FINANCIAL STATEMENTS AND DIRECTORS' REPORT FOR FINANCIAL YEAR

2021

enresa

TABLE OF CONTENTS

DIRECTORS' REPORT 92

WORDS FROM THE CHAIRMAN


enresa

We present the Company in this Annual Report – a complete and detailed report on Enresa's activities in 2021, a year in which significant progress was made on activities under way and a major new piece of legislation was enacted.

2021 was also a year of transition, a year of change in many senses. Our relations, our work and our projects were adapted and recovered normality as and when the reality of COVID-19 so permitted, thanks to the will, tenacity and commitment of each and every member of the Company.

I would like to highlight the approval, in the month of May, of the Climate Change and Energy Transition Act, which, in its Ninth Final Provision, establishes that the works Enresa undertakes, in compliance with the activities provided for in the General Radioactive Waste Plan, constitute general interest public works. Accordingly, this provided the response to one of Enresa's historical claims which, once implemented, allows the Company to suitably comply with the essential public mission for which it was set up, working for greater independence and security in the development of its actions as regards the future 7th General Radioactive Waste Plan, the preparation of the strategic environmental study and the initial version of the Plan.

As regards technical actions and projects, starting with the decommissioning of nuclear power plants, the demolition of the

exterior wall of the contention building in which the reactor was housed was completed at the José Cabrera Nuclear Power Plant, in Almonacid de Zorita (Guadalajara) in the first quarter of the year. With more than 97% of the project now executed, this is now in the final stage and ready to undertake the appropriate environmental restoration of the land.

As one project comes to an end, so another begins: the decommissioning of Santa María de Garoña Nuclear Power Plant in Burgos. The project for the first stage of the decommissioning was submitted for public consultation in mid-March, and in October, Enresa sent the ministerial department the document in response to the submissions. Its decommissioning is scheduled to begin at the start of 2023.

As regards the management of high-level radioactive waste, Enresa continues to work to provide a response to the needs of the nuclear power plants. Accordingly, in July, the Council of Ministers authorised the tendering of a contract for the design, licensing support, manufacture and supply of a storage system for spent fuel for Almaraz (Caceres), Ascó (Tarragona), Cofrentes (Valencia) and Vandellós II (Tarragona) Nuclear Power Plants. Under this public tender, the temporary storage systems of the nuclear power plants were unified and spent fuel was guaranteed a safe management channel as from 2026 that allows for the continuity of operations and decommissioning following the cessation of activity.

In closing, I do not want to forget our key installation – the El Cabril Disposal Centre. Over the course of the year, different actions required were also carried out on the normal operations of the Centre, both for the present and the future. On the one hand, Vault 20 for low- and intermediate-level waste was closed down and sealed and the construction plan for Vault 31 for very low-level waste was submitted to the Nuclear Safety Council. On the other hand, we continue to work to meet the provisions of the 6th General Radioactive Waste Plan and to ensure the capacity needed for low- and intermediate-level waste by 2028. In 2021, we continued to develop work on the characterisation of the site and the design of the new south-eastern platform which, with 27 new vaults, will provide El Cabril with sufficient capacity to manage all the low- and intermediate-level radioactive waste, according to the current operating scenario of the operational nuclear power plants.

We have performed all this activity with full transparency vis-à-vis society – the beneficiary of the service we perform. Within the framework of our corporate responsibility policy, I wish to underline that we continue to maintain a direct and close relationship with the communities surrounding our installations, contributing, to the extent possible, to their economic development through the allocations established in prevailing legislation and the co-financing projects that we jointly undertake.

JOSÉ LUIS NAVARRO RIBERA
Presidente de Enresa

AUDIT REPORT

mazars

Alcalá, 63
28014 – Madrid

+34 915 624 030
www.mazars.es

EMPRESA NACIONAL DE RESIDUOS RADIACTIVOS S.A., S.M.E.

Informe de Auditoría emitido por un Auditor Independiente

Cuentas Anuales e Informe de Gestión del ejercicio terminado el 31 de diciembre de 2021

Oficinas en: Alicante, Barcelona, Bilbao, Madrid, Málaga, Valencia, Vigo

Mazars Auditores, S.L.P. Domicilio Social: C/Diputació, 260 - 08007 Barcelona
Registro Mercantil de Barcelona, Tomo 30.734, Folio 212, Hoja B-180111, Inscripción 1ª, N.I.F. B-61622262

Alcalá, 63
28014 - Madrid

+34 915 624 030
www.mazars.es

Informe de Auditoría de Cuentas Anuales emitido por un Auditor Independiente

A los Accionistas de **Empresa Nacional de Residuos Radiactivos S.A., S.M.E.**

Informe sobre las cuentas anuales

Opinión

Hemos auditado las cuentas anuales de **Empresa Nacional de Residuos Radiactivos S.A., S.M.E.** (en adelante la Entidad), que comprenden el balance de situación a 31 de diciembre de 2021, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de ingresos y gastos reconocidos, 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 Entidad a 31 de diciembre de 2021, 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 identifica en la nota 2.1. de la memoria) 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 Entidad, 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 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 periodo 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 éstas, y no expresamos una opinión por separado sobre esos riesgos.

Oficinas en: Alicante, Barcelona, Bilbao, Madrid, Málaga, Valencia, Vigo

Mazars Auditores, S.L.P. Domicilio Social: C/ Diputació, 260 - 08007 Barcelona
Registro Mercantil de Barcelona, Tomo 30.734, Folio 212, Hoja B-180111, Inscripción 1ª, N.I.F. B-61622262
Inscrita con el número S1189 en el Registro Oficial de Auditores de Cuentas (ROAC)

mazars

Contribución Fondo para la financiación de las actividades del Plan General de Residuos Radiactivos

La Entidad desarrolla su actividad pública de acuerdo con los objetivos establecidos en el Real Decreto 102/2014 y demás legislación aplicable, para la gestión responsable y segura del combustible nuclear gastado y los residuos radiactivos, estando por tanto sus actuaciones encaminadas en este sentido, y de acuerdo a lo indicado en la Nota 1 de la memoria.

La gestión de los residuos radiactivos, el desmantelamiento y clausura de instalaciones nucleares, a que se refiere el artículo 38 bis de la Ley 25/1964, de 29 de abril, encomendada a la Entidad, se efectúa con cargo al Fondo para la financiación de las actividades del Plan General de Residuos Radiactivos.

