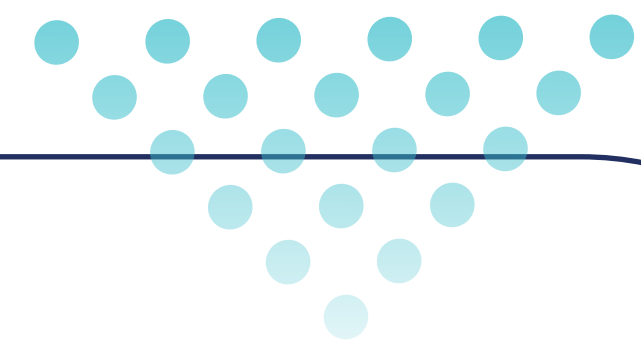


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| MATERIAL TOPIC: GRI 307: ENVIRONMENTAL COMPLIANCE | | | | |
| 307-1 | 1, 2, 3, 4, 5, 6, 10 | | Non-compliance with environmental laws and regulations | 445 |

⁽¹⁾ The environmental category includes a single management approach as it applies to all topics included in that category.

⁽²⁾ Materials, water, biodiversity and emissions: non-material topics



MATERIAL TOPICS NOT COVERED BY GRI

| Material topic | Disclosure | Page/ Reference/ Direct Response |
|---|---|---|
| ENUSA | | |
| Intellectual property / Technological development (added value) / Investment in technological development and innovation | Percentage of the fuel sales allocated to R&D&I | 325-326 |
| Crisis management / Management of lessons learned and corrective programs | Significant fines and non-monetary sanctions for noncompliance with laws and/or regulations | 444 |
| Mechanisms to internally report integrity violations | Reporting channel | 16-19 |
| Operating experience management – Benchmarking – Excellence in operations (vision and mission) | Mission, vision and values | 15 |
| Balance between personal performance in relation to targets and wage raises, etc. (in this case ENUSA materiality) | Wage policy and productivity | 285-289 |
| Knowledge transfer | Partial retirement and replacement contracts | 267 |
| Contribution to the level of exports in Salamanca | Percentage of ENUSA's total exports in relation with those of Salamanca | Nuclear fuel exports 2018: 40.2 million euros Salamanca exports 2018: 604 million euros Percentage of ENUSA's total exports in relation to those of Salamanca = 6.65% |
| Percentage of permanent labour contracts | Percentage of staff according to contract type | 274 |
| Participation in comprehensive development projects of the immediate environment of the centres that have productive activity, with special attention to the municipalities where these centres are located | Collaborations with local entities in the vicinity of the ENUSA Industrias Avanzadas fuel assembly factory in Juzbado | 344-346 |
| Contribution of labour activity (employment) to the environment of the productive centres, with evaluation of the positive impact against depopulation of the affected rural areas | Added value of ENUSA in Salamanca (€). Payroll & SS | 342-343 |

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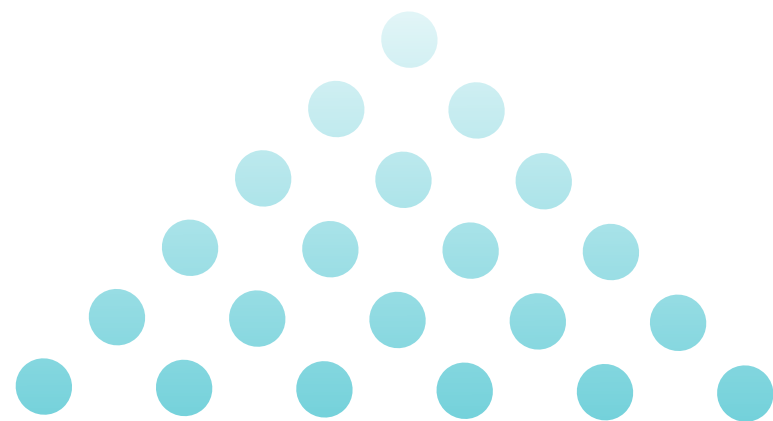


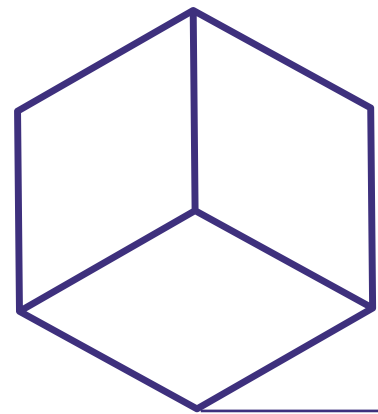
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| Material topic | Disclosure | Page/ Reference/ Direct Response |
|--|---|----------------------------------|
| Participation in one-time projects (social, cultural, sports, etc.) that positively influence revitalisation and improved quality of life for the people who live in the immediate environment of the productive centres, with special attention to the municipalities where these centres are located | Collaborations with local entities in the vicinity of the ENUSA Industrias Avanzadas fuel assembly factory in Juzbado | 344-347 |
| Evaluation of the involvement with the aforesaid environment as regards the company's exterior image (environmental marketing, cultural promotion, etc.): degree of exploitation of the environment's local resources as support for achieving a positive image | Content marketing | 357 |
| Involvement/generation of environmental projects in the aforesaid environment on: landscape reclamation, biodiversity development/recovery, reclamation of degraded spaces (gravel pits, slagheaps, landfills, etc.) | Collaborations with local entities in the vicinity of the ENUSA Industrias Avanzadas fuel assembly factory in Juzbado | 344-347 |
| ETSA | | |
| Service quality and physical safety | Certifications | 341 |