El Fondo para la financiación de las actividades del Plan General de Residuos Radiactivos se financia en los términos establecidos por el Ministerio de Energía, Turismo y Agenda Digital a través de las tasas recaudadas por la Agencia Estatal de Administración Tributaria (AEAT). Estas tasas son ingresadas por los sujetos pasivos mediante autoliquidación a través de sus entidades colaboradoras y finalmente, cuando el Secretario de Estado de Energía libra los fondos, son enviados a la Entidad desde el Tesoro. Asimismo, se integran en el Fondo los rendimientos derivados de las inversiones financieras transitorias del mismo. Las cantidades son financiadas por los titulares de las centrales nucleares en los términos establecidos por el Ministerio indicado.

Las necesidades de financiación futuras por las posibles desviaciones de las hipótesis del PGRR están plenamente garantizadas mediante la posibilidad de modificación de los tipos de gravamen que la mencionada Ley prevé se lleve a cabo mediante Real Decreto.

La finalidad de este Fondo por tanto es dar cobertura a los costes y gastos que se producen y se producirán en relación con el desarrollo de las actividades y proyectos que constituyen el objeto social de la Entidad, y que a 31 de diciembre de 2021 asciende a un total de 7.147.862 Miles de euros.

La variación anual del Fondo viene determinada desde un punto de vista contable por la diferencia entre la dotación al Fondo de los ingresos, para hacer frente a los gastos futuros, de los que se deduce el beneficio que debe registrar la Entidad, y la aplicación del Fondo a su finalidad.

Los motivos indicados justifican la inclusión de la Contribución al Fondo como un aspecto relevante. Los principales procedimientos realizados han consistido, entre otros, en los siguientes:

- Revisión de la correcta imputación de los ingresos obtenidos durante el ejercicio como dotación del fondo e imputación de los gastos incurridos como aplicación del mismo.

- Revisión del proceso de la facturación realizada a los titulares de centrales nucleares, que constituye la mayor parte de la cifra de negocios registrada. Nuestro trabajo ha incluido asimismo pruebas de detalle del procedimiento de cálculo establecido.

- En lo que respecta a los gastos incurridos, hemos realizado pruebas de detalle consistentes en verificar su correcto devengo a través de la correspondiente documentación soporte consistente en su mayoría en contratos de adjudicaciones, siendo los más significativos los relativos al estudio y gestión de los residuos.

Como resultado de nuestras pruebas respecto a la Contribución al Fondo para la financiación de las actividades del Plan General de Residuos Radiactivos, no se han identificado diferencias por encima de un rango razonable.

Los criterios de valoración utilizados y el desglose de información en relación con el Fondo están incluidos en las notas 1 y 9 de la memoria adjunta.

mazars

Clasificación y valoración de instrumentos financieros

La cartera de instrumentos financieros representa a 31 de diciembre de 2021 un porcentaje muy significativo del activo de la Entidad. Los criterios de clasificación y valoración de los instrumentos financieros, a efectos de su valoración, puede requerir de un elevado juicio y estimaciones complejas, que determina los criterios a aplicar en su valoración posterior.

Para los casos donde no exista un precio cotizado en un mercado activo (instrumentos financieros de nivel dos), la determinación del valor razonable de los instrumentos financieros requiere de estimaciones complejas realizadas mediante técnicas de valoración que pueden tomar en consideración un grado de subjetividad o datos de mercado no observables directamente.

Nuestro enfoque de auditoría ha incluido tanto la evaluación de los controles más relevantes relacionados con la clasificación y valoración de los instrumentos financieros, como la realización de pruebas de detalle y sustantivas. Los principales procedimientos realizados han consistido, entre otros, en los siguientes:

- Un adecuado entendimiento de la operativa y estrategia de contratación e inversión de la Entidad, mediante reuniones mantenidas y lectura de las Actas de Inversiones.

- Verificación y revisión de los criterios contables y de los procedimientos establecidos para el registro y valoración de la cartera de instrumentos financieros, comprobando que se adecuan a los criterios establecidos en la Normativa.

- Revisión de la correcta clasificación de los valores representativos de deuda en función de la finalidad con la que han sido adquiridos, verificando el cumplimiento de los requisitos establecidos en la normativa (capacidad financiera demostrada del tenedor, intención mantener a vencimiento, no exista opción de cancelación a favor del emisor que provoque una pérdida al tenedor, cotización mercado, rentabilidad), así como la correcta valoración y evaluación de necesidad de posible deterioro.

- Cuadre de los auxiliares contables que recogen los inventarios de las operaciones de los diferentes instrumentos financieros con los respectivos saldos contables.

- Para las pruebas de detalle sobre la clasificación y valoración de los instrumentos financieros, hemos seleccionado una muestra de operaciones con el objetivo de verificar la razonabilidad del valor razonable reconocido y/o de la corrección por deterioro, en su caso. Para esta muestra, y en función de la tipología de instrumentos contratados, en los casos aplicables, los métodos de contraste aplicados para obtener evidencia de los valores razonables asignados por la misma a los diferentes activos y pasivos financieros de acuerdo con los criterios establecidos en la normativa:

    - Para los instrumentos financieros valorados a coste amortizado, verificación de la no existencia de defaults u otros hechos que pudieran conducir, conjuntamente analizadas, a un deterioro.
    - Razonabilidad global de las variables consideradas por el experto independiente designado para las valoraciones realizadas y los inputs propuestos.
    - Muestra de valoración para determinados instrumentos financieros valorados a valor razonable (bonos y derivados).

Como resultado de nuestras pruebas respecto a las estimaciones del importe de deterioro del riesgo de crédito, no se han identificado diferencias por encima de un rango razonable.

Los criterios de valoración utilizados y el desglose de información en relación con las partidas indicadas están incluidos en las notas 4.5 y 7.1, 7.2 y 7.5., respectivamente, de la memoria adjunta.

Otra información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2021, cuya formulación es responsabilidad de los Administradores de la Entidad 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 el informe de gestión, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en:

a) Comprobar únicamente que el estado de información no financiera se ha facilitado en la forma prevista en la normativa aplicable y, en caso contrario, informar sobre ello.

b) Evaluar e informar sobre la concordancia del resto de la información incluida en el informe de gestión con las cuentas anuales, a partir del conocimiento de la entidad obtenido en la realización de la auditoría de las citadas cuentas, 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 la información mencionada en el apartado a) anterior se facilita en la forma prevista en la normativa aplicable y que el resto de la información que contiene el informe de gestión concuerda con la de las cuentas anuales del ejercicio 2021 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

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 Entidad, de conformidad con el marco normativo de información financiera aplicable a la Entidad en España que se identifica en la nota 2.1 de la memoria adjunta, y del control interno que consideren necesario para permitir la preparación de las cuentas anuales libres de incorrección material, debida a fraude o error.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestros objetivos son 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 contiene 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 vigente 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, puede preverse razonablemente que influyan 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 vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

mazars

- 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, manifestaciones intencionadamente erróneas, 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 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 incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Entidad 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 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 futuros pueden ser la causa de que la Entidad deje de ser una empresa en funcionamiento.

- 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 la Entidad en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos 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 la mayor significatividad en la auditoría de las cuentas anuales del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

MAZARS AUDITORES, S.L.P

2022 Núm. 01/22/04140

Informe de auditoría de cuentas sujeto a la normativa de auditoría de cuentas española o internacional

Madrid, 4 de abril de 2022

MAZARS AUDITORES, S.L.P.
ROAC Nº S1189

Carlos Marcos Corral
ROAC Nº 17577

FINANCIAL STATEMENTS 2021

BALANCE SHEET

BALANCE SHEET AT 31 DECEMBER 2021

(In thousand euro)

ASSETS	Notes to the 2021 statements	Financial year 2021	Financial year 2020 (*)
NON-CURRENT ASSETS		**5,575,378**	**5,575,378**
Property, plant and equipment	Note 5	**3,303**	**3,281**
Computer software		3,303	3,281
Property, plant and equipment	Note 6	**314,236**	**267,996**
Land and buildings		15,141	15,687
Technical installations and other property, plant and equipment		139,554	128,440
Assets under construction and advance payments		159,541	123,869
Long-term financial investments		**5,232,593**	**4,702,971**
Loans to third parties		5,466	6,056
Investment portfolio	Note 7.1	4,962,893	4,558,683
Derivatives	Note 7.2	139,301	41,814
Other financial assets	Note 12.6	124,933	96,418
Deferred tax assets	Note 11.4	**1,493**	**1,767**
Long-term accruals	Note 12.6	**23,753**	**23,753**
CURRENT ASSETS		**1,730,755**	**1,720,871**
Inventory		**1,590**	**1,159**
Raw materials and other supplies		1,590	1,159
Trade debtors and other receivables		**380,124**	**315,282**
Clients: Trade and service provision	Note 7.3	378,516	313,955
Miscellaneous debtors		60	82
Personnel		1,209	1,245
Other loans with public authorities	Note 11.1	339	-
Short-term financial investments		**620,226**	**679,563**
Investment portfolio	Note 7.1	617,688	666,264
Derivatives	Note 7.2	-	11,045
Other financial assets		2,538	2,254
Short-term accruals		**592**	**401**
Cash and other cash assets		**728,223**	**724,466**
Treasury		728,223	724,466
TOTAL ASSETS		**7,306,133**	**6,720,639**

(*) Only included for comparative purposes.
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the balance sheet as at 31 December 2021.

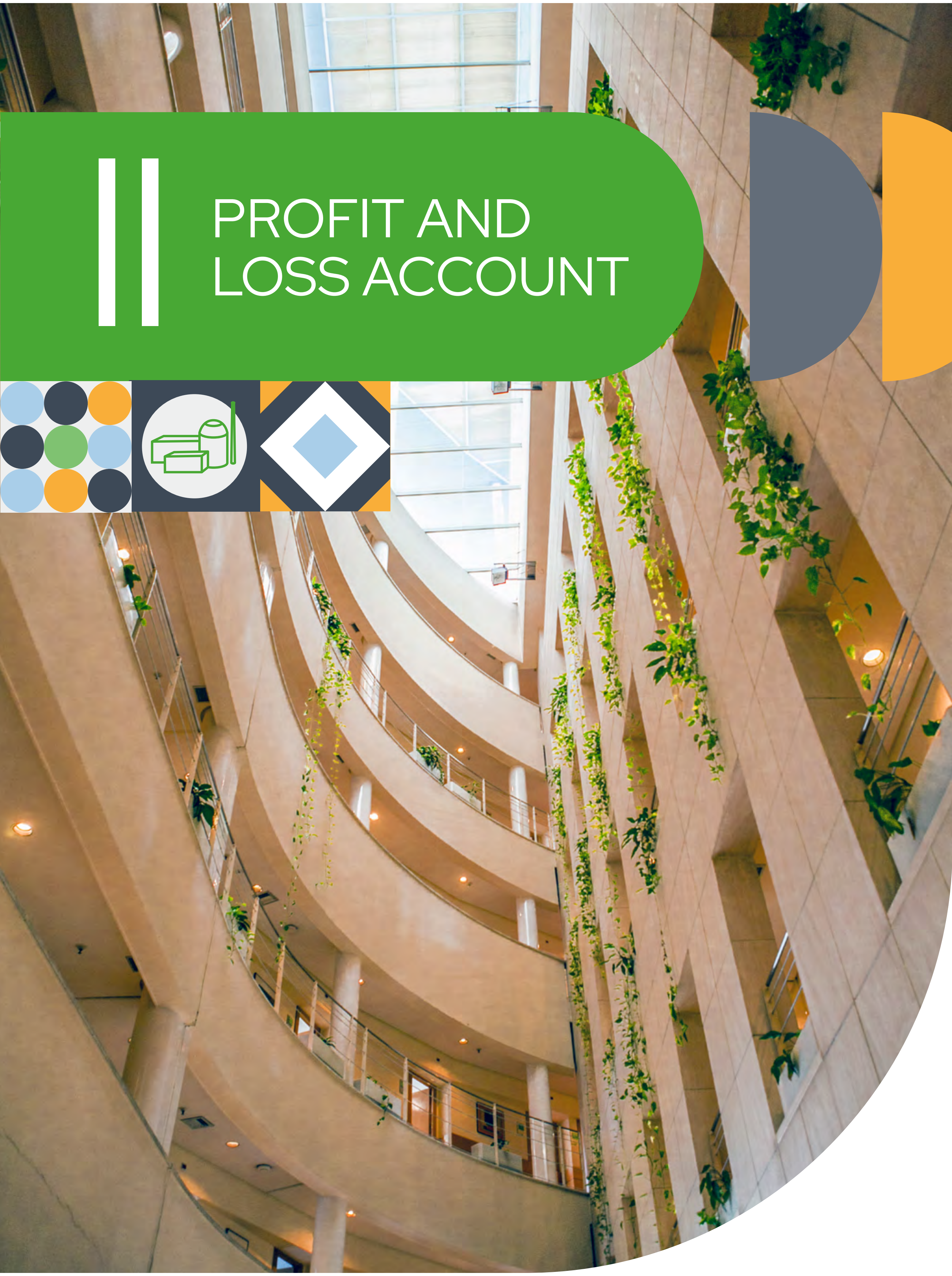
BALANCE SHEET AT 31 DECEMBER 2021

(In thousand euro)