2. CLARIFICATIONS TO THE GRI CONTENT INDEX

GENERAL DISCLOSURES

Organisational profile

- > **102-10** In the reporting period covered by this annual report, there have been no significant changes in the Group's size, structure, ownership or supply chain.
- > **102-13** EMGRISA is a member of ASEGRE (Asociación de Empresas Gestoras de Residuos y Recursos Especiales). ETSA is a member of EITA (European Isotopes Transport Association) and AESTRADIS (Asociación de Empresarios Salmantinos de Transportes Discrecionales).

Ethics and integrity

- > **102-17** ENUSA's workers have a channel in the intranet to request advice in relation to the Code of Conduct, the Crime Prevention Model and the Protocols that develop them.

No prevention of retaliation policy has been specifically approved beyond the

declaration and commitment assumed by the companies in the Model and the Code of Conduct itself. Nonetheless, the Protocol of the Reporting channel and the Protocol of Action in case of Detection of Irregularities include measures for the prevention of retaliation.

Governance

- > **102-19** The process of the highest governance body for delegating authority for economic, environmental and social topics is based on a structure of powers of attorney formally approved by this body, with the area, limitations and scope determined in each case.
- > **102-20** There are in the Group executive positions with responsibility for economic, environmental and social topics. The chairman of the highest governance body has executive powers in these topics and, under his direct responsibility, appoints positions also with responsibility for such topics, and

these post holders report directly to him, and indirectly, through him, to the highest governance body.

On occasion, the post holders with responsibility for economic, environmental and social topics appointed by the chairman report directly to the highest governance body at the latter's request.

- > **102-21** The highest governance body delegates the processes to consult the stakeholders regarding economic, environmental and social topics in the Executive Committee, which in turn appoints positions with responsibility for such topics.
- > **102-27** To develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics, comprehensive reports of the most relevant events related to these topics are periodically drawn up. These comprehensive reports are



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submitted to the highest governance body, to which more detailed monographic presentations on specific economic, environmental and social topics are also given.

- > **102-28** The highest governance body's performance is indirectly evaluated by the shareholders on occasion of the annual approval of the organisation's accounts. In that same process, this report is also approved and, therefore, performance in matters of sustainability is also evaluated. The evaluation is independent of the evaluated body. There have been no changes in the organizational practices of the highest governance body. No actions have been taken in response to the evaluation of the highest governance body's performance with respect to aforementioned topics. There have been changes in the members of the highest governance body but for reasons other than the evaluation of their performance.
- > **102-29, 102-30** The audit committee appointed by the highest governance body from among its members is entrusted with the functions of identifying and following up the impacts, risks and opportunities in the expressed topics, and of reporting on the application of due diligence

processes and evaluating these processes and supervising their effectiveness. The audit committee subsequently reports to the highest governance body on the results of the discharge of these functions.

- > **102-31** The audit committee reviews the economic, environmental and social impacts, risks, and opportunities on at least a six-monthly basis, and it subsequently reports the results obtained to the highest governance body. On a monthly basis, the executive president of the organization reports to the highest governance body on such impacts, risks and opportunities. On an annual basis, the highest governance body reviews these same impacts, risks and opportunities. On occasion of approval of the organization's annual report, which includes the economic, environmental and social topics.
- > **102-33** The executive president of the organisation directly reports the concerns affecting the organisation to the highest governance body on a monthly basis. On occasion of this monthly information, the executive president communicates the critical concerns, if any, to this body.
- > **102-34** All concerns that were considered as critical were

communicated to the highest governance body in connection with the direct information that the executive president of the organisation reports to it on a monthly basis.

- > **102-37** In 2019, the remunerations of the ENUSA Group personnel have been determined according to the legislation that regulates emoluments in the public business sector, and therefore the views of the stakeholders are not applicable.

Reporting practice

- > **102-45** According to the criteria adopted to prepare this annual report in keeping with GRI, not only the parent or controlling company (ENUSA Industrias Avanzadas, S.A., S.M.E.), but also the invested companies or subsidiaries have been included (Empresa para la Gestión de Residuos Industriales, S.A., S.M.E., M.P. (EMGRISA) and Express Truck, S.A.U., S.M.E. (ETSA), whereas joint ventures have not been included.
- > **102-49** There were no significant changes with respect to the previous year in the list of material topics and topic coverage.



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TOPIC STANDARDS

- > **103-3** As a general rule, material topics are included in the performance assessments of those responsible for their management.

At ENUSA, there is a variable collective productivity incentive linked to the following material topics: economic performance and occupational health and safety.

Economic

- > **201-2** No financial implications resulting from climate change have been identified to date.
- > **203-1** The ENUSA Group currently has no expenditure or investment in infrastructures not related to its economic activities.
- > **205-1** In the process of drawing up the Organisational, Management and Control Models for crime prevention, the risks related to corruption in all the work centres have been taken into account.
- > **205-3** In 2019 as well as in previous years, no incidents of corruption have been identified in the ENUSA Group.