NET EQUITY AND LIABILITIES	Notes to the 2021 statements	Financial year 2021	Financial year 2020 (*)
NET EQUITY	Note 8	**4,472**	**4,421**
OWN FUNDS		**4,472**	**4,421**
Capital		**3,606**	**3,606**
Registered capital		3,606	3,606
Reserves		**721**	**721**
Legal and statutory reserves		721	721
End-of-year profit (loss)	Note 3	**145**	**94**
NON-CURRENT LIABILITIES		**7,194,337**	**6,654,496**
Long-term provisions		**7,147,862**	**6,596,098**
Fund for the financing of the activities of the General Radioactive Waste Plan	Note 9	7,147,862	6,596,098
Long-term debts		**46,475**	**58,398**
Derivatives	Note 7.2	44,724	58,398
Other financial liabilities		1,751	-
CURRENT LIABILITIES		**107,324**	**61,722**
Short-term debts		**64,550**	**17,235**
Other financial liabilities		64,550	17,235
Trade and other payables		**42,774**	**44,487**
Suppliers		22,005	26,936
Sundry creditors		12,695	9,609
Personnel (payments pending)		1,813	1,765
Other debts with public authorities	Note 11.1	6,261	6,177
TOTAL NET EQUITY AND LIABILITIES		**7,306,133**	**6,720,639**

(*) Only included for comparative purposes.
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the balance sheet as at 31 December 2021.

PROFIT AND LOSS ACCOUNT



Profit and loss account for year ended 31 december 2021

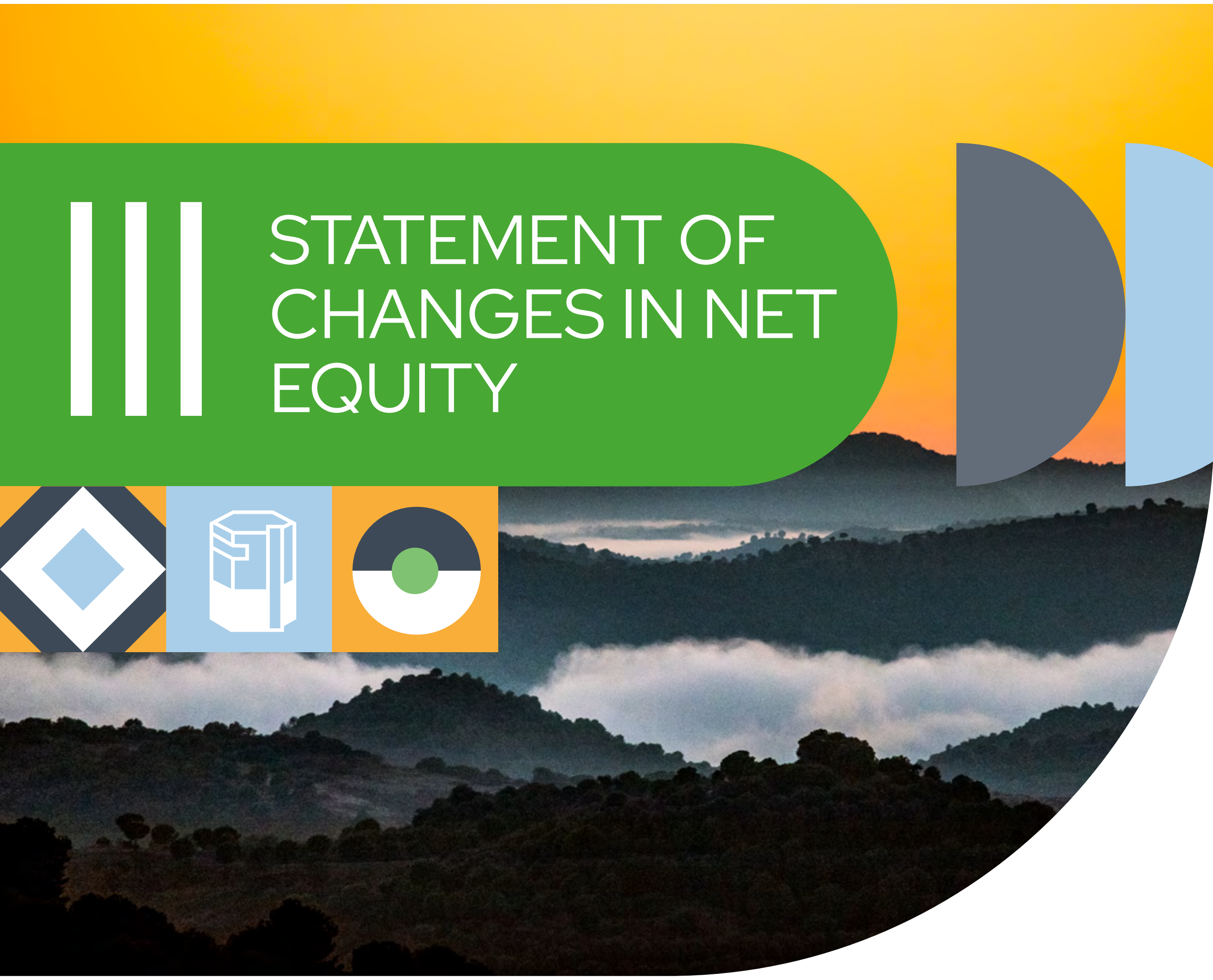
(In thousand euro)

	Notes to 2021 statements	Financial year 2021	Financial year 2020 (*)
CONTINUING OPERATIONS			
Net turnover	Note 12.1	**454,288**	**468,626**
Untaxable public financial contributions		454,288	468,626
Work performed by the Company for assets	Notes 4.1 y 4.2	**1,814**	**2,755**
Studies and waste management		**(86,634)**	**(85,772)**
Studies and waste management	Note 12.6	(58,411)	(59,982)
Allocations under Ministerial Order IET/458/2015 MINETUR	Note 4.13	(28,223)	(25,790)
Other operating income	Note 12.2	**179**	**303**
Ancillary income and other current operating income		26	65
Operating subsidies included in the profit (loss) for the year		153	238
Personnel costs		**(29,966)**	**(29,554)**
Wages, salaries and similar payments		(22,411)	(21,377)
Social contributions	Note 12.3	(7,555)	(8,177)
Other operating costs		**(21,016)**	**(17,313)**
External services		(19,481)	(15,880)
Taxes		(1,532)	(1,427)
Losses, impairments and changes in provisions for trade operations		16	(6)
Other current operating costs		(19)	-
Amortisation of fixed assets	Notes 5 y 6	**(17,042)**	**(16,258)**
Impairment and profit (loss) on disposal of fixed assets	Note 6	**-**	**(152)**
Impairment and losses		-	(152)
Profit (loss) on disposals and others		-	-
Other profits (losses)		**88**	**31**
OPERATING PROFIT (LOSS)		**301,711**	**322,666**

	Notes to 2021 statements	Financial year 2021	Financial year 2020 (*)
Finance income	Note 12.5	**180,965**	**145,186**
From marketable securities and other financial instruments		180,965	145,186
- Third parties		180,965	145,186
Finance costs	Note 12.5	**(15,253)**	**(14,682)**
For debts with third parties		(15,253)	(14,682)
Change in fair value of financial instruments	Note 12.5	**84,772**	**46,390**
Trading book and others		84,772	46,390
Exchange rate differences	Note 12.5	**(20)**	**(13)**
FINANCIAL PROFIT (LOSS)		**250,464**	**176,881**
PRE-TAX PROFIT (LOSS)		**552,175**	**499,547**
Tax on profit	Note 11.3	(266)	404
Change in provision for Fund for financing activities of GRWP	Note 9	(551,764)	(499,857)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**145**	**94**
END-OF YEAR PROFIT (LOSS)	**Note 3**	**145**	**94**

(*) Only included for comparative purposes.
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the profit and loss account as at 31 December 2021.

III STATEMENT OF CHANGES IN NET EQUITY



Statement of changes in net equity for financial year 2021
(In thousand euro)

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE		
	Financial year 2021	**Financial year 2020 (*)**
RESULT OF THE PROFIT AND LOSS ACCOUNT	**145**	**94**
Income and expenses directly attributed to net equity:	-	-
TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO NET EQUITY	**-**	**-**
Transfers to profit and loss account:	-	-
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE	**145**	**94**

(*) Only included for comparative purposes
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the statement of changes in net equity as at 31 December 2021.

B) TOTAL STATEMENT OF CHANGES IN NET EQUITY

	Capital	Reserves	Profit (loss) from previous years	Profit (loss) from year	TOTAL
ADJUSTED BALANCE AT START OF FINANCIAL YEAR 2020 (*)	**3,606**	**721**	**-**	**112**	**4,439**
Total recognised income and expenditure	**-**	**-**	**-**	**94**	**94**
Operations with shareholders:					
Distribution of profit (loss) for financial year 2020	-	-	-	(112)	(112)
FINAL BALANCE FOR FINANCIAL YEAR 2020 (*)	**3,606**	**721**		**94**	**4,421**
Adjustment for changes to criteria or errors	-	-	-	-	-
ADJUSTED BALANCE AT START OF FINANCIAL YEAR 2021	**3,606**	**721**	**-**	**94**	**4,421**
Total recognised income and expenditure	**-**	**-**	**-**	**145**	**145**
Operations with shareholders:					
Distribution of profit (loss) for financial year 2020	-	-	-	(94)	(94)
FINAL BALANCE FOR FINANCIAL YEAR 2021	**3,606**	**721**		**145**	**4,472**

(*) Only included for comparative purposes
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the statement of changes in net equity as at 31 December 2021.

IV CASH FLOW STATEMENT

Cash flow statement for financial year 2021

(In thousand euro)

	Financial year 2021	Financial year 2020 (*)
OPERATING CASH FLOW (I)	**436,089**	**339,394**
Pre-tax profit (loss) for the year	552,175	499,547
Adjustments to profit (loss):		
- Depreciation of fixed assets	17,042	16,258
- Write-downs for impairment	-	152
- Changes in provisions	(16)	6
- Income from write-offs and disposals of fixed assets	-	-
- Finance income	(180,965)	(145,186)
- Finance costs	15,253	14,682
- Exchange rate differences	20	13
- Change in fair value of financial instruments	(84,772)	(46,390)

	Financial year 2021	Financial year 2020 (*)
Changes in working capital		
- Inventory	(431)	(42)
- Trade and other accounts receivable	(64,867)	(112,784)
- Other current assets	(191)	(54)
- Creditors and other accounts payable	(1,705)	(2,255)
- Other current liabilities	46,577	(5,682)
- Other non-current assets and liabilities	1,751	-
Other operating cash flows from operating activities		
- Interest paid	(14,878)	(14,682)
- Interest received	151,317	135,792
- Proceeds (payments) deriving from tax on profits	2	19
- Other payments	(223)	-
CASH FLOW FROM INVESTMENT ACTIVITIES (II)	**(432,218)**	**(41,687)**
Investment payments		
- Intangible fixed assets	(2,869)	(4,647)
- Property, plant and equipment	(60,435)	(15,304)
- Other financial assets (investment portfolio)	(979,657)	(390,000)
- Other assets (third-party creditors and others)	(29,395)	(29,083)
Proceeds from divestments		
- Other financial assets (investment portfolio)	638,500	395,570
- Other assets (third-party creditors)	1,638	1,777
CASH FLOW FROM FINANCING ACTIVITIES (III)	**(94)**	**(112)**
Dividends paid and income from other equity instruments		
- Dividends	(94)	(112)
EFFECT OF EXCHANGE RATE CHANGES (IV)	**(20)**	**(13)**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III+IV)	**3,757**	**297,582**
Cash or cash equivalents at start of financial year	724,466	426,884
Cash or cash equivalents at close of financial year	728,223	724,466

(*) Only included for comparative purposes
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the cash flow statement as at 31 December 2021.