Social

- > **403-2** In 2019, no fatalities have occurred due to accident at work or occupational disease.
- > **403-4** In the period covered by this report, no agreements have been signed with trade unions regarding health and safety affairs, as this topic is covered by the committees created for this purpose.
- > **404-2** In 2019, training hours corresponding to employee skills improvement programs amounted to 13,319.
- > **405-2** No differences are established between men and women in terms of salary, as they are subject to a points per factor assessment system for the job in order to ensure equal opportunities in hiring and pay.
- > **406-1** In 2019 no incidents of discrimination have been identified.
- > **413-1** In 2013, with the collaboration of ENUSA, the General Foundation of the University of Salamanca published a study on the "Socioeconomic impact of ENUSA in Salamanca".

- > **416-2** In 2019 there have been no identified incidents of non-compliance concerning the health and safety impacts of products and services.
- > **418-1** In 2019, ENUSA has not identified any founded claim regarding customer privacy violations or any customer data loss.
- > **419-1** In the last four years one fine considered significant has been identified:

In November 2018 the Deputy Directorate General of Nuclear Energy initiated a sanctioning file after the inspection of the CSN due to non-compliance with the operating specifications of the Juzbado factory, by not having made the hourly vigilance established in order to comply with the actions required by these specifications in case of inoperability of the fire protection system. On 10 January 2019, ENUSA communicated its intention not to present an appeal in the administrative channel and to take the 20% reduction of the sanction by voluntary deposit. The deposit of €24,000 implies the termination of the sanctioning file.



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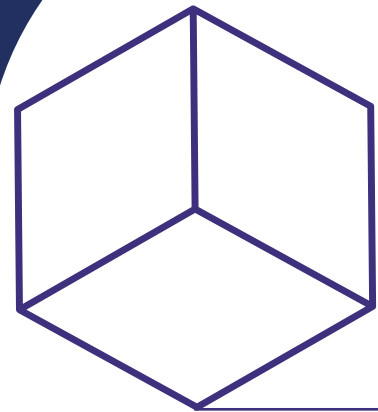
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Environmental

- > **302-1** 277.7 kWh equals 1 GJ.
- > **302-3** No energy intensity ratios are included from EMGRISA as they are not representative of their activities and business.
- > **306-3** During 2019 no significant spills have been identified.
- > **306-4** No international transports have been made of hazardous wastes, according to the classification of the Basel Convention, Annexes I, II, III and VIII.

- > **306-5** During 2019, no water body or habitat has been affected by discharges of water or runoff.
- > **307-1** In 2019 ENUSA has not identified any fine or sanction for non-compliance with environmental laws and regulations.





3. CONTENT INDEX FOR LAW 11/2018, OF 28 DECEMBER, ON NON-FINANCIAL INFORMATION AND DIVERSITY

Contents of Law 11/2018, of 28 December, on non-financial information and diversity

Page/ Reference/ Direct Response

I. INFORMATION ON ENVIRONMENTAL ISSUES:

Detailed information on current and foreseeable effects of the company's activities on the environment and, if applicable, on health and safety; environmental assessment or certification procedures; resources allocated to environmental risk prevention; application of the precautionary principle; amount of dispositions and guarantees for environmental risks.

363-420; 341, 363-365, 403, 405, 408; 363-365, 403, 405; 363-366, 385-390, 403, 405; 237-241, 418

– Pollution: measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.

376, 378-379, 382-384, 394-395, 403, 405, 407, 409, 410, 418, 449

– Circular economy and waste prevention and management: measures for waste prevention, recycling, reuse and other forms of recovery and disposal; actions to tackle food waste.

369, 374-376, 383, 396-397, 403-404, 406, 409, 413, 417, 449; 449

– Sustainable use of resources: water consumption and water supply according to local constraints; consumption of raw materials and measures taken to improve the efficiency of their use; direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy.

416, 435; 363, 399, 409; 376-377, 382, 399, 407, 409, 415, 445

– Climate change: significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services produced by it; measures taken to adapt to the consequences of climate change; voluntarily set medium- and long-term reduction targets for reducing greenhouse gas emissions and the means implemented to that end.

378-379, 394-395, 404, 405, 407, 409-410, 418; 412, 444; 382-384, 407

– Protection of biodiversity: measures taken to preserve or restore biodiversity; impacts caused by activities or operations in protected areas.

379-381, 400; 363-366, 385-390



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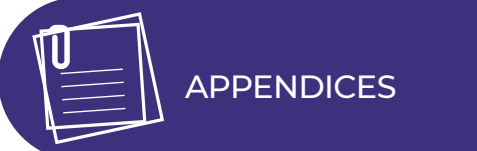
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II. INFORMATION ON SOCIAL AND PERSONNEL ISSUES:

| | |
|--|---|
| – Employment: total number and distribution of employees by gender, age, country and job classification; total number and distribution of employment contract types; annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and job classification; number of dismissals by gender, age and job classification; average remuneration and its evolution broken down by gender, age and job classification or equal value; salary gap; remuneration of identical or average positions in the company; average remuneration of directors and executives, including variable remuneration, per diems, compensations, payment to long-term savings pension systems and any other income broken down by gender; implementation of policies to ensure the right to disconnect during non-work hours; employees with disabilities.. | 269-273; 274-276; 276; 449; 285-287; 288-289; 285; 449-450; 450; 279 |
| – Work organisation: work time management; number of hours lost to absenteeism; measures aimed at facilitating work-life balance and encouraging co-responsible involvement by both parents. | 290; 450; 290-291 |
| – Health and safety: health and safety conditions at work; work-related accidents, in particular their frequency and severity, as well as occupational diseases, broken down by gender. | 299-302; 306-308; 308-311 |
| – Social relations: social dialogue organisation, including procedures for informing, consulting and negotiating with staff; percentage of employees covered by collective agreements by country; balance of collective agreements, particularly in the occupational health and safety field. | 283-284; 283-284; 450 |
| – Training: policies implemented in the training field; total number of training hours per professional category. | 292-294, 297; 296 |
| – Universal accessibility for persons with disabilities. | 280-281 |
| – Gender equality: measures taken to promote equal treatment and opportunities between women and men; gender equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men); measures taken to promote employment; protocols against sexual and sex-based harassment; integration and universal accessibility for persons with disabilities; policy against all types of discrimination and, where appropriate, diversity management policy. | 282-283; 282-283; 290-291; 282-283; 279-281; 279-281; 282-283, 285-289; 444 |



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III. INFORMATION ON RESPECT FOR HUMAN RIGHTS:

Application of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; complaints of human rights violations; promotion of and compliance with the provisions of the core International Labour Organization conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.

336; 16-19, 20-22, 336; 450; 283-284; 285-289; 450; 450

IV. INFORMATION RELATED TO THE FIGHT AGAINST CORRUPTION AND BRIBERY:

Measures taken to prevent corruption and bribery; measures to combat money laundering; contributions to non-profit foundations and entities.

16-19; 16-19, 450; 343, 344-346

V. INFORMATION ON THE COMPANY:

– The company's commitment to sustainable development: impact of the company's activity on local employment and development; impact of the company's activity on local populations and area; relations with local community actors and forms of dialogue with them; partnership or sponsorship actions.

342-343; 342-343; 41, 344-352, 357; 344-352

– Subcontracting and suppliers: inclusion of social, gender equality and environmental issues in the procurement policy; consideration of suppliers' and subcontractors' social and environmental responsibility in the relations with them; monitoring and audit systems and their results.

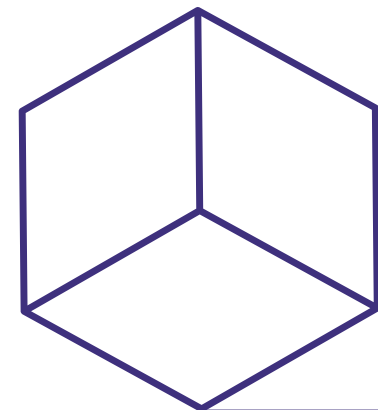
336, 451; 336; 336, 24, 337

– Consumers: measures for consumers' health and safety; complaint systems, complaints received and their resolution.

340; 327-328, 451



– Tax information: profits obtained by country; taxes on profits paid and public subsidies received.

451; 451; 242



4. CLARIFICATIONS TO THE LAW 11/2018 CONTENT INDEX



INFORMATION ON ENVIRONMENTAL ISSUES

-  Light pollution: it has, since 2018, outdoor luminaires on roads, sidewalks and double fences, of a type of luminaire whose projector is asymmetrical to eliminate lost, polluting flow. In this way it manages to minimise the light pollution as well as attain greater energy efficiency.
-  Circular economy: in 2019 adhesion agreements have been signed with new waste managers that include the life cycle or circular economy approach:
 - > SIG: Ambilamp for luminaires, Ecopilas for batteries.
 - > Establishment of the factory as a collection point for toner and ink waste by the company Tragatóner & Tragatinta.
 - > Delivery of textile wastes to the company Porsiete (belonging to the Asociación Española de Recuperadores de Economía Social y Solidaria).

In addition, in the Juzbado factory tube separators have continued to be collected for their subsequent return to the supplier and reuse, although in 2019 no shipment was made.

-  Actions to combat food waste: at the time of preparing this report, the ENUSA Group has not taken any action to combat food waste.

INFORMATION ON SOCIAL AND PERSONNEL ISSUES

-  During 2019 two dismissals took place in EMGRISA. The gender, age and job classification were not specified due to reasons of confidentiality.
-  The determination of the per diem amount for attending the ENUSA Board of Directors meetings is set, effective 1 January 2019, at a gross monthly amount of 825 euros, for a maximum of eleven annual meetings, for a total gross sum of 9,075 euros. There was no difference in the amount to be received by male versus female directors.



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 In 2019, Executive Committee remunerations, including short-term remuneration, loans, advance payments and guarantees, amounted to 120,587.26 euros for the women and 148,123.92 euros for men, including the chairman.


 At the time of writing this report, no policies to ensure the right to disconnect during non-work hours have been implemented in the ENUSA Group.

 Absenteeism: in 2019, the number of absenteeism hours in ENUSA was 49,129.10. This data include the hours corresponding to illness, those derived from occupational and non-occupational accidents, going to and from work, leave, absences and sanctions. The cumulative absenteeism rate of ENUSA has been 4.93%.


 The balance of collective agreements, particularly in the occupational health and safety field: a general regulatory update has been undertaken in different areas, including that corresponding to the workday provided in the Law 6/2018, of 3 July, of the General State Budgets. On the other hand, in the year 2019, the periods for enjoying vacation time has become more flexible.