V NOTES TO THE FINANCIAL STATEMENTS

1.
COMPANY BUSINESS ACTIVITIES

Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., M.P. (hereinafter, Enresa) has, in 2021, continued to develop its objectives as established in Royal Decree 102/2014, of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste. This legislation provides for the preparation and approval by the Government of the General Radioactive Waste Plan (hereinafter, GRWP), a document in which the policies to be implemented by Enresa are established. The General Radioactive Waste Plans, the latest of which was approved by the Government on 23 June 2006, define the strategy to be followed in the area of radioactive waste management, along with the system for financing the costs of that management.

The Ninth Final Provision of the Climate Change and Energy Transition Act 7/2021, of 20 May, amends Article 38 *bis* of the Nuclear Energy Act 25/1964, in the following terms:

"Ninth Final Provision. A new paragraph is added to section 1 of Article 38 bis of the Nuclear Energy Act 25/1964, of 29 April, to read as follows:

"The construction, extension, repair, conservation, operation, decommissioning and any other works which, in implementation of the General Radioactive Waste Plan approved by the Government and charged to the Fund for its financing, that the Empresa Nacional de Residuos Radiactivos, S.A., S M. E. (Enresa), either itself or through third parties, must carry out to provide the essential public service it is commissioned with, constitute general interest public works."

The entry into force of this legal amendment implies that the works Enresa classifies as general interest public works shall not be subject to a municipal works licence.

Enresa has established agreements with the main producers of radioactive waste, both producers of nuclear electrical energy and industrial and hospital facilities, etc. in order to establish the conditions for the management of their waste.

2009 saw the amendment of the Nuclear Energy Act 25/1964, of 29 April and of the Sixth Additional Provision of Law 54/1997 and the repeal of the Sixth Additional Provision *bis* of the Electricity Sector Act, which in Law 11/2009, of 26 October, read as follows:

"Ninth Final Provision of the Nuclear Energy Act 25/1964 and of the Electricity Sector Act 54/1997

One. The Nuclear Energy Act 25/1964, of 29 April, is amended.

Article 38 bis is added to the Nuclear Energy Act 25/1964, of 29 April, with the following wording:

"Article 38 bis. Radioactive Waste Management.

1. *The management of radioactive waste, including spent nuclear fuel and the dismantling and decommissioning of nuclear facilities constitutes an essential public service which shall be the responsibility of the State, in accordance with Article 128.2 of the Spanish Constitution.*

   Empresa Nacional de Residuos Radiactivos, S.A. (Enresa) is responsible for the management of this public service, in accordance with the General Radioactive Waste Plan, approved by the Government.

   To this end, Enresa was set up as a separate resource and as a technical public service to carry out the functions assigned thereto by the Government.

2. It is the Government's responsibility to establish the policy for the management of radioactive waste, including spent nuclear fuel and the dismantling and decommissioning of nuclear facilities, through the approval of the General Radioactive Waste Plan, which will be drafted by the Ministry of Industry, Tourism and Trade, upon a report from the Nuclear Safety Council and once the regional Governments have been consulted in relation to territorial planning and the environment, and which will subsequently be considered by Parliament.

   The supervision of Enresa is the responsibility of the Ministry of Industry, Tourism and Trade, through the State Secretariat for Energy, which carries out strategic management and the monitoring and oversight of its activities and plans, both in technical and economic terms.

3. The Ministry of Industry, Tourism and Trade shall exercise the necessary powers of expropriation to ensure Enresa meets its objectives and for such purposes will assume the status of beneficial owner. The facilities necessary in order to meet these objectives shall be declared public utilities for the purposes of forced expropriation.

4. The State shall assume ownership of the radioactive waste once it has been placed in definitive storage. It shall also assume the monitoring role that may be required subsequent to the decommissioning of a nuclear power plant, once the period of time established in the corresponding declaration of decommissioning has elapsed."

Two. The Sixth Additional Provision of the Electricity Sector Act 54/1997, of 27 November, is amended.

The Sixth Additional Provision of the Electricity Sector Act 54/1997, of 27 November, is amended, to read as follows:

"Sixth Additional Provision. Fund for the financing of the activities of the General Radioactive Waste Plan.

1. The management of radioactive waste, including spent nuclear fuel and the dismantling and decommissioning of nuclear facilities, as referred to in Article 38 bis of Law 25/1964, of 29 April, setting up the Empresa Nacional de Residuos Radiactivos S.A. (Enresa), shall be carried out using the Fund for financing the activities of the General Radioactive Waste Plan.

   The Said Fund is comprised of amounts raised from the collection of fees regulated in section 9, along with any other funds received or income deriving from the provision of the said services. In addition, income derived from the temporary financial investments of the same is included in the Fund. The allocations to the Fund shall be considered deductible for Corporation Tax purposes.

   The amounts comprising the Fund, without prejudice to the aforementioned temporary financial investments, may only be invested in costs, works, projects and assets deriving from the activities provided for in the General Radioactive Waste Plan approved by the Government.

2. The supervision and control of the temporary investments relating to the financial management of the Fund shall be the responsibility of a Monitoring and Oversight Committee attached to the Ministry of Industry, Tourism and Trade, through the State Secretariat for Energy.

3. Amounts allocated to the Fund to finance the costs corresponding to the management of nuclear waste and spent nuclear fuel generated at nuclear facilities where operation had ceased definitively prior to 1 January 2010, along with their dismantling and decommissioning, future costs corresponding to the nuclear facilities or factories producing fuel components that, having definitively ceased operation, were not provided for during the said operation and that, as the case may be, could arise from that provided for in section 5 of this additional provision, shall be considered costs of diversification and security of supply as provided for in this law.

Furthermore, amounts allocated to the Fund to finance the costs of radioactive waste management deriving from the research activities the Ministry of Industry, Tourism and Trade determines to have been directly related to the generation of nuclear electric power, dismantling and decommissioning operations that must be carried out as a consequence of the mining and production of uranium concentrates prior to 4 July 1984, the costs deriving from the reprocessing of spent fuel sent abroad prior to the entry into force of this law and those other costs specified by royal decree shall also have the same consideration as those listed in the said royal decree.

4. Sums allocated to the Fund to finance the costs incurred as from 1 January 2010, corresponding to the management of radioactive waste and spent fuel generated at operating nuclear power plants shall not be considered costs of diversification and security of supply and shall be financed by the licensees of the nuclear power plants during the said operation, regardless of the date of their generation, along with those corresponding to dismantling and decommissioning.

   Furthermore, the allocations to local authorities affected by nuclear power plants or spent fuel or nuclear waste storage facilities, under the terms established by the Ministry of Industry, Tourism and Trade shall be financed by the licensees of nuclear power plants, along with the amounts corresponding to the taxes accrued in relation to activities for the storage of radioactive waste and spent fuel, regardless of their date of generation.

5. In the event of an early cessation of operations in respect of the period established in the General Radioactive Waste Plan due to causes beyond the control of the licensee, the financing deficit which, as the case may be, exists shall be considered a cost of diversification and security of supply. Where such a cessation takes place at the will of the licensee, the latter shall be liable for the corresponding fees.

6. The remaining amount of the Fund as at 31 December 2009, once the amount necessary to finance the forecast costs referred to in section 3 are deducted, shall be allocated to financing the costs referred to in section 4.

7. All costs relating to technical activities and support services necessary for carrying out such activities, including the costs corresponding to the structure and R&D&I projects and activities shall be included in the costs of managing radioactive waste and spent fuel and dismantling and decommissioning, in accordance with the provisions of the General Radioactive Waste Plan.

   The cost of managing radioactive waste and spent fuel at the nuclear production power plant shall exclusively include the cost corresponding to activities carried out by Enresa and, as the case may be, third party costs deriving from such activities.

8. The removal and management of lightning arresters and the management of radioactive waste generated in exceptional circumstances, as provided for in Article 2 of Law 15/1980, of 22 April, on the creation of the Nuclear Safety Council, shall be financed by the Fund, when the latter cannot be passed on in accordance with prevailing regulations and when so determined by the Ministry of Industry, Tourism and Trade.

9. For the purposes set out in section 1 of this additional provision, the taxes are established which shall be considered taxes incurred upon the services referred to in Article 38 bis of Law 25/1964, of 29 April, and which shall be paid in to the Public Treasury as a non-budgetary item. The amounts corresponding to the taxes paid in shall be released by the Treasury to the Fund for the financing of the activities of the General Radioactive Waste Plan, upon a proposal from the State Secretary for Energy."

Furthermore, the Eleventh Final Provision of the Public Sector Contracts Act 9/2017, of 8 November, which came into force on 9 March 2018, amended the First Additional Provision of the General Taxation Act 58/2003, of 17 December, to read as follows:

"First Additional Provision. Fiscal obligations of a public nature.

1. *Fiscal obligations of a public nature are those referred to in Article 31(1) of the Spanish Constitution, which are requirements of a coercive nature.*

2. *The fiscal obligations of a public nature referred to in the previous section may or may not be considered taxes.*

   The obligations mentioned in section 1 shall be considered to be taxes when they are fees, special contributions or taxes as referred to in Article 2 of this law.

   Such other obligations that, as required coercively, respond to the general interest shall be considered fiscal obligations of a public nature not classified as taxes.

   In particular, fiscal obligations of a public nature not classified as taxes shall include those obligations which, considered as such, are required due to the provision of a service managed directly by private persons or through indirect management.

   Specifically, those required due to the operation of works or the provision of services under a regime as a concession or public-private enterprise, public business enterprise, enterprises with exclusively public capital and those of other private law formulas shall be considered as such."

In light of this additional provision, the consideration for the services provided by Enresa have been considered in 2020 to be untaxable public financial contributions, and consequently cease to be considered taxable income.

With the entry into force of these legislative amendments on 1 January 2010, the Fund for financing the activities of the General Radioactive Waste Plan began to be financed through taxes (currently untaxable public financial contributions) collected by the Spanish Tax Agency (AEAT). These contributions are paid in by taxpayers by way of self-assessment through collaborating entities and finally, when the State Secretary for Energy releases the funds, they are transferred to Enresa from the Treasury.

Subsequently, Enresa bills taxpayers the contribution for the provision of the radioactive waste management service so that, as established in section nine of the Sixth Additional Provision of the Electricity Sector Act 54/1997 of 27 November, such persons pay the VAT corresponding to such service provision.

Specifically in the case of nuclear production, Enresa bills the licensees of nuclear power plants for the amounts resulting from multiplying the gross kilowatts per hour generated in each of them, each calendar month, for a specific unitary value for each power plant expressed in Euro cents, obtained by multiplying the flat unit rate of 0.798 cents €/kWh by a corrector coefficient in accordance with the type of plant (rate paid in).

The Sixth General Radioactive Waste Plan, currently in force, approved by the Government on 23 June 2006 has the objective, among others, of evaluating total management costs. To determine future management costs, the Company has taken into consideration the period between 2022 and 2100 and the collection period to cover such costs is considered to be the scenario for the cessation of operations of nuclear power plants as defined in the draft National Integrated Energy and Climate Plan 2021-2030, submitted to the European Commission in February 2019, with the collection period ending in the year 2035.

The summary of the results obtained and the corresponding updated values of the said future costs, based on the type of financing, are as follows:

Thousand euro

Item	Planned cost as from 2022	Updated value at 01/01/2022
Electricity rates	1,558,739	1,182,611
Nuclear power plants	15,350,731	10,720,920
Juzbado factory	20,245	15,987
Other installations	73,418	55,269
TOTAL	**17,003,133**	**11,974,787**

The Company applied a discount rate of 1.5% for the update of the calculation of the value of future costs established in the 6th General Radioactive Waste Plan.

As at 31 December 2021, the Fund for financing the activities of the General Radioactive Waste Plan has a balance of 7,147,862 thousand euros (6,596,098 thousand euros as at 31 December 2020). The Sixth Additional Provision of Law 54/1997, of 27 November, establishes the means for raising the amount required to cover the management costs estimated in the 6th General Radioactive Waste Plan. The future financing requirements arising from potential deviations from the hypothesis of the GRWP are fully guaranteed through the potential amendment of the types of levies provided for by the said law being introduced by royal decree, with such deviations thus not being attributable to Enresa: “The types of levies and taxation elements for the determination of these tax rates may be revised by the Government through royal decree, based on an updated economic-financial report of the cost of the corresponding activities provided for in the General Radioactive Waste Plan”.