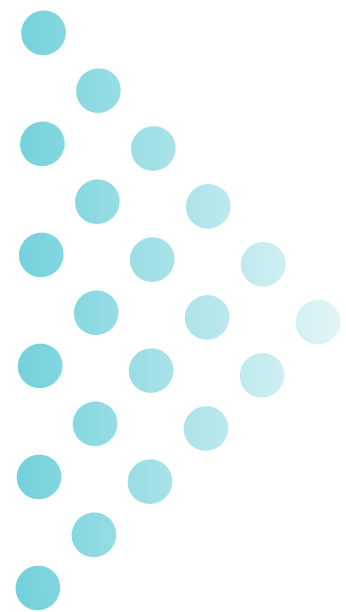
INFORMATION ON RESPECT FOR HUMAN RIGHTS

 In 2019, no human rights violations were reported.


 Child exploitation and forced labour are explicitly prohibited by the Code of Conduct and, given the characteristics of the company's activity, are not considered risk factors.


INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY

 Measures to combat money laundering: even though the companies making up the ENUSA Group are not legally bound according to Law 10/2010, of 28 April, on prevention of money laundering and terrorism financing, the Code of Conduct establishes that the Code addressees shall refrain from promoting, facilitating, participating in or concealing any type of money laundering operation, and shall in any case report any money laundering operation of which they are aware to their immediate superior or to the Compliance Officer. Moreover, the Crime Prevention Model includes specific controls aimed at preventing economic crime in general.




INFORMATION ON THE COMPANY

 Inclusion of social, gender equality and environmental issues in the procurement policy: as described in the “Quality in Suppliers” section, supplier assessment in the subsidiaries covers environmental management issues, although it does not cover social or gender equality issues.

 Claim systems, complaints received and their resolution:

- > EMGRISA has documented processes for the management of claims or complaints, not having received, in 2019, any complaint or claim regarding the conduct of its business.
- > ETSA has internal procedures to measure or determine its customers’ degree of satisfaction with regard to the degree of compliance with the requirements of the service provided by ETSA. Customer assessments of ETSA’s activity in the past year were fully satisfactory and, furthermore, no customers submitted any complaints regarding the general conduct of its business in 2019. However, ten non-conformities relating to specific developments in operations were opened (delays and administrative defects, mainly), which do not affect overall quality and which, once resolved, have not resulted in additional measures and have maintained a high degree of satisfaction with the services.

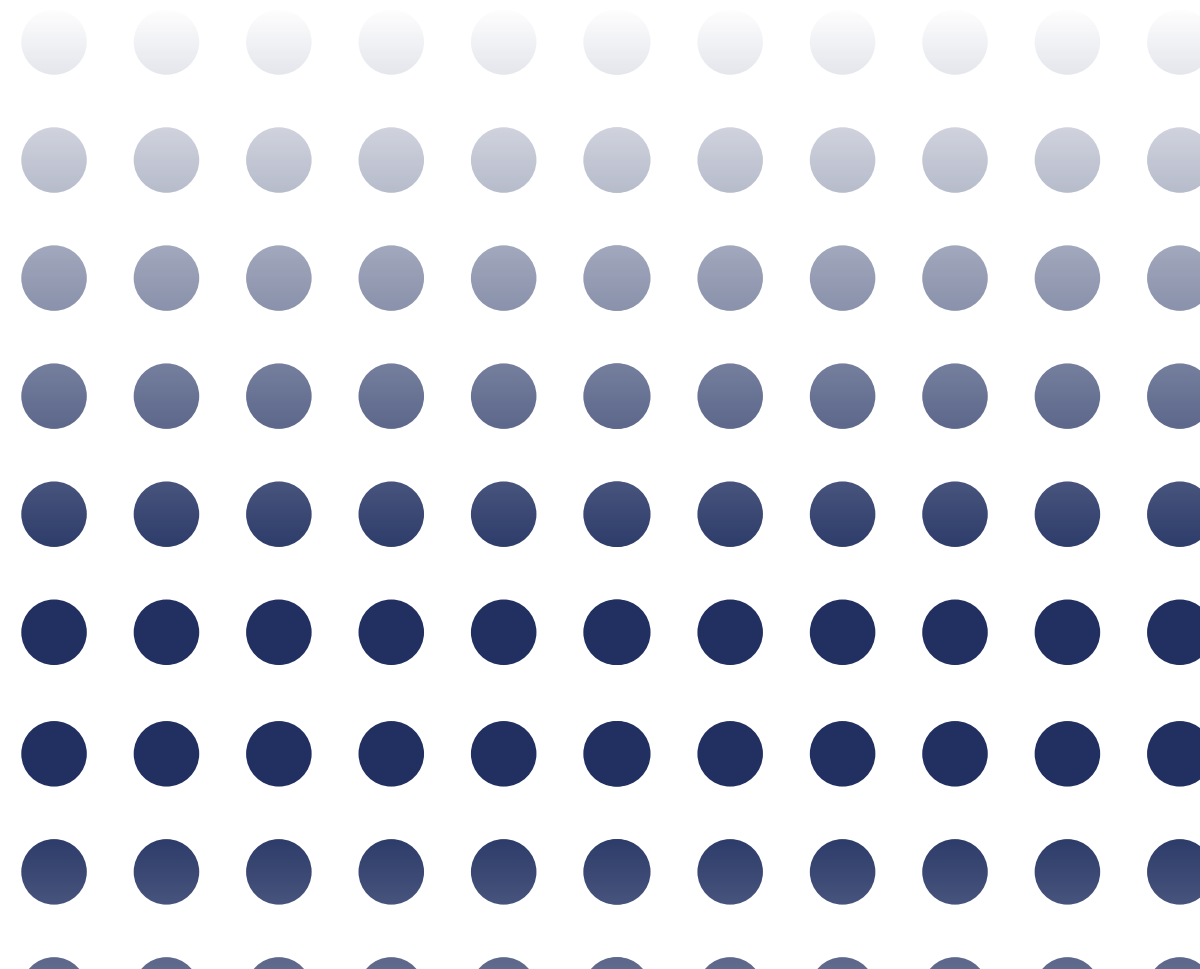
 Benefits obtained by country: in 2019, ENUSA Group’s Pre-tax Profit or Loss amounted to €6,826,288.19, with the following breakdown by country:

Spain: €6,600,978.19

Peru: €90,120

Chile: €135,190

 Income tax paid: in 2019, corporate income tax payments in the ENUSA Group amounted to €1,597,900.53.



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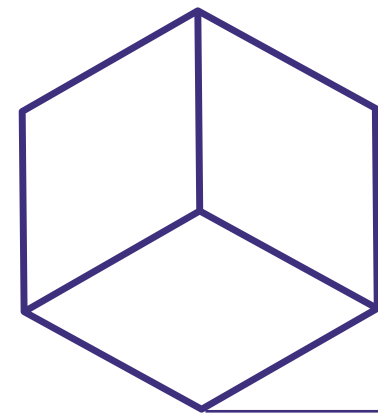
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5. BASIS FOR CALCULATION OF THE INDICATORS

The economic dimension indicators have been prepared in accordance with the accounting principles provided in Royal Degree 1159/2010 of 17 September.

The recommendations set forth by GRI and Law 11/2018, of 28 December, have been followed to prepare the indicators about social and environmental aspects.

With regard to the rates of absenteeism, accidents and occupational diseases, and frequency, seriousness and incidence indexes, the formulas used to calculate them are included next to the tables where the outcomes of these indexes are shown.

All indicators follow the same method of calculation as in previous Annual Reports, except those related to the indirect emissions of CO₂. Until 2009, the conversion factor used for the calculation of indirect emissions, i.e., those derived from electricity consumption, was 0.14. To make it more accurate indicator, since 2010 the same calculation for Juzbado takes place through the weighted average contribution of the different electric power sources and the Conversion Factors to Primary Energy (PE) and the CO₂ Emission Factor for Fuels, Thermal Uses and Electricity (IDAE). Therefore, for comparison with previous years, it is necessary to take into account the following conversion factors:

| Year | Conversion Factor (t CO ₂ /MWh) |
|------|--|
| 2016 | 0.255 |
| 2017 | 0.302 |
| 2018 | 0.28 |
| 2019 | 0.28 |





6. EXTERNAL ASSURANCE REPORTS



AENOR

VERIFICATION OF THE SUSTAINABILITY REPORT

VMS-2020/0004

AENOR has verified the Annual Report of the organisation

ENUSA INDUSTRIAS AVANZADAS, S.A., S.M.E.

TITLED: STATEMENT OF CONSOLIDATED NON-FINANCIAL INFORMATION OF 2019

| | |
|-----------------------|---|
| Compliant with: | GRI Standards |
| GRI option applied: | Exhaustive |
| Verification Process: | In order to grant this Verification Document, AENOR has verified the appropriateness of the annual report to what is required by GRI and has traced the data and information contained in this annual report. |
| Date of issue: | 2020-03-05 |

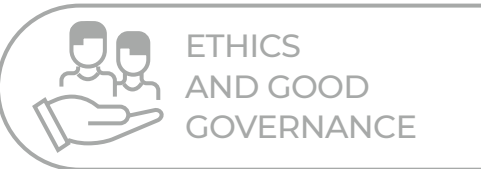
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Rafael GARCÍA MEIRO
Director General



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Declaración de Verificación de Información No Financiera

Declaración de Verificación de AENOR para

ENUSA Industrias Avanzadas, S.A., S.M.E. y sociedades dependientes

relativa al estado consolidado de información no financiera

ESTADO DE INFORMACIÓN NO FINANCIERA CONSOLIDADO Ejercicio 2019
conforme a la Ley 11/2018

correspondiente al ejercicio anual finalizado el 31 de diciembre 2019

En Madrid a 15 de marzo de 2020



Rafael García Meiro
Director General

ENUSA Industrias Avanzadas, S.A., S.M.E. (en adelante la organización) con domicilio social en C/ Santiago Rusiñol, 12 - 28040 Madrid y en su nombre, Rosario Arévalo Sánchez, en cargo de Directora de Auditoría Interna, Cumplimiento y RSC, ha encargado a AENOR llevar a cabo una verificación bajo un nivel de aseguramiento limitado de su Estado de Información No Financiera (en adelante EINF) conforme a la Ley 11/2018 por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad (en adelante, la Ley 11/2018).

Como resultado de la verificación efectuada AENOR emite la presente Declaración, de la cual forma parte el EINF verificado. La Declaración únicamente es válida para el propósito encargado y refleja solo la situación en el momento en que se emite.

El objetivo de la verificación es facilitar a las partes interesadas un juicio profesional e independiente acerca de la información y datos contenidos en el EINF de la organización, elaborado de conformidad con la Ley 11/2018.

Responsabilidad de la organización. La organización tuvo la responsabilidad de reportar su estado de información no financiera conforme a la Ley 11/2018. La formulación y aprobación del EINF así como el contenido del mismo, es responsabilidad de su Órgano de Administración. Esta responsabilidad incluye además el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error, así como los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF. La organización de acuerdo al compromiso formalmente adquirido, ha informado a AENOR que no se han producido, desde la fecha de cierre del ejercicio reportado en el informe no financiero hasta la fecha de la verificación, ningún acontecimiento que pudiera suponer la necesidad de realizar correcciones al informe.

Programa de verificación conforme a ISO/IEC 17029:2019. AENOR, de conformidad a la citada Ley, ha realizado la presente verificación como prestador independiente de servicios de verificación. La verificación se ha desarrollado bajo los principios de "enfoque basado en evidencias, presentación justa, imparcialidad, competencia técnica, confiabilidad, y responsabilidad" exigidos en la norma internacional ISO/IEC 17029:2019 "Evaluación de la conformidad - Principios generales y requisitos para los organismos de validación y verificación".

Igualmente, en el Programa de verificación, AENOR ha considerado los requisitos internacionales de acreditación, verificación o certificación correspondientes a las materias de información contempladas en la Ley:

- Reglamento Europeo EMAS (Evaluación Medioambiental)

Declaration of Verification of Non-Financial Information

AENOR Verification Declaration for

ENUSA Industrias Avanzadas, S.A., S.M.E. and subsidiary companies

related to the statement of consolidated non-financial information

STATEMENT OF CONSOLIDATED NON-FINANCIAL INFORMATION Financial Year 2019

according to the Law 11/2018

corresponding to the financial year ended on 31 December 2019

Madrid, 15 March 2020

(Signature)

Rafael García Meiro
Director General

ENUSA Industrias Avanzadas, S.A., S.M.E. (hereinafter the organisation) with registered offices at: C/ Santiago Rusiñol, 12 - 28040 Madrid, and in its name, Rosario Arévalo Sánchez, in the position as Director of Internal Auditing, Compliance and CSR, has assigned AENOR to carry out a verification under a limited level of assurance of its Statement of Non-Financial Information (hereinafter EINF) in accordance with the Law 11/2018 which modified the Commercial Code, the restated text of the Capital Companies Act approved by the Legislative Royal Decree 1/2010, of 2 July, and the Law 22/2015, of 20 July, on Account Auditing, on the subject of non-financial information and diversity (hereinafter, the Law 11/2018).

As a result of the verification made, AENOR issues this Declaration, which forms part of the verified EINF. The Declaration is only valid for the purpose assigned and only reflects the situation at the time it is issued.

The objective of the verification is to offer interested parties a professional, independent opinion of the information and data contained in the organisation's EINF, prepared in accordance with Law 11/2018.

Responsibility of the organisation. The organisation had the responsibility of reporting its statement of non-financial information according to the Law 11/2018. The preparation and approval of the EINF as well as its contents, is the responsibility of its Board of Directors. This responsibility also includes the design, the implementation and the maintenance of the internal control that is considered necessary in order to allow the EINF to be free of material misstatement, due to fraud or error, as well as the management systems from which the information necessary for the preparation of the EINF is obtained. The organisation, in accordance with the formally acquired commitment, has informed AENOR that no event that could require the need of making corrections to the report has occurred since the closing date of the financial year reported in the non-financial report up to the date of verification.

Verification program according to ISO/IEC 17029:2019. AENOR, pursuant to the cited Law, has performed this verification as an independent verification service provider. The verification was carried out under the principles of an "approach based on evidence, fair presentation, impartiality, technical competence, confidentiality and responsibility" required in the international ISO/IEC 17029:2019 standard "Evaluation of conformity - General principles and requirements for validation and verification organisations".

Furthermore, in the verification program, AENOR has considered the international requirements for accreditation, verification or certification corresponding to the information topics considered in the Law:

- European Regulation EMAS (Environmental verification).
- SA 8000 (international labour principles and rights according to the ILO (International Labour Organisation), the Universal Declaration on Human Rights and the Convention on the Rights of the Child. SAAS Procedure 200).
- Environmental Management System (ISO 14001).
- Social Responsibility Management System, IQNet, SR 10 and SA 8000 schemes.
- Quality Management System (ISO 9001).
- Energy Management System (ISO 50001).
- Occupational Safety and Health Management System (ISO 45001).



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- SA 8000 (principios y derechos laborales internacionales conformes a la ILO (Organización Internacional del Trabajo), La Declaración Universal de los Derechos Humanos y la Convención sobre los Derechos del Niño, SA8000 Procedure 200)
- Sistema de Gestión Medioambiental (ISO 14001)
- Sistema de Gestión de Responsabilidad Social, esquemas QNOR SA 10 y SA8000
- Sistema de Gestión de la Calidad (ISO 9001)
- Sistema de Gestión de la Energía (ISO 50001)
- Sistema de Gestión de Seguridad y Salud en el Trabajo (ISO 45001)

Adicionalmente, los criterios e información que se han tenido en cuenta como referencia para realizar el Programa de verificación han sido:

- La Ley 11/2018 de 28 de diciembre, por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad.
- La Directiva 2014/95/UE del Parlamento Europeo y del Consejo de 27 de octubre de 2014 por la que se modifica la Directiva 2013/34/UE en lo que respecta a la divulgación de información no financiera e información sobre diversidad por parte de determinadas grandes empresas y determinados grupos.
- La Comunicación de la Comisión Europea 2017/C 215/01, Directivas sobre la presentación de informes no financieros (metodología) para la presentación de información no financiera.
- La norma internacional ISO/IEC 17029:2019 Evaluación de la conformidad - Principios generales y requisitos para los organismos de validación y verificación.
- Los criterios establecidos por la iniciativa mundial de presentación de informes de sostenibilidad en los estándares GRI cuando la organización haya optado por este marco internacional reconocido para la divulgación de la información relacionada con su desempeño en materia de responsabilidad social corporativa.

AENOR se exonera expresamente de cualquier responsabilidad por decisiones de inversión o de otro tipo, basadas en la presente Declaración.

Durante el proceso de verificación realizado, bajo un nivel de aseguramiento limitado, AENOR realizó entrevistas con el personal encargado de recopilar y preparar el ENF y revisó evidencias relativas a:

- Actividades, productos y servicios prestados por la organización.

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- Consistencia y trazabilidad de la información aportada, incluyendo el proceso seguido de recopilación de la misma, mostrando información sobre la reportada.
- Completitud y contenido del estado de información no financiera con el fin de asegurar la integridad, exactitud y veracidad en su contenido.
- Carta de manifestaciones del Órgano de Administración.

Las conclusiones por tanto se fundamentan en los resultados de ese proceso de carácter muestral, y no eximen a la Organización de su responsabilidad sobre el cumplimiento de la legislación que le sea de aplicación.

El personal involucrado en el proceso de verificación, la revisión de conclusiones y la decisión en la emisión de la presente Declaración, dispone de los conocimientos, habilidades, experiencia, formación, infraestructuras de apoyo y la capacidad necesarias para llevar a cabo eficazmente dichas actividades.

CONCLUSIÓN

Basado en lo anterior, en nuestra opinión, no hay evidencia que haga suponer que el estado de información no financiera incluida en el ESTADO DE INFORMACIÓN NO FINANCIERA CONSOLIDADO Ejercicio 2019 y para el ejercicio anual finalizado el 31 de diciembre de 2019, no proporcione información fiel del desempeño de ENUSA Industrias Avanzadas, S.A., S.M.E. y sociedades referenciadas en el estado de información no financiera consolidada, en materia de responsabilidad social conforme a la Ley 11/2018. En concreto, en lo relativo a cuestiones ambientales, sociales y relativas al personal, incluida la gestión de la igualdad, la no discriminación y la accesibilidad universal, los derechos humanos, lucha contra la corrupción y el soborno y la diversidad.

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In addition, the criteria and information that has been taken into account as reference for carrying out the verification program have been:

- The Law 11/2018, of 28 December, modifying the Commercial Code, the revised text of the Capital Companies Act approved by the Legislative Royal Decree 1/2010, of 2 July and Law 22/2015, of 20 July, on Account Auditing, on the subject of non-financial information and diversity.
- The Directive 2014/95/EU of the European Parliament and Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.
- The Communication from the European Commission 2017/C 215/01, Directives on the presentation of non-financial reports (methodology for the presentation of non-financial information).
- The international ISO/IEC 17029.2019 standard on Evaluation of Conformity - General principles and requirements for validation and verification organisations.
- The criteria established by the global initiative presenting sustainability reports in the GRI standards when the organisation has opted for this recognised international framework for disclosing information related to its performance in corporate social responsibility.

AENOR is expressly excused from any responsibility for investment decisions or any other type, based on this declaration.

During the verification process performed, under a limited level of assurance, AENOR interviewed the personnel in charge of compiling and preparing the ENF and reviewed evidence related to:

- Activities, products and services provided by the organization.
- Consistency and traceability of the information provided, including the collection process used, sampling data about the reported information
- Completion and content of the non-financial information statement for the purpose of assuring the integrity, precision and truthfulness of its content.
- Letter of statements from the Board of Directors.

Therefore, the conclusions are based on the results of the sampling process, and do not exempt the Organisation from its responsibility on compliance with the legislation that is applicable to it.

The personnel involved in the verification process, the review of conclusions and the decision on the issuance of this Declaration, have the knowledge, abilities, experience, training, infrastructures of support and the capacity needed to carry out these activities effectively.

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CONCLUSION

Based on the above, in our opinion, there is no evidence to suggest that the statement of non-financial information referred to as the **STATEMENT OF CONSOLIDATED NON-FINANCIAL INFORMATION Financial Year 2019** and for the financial year ended on 31 December 2019, does not provide true information about the work of ENUSA Industrias Avanzadas, S.A., S.M.E. and subsidiaries referenced in the statement of consolidated non-financial information, on the subject of social responsibility according to the Law 11/2018. Specifically in relation to environmental, social and personnel issues, including the equality management, non-discrimination and universal access, human rights, fight against corruption and bribery, and diversity.

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