In compliance with the said law, “Royal Decree 750/2019, of 27 December”, was published on 28 December 2019, “amending the flat unit rate for untaxable public financial contributions to finance the service of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., (Enresa) for operating nuclear power plants” which modified the value of the flat unit rate established in Section 9 Two (e) of the Sixth Additional Provision of the Electricity Sector Act 54/1997, of 27 November, establishing this value at 0.798 cents €/kWh.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Financial Reporting Regulatory Framework Applicable to the Company

These financial statements have been prepared by the Directors in accordance with the regulatory framework for financial information applicable to the Company, which is set out in:

a. The Code of Commerce and other commercial legislation.

b. Royal Decree 1/2021, of 12 January, amending the General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November; the General Chart of Accounts of Small- and Medium-Sized Enterprises approved by Royal Decree 1515/2007, of 16 November, the Rules for the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010, of 17 September; the Resolution of 10 February 2021, of the Institute of Accounting and Account Auditing, issuing the rules for the registration, valuation and preparation of the financial statements for the recognition of income from the delivery of goods and provision of services.

c. The obligatory standards approved by the Institute of Accounting and Account Auditing developing the General Chart of Accounts and its complementary regulations.

d. Other applicable Spanish accounting standards.

Given that the Company's financial year coincides with the calendar year, the date on which this rule is first applied is 1 January 2021.

Pursuant to the analysis and implementation performed, the entry into force of this rule has had no impact beyond the potential modification of the valuation classification categories of the financial assets and liabilities, which have been adapted to the content required by the new rule.

2.2 True and Fair View

The attached financial statements have been prepared based on the accounting records of the Company and they are presented in accordance with the applicable regulations on financial information and, in particular, the accounting principles and criteria contained therein, so that they represent a fair and accurate picture of the equity, the financial position and the profit (loss) of the Company and the cash flows for the corresponding financial year. These financial statements, which have been prepared by the Directors of the Company, shall be submitted for approval at the Ordinary General Shareholders' Meeting, where they are expected to be approved without any modifications.

The 2020 financial statements were approved by the General Shareholders' Meeting held on 28 June 2021 with no changes to those prepared by the Directors of the Company.

2.3 Accounting Principles Applied

The Directors have prepared these financial statements taking into account the set of obligatory accounting principles and standards that have a significant effect on the said financial statements. No obligatory accounting principle has not been applied.

2.4 Critical Aspects of Assessing and Estimating Uncertainty

In the preparation of these attached financial statements, estimates made by the Company have been used in the evaluation of some assets, liabilities, income, expenditure and commitments that are contained therein. Principally, these estimates refer to:

- The useful life of intangible and tangible fixed assets (see notes 4.1 and 4.2).
- The market value of certain financial instruments (see notes 4.5 and 7).
- The future costs of the 6th General Radioactive Waste Plan (see note 1).
- The calculation of Corporation Tax: the financial results of the Company declared to the tax authorities in the future that have served as the basis for the registration of different balances relating to Corporation Tax in these financial statements (see notes 4.8 and 11).

These estimates have been made based on the best information available in relation to the facts analysed at the date of preparation of the attached financial statements, although it is possible that events that may take place in the future require their modification over the coming years, which would be done by prospectively recognising the effects of the change in the estimate which, at any event, is not considered to have a significant effect on the corresponding financial position in the future.

2.5 Comparison of Information

The information contained in these notes on financial year 2020 is solely presented for the purposes of comparison with the information on financial year 2021.

2.6 Grouped items

Certain items on the balance sheet, the profit and loss account, the statement of changes in net equity and the cash flow statement are presented as groups so as to facilitate their comprehension; however, where significant, the itemised information has been broken down in the corresponding notes to the financial statements.

2.7 Changes in accounting criteria

In 2021, no changes were made to the accounting criteria in respect of those applied in 2020.

2.8 Correction of errors

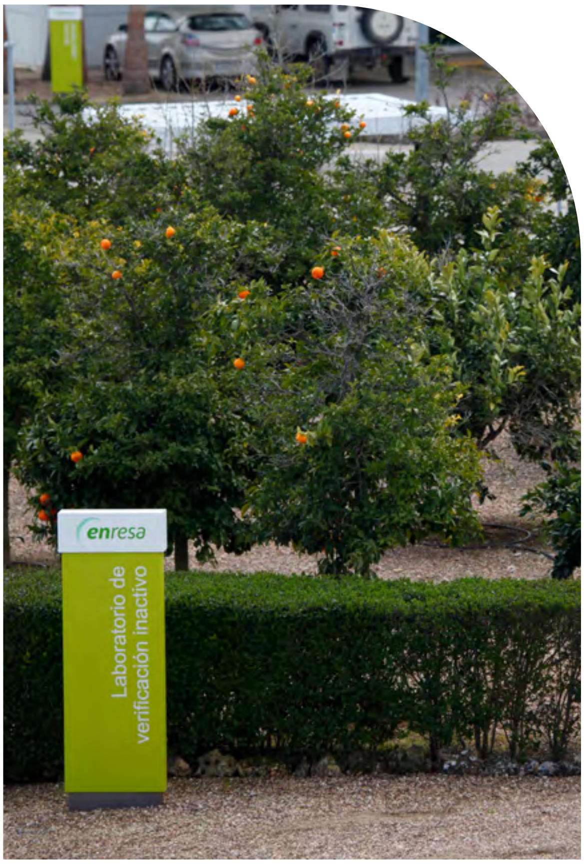
No significant errors were identified during the preparation of the attached financial statements that involved re-stating the amounts included in the financial statements for financial year 2020.

3.
DISTRIBUTION OF PROFIT (LOSS)

The Ordinary General Shareholders' Meeting approved the proposal for the distribution of the 2020 profits on 28 June 2021, with no changes in respect of that made by the Directors of the Company.

The distribution of the 2021 profits, as proposed by the Directors of Enresa, and which will be submitted for approval at the General Shareholders' Meeting, is as follows:

	Thousand euro
BASIS OF DISTRIBUTION:	
Profits and losses	145
DISTRIBUTION:	
Dividends	145



As from 1987 and based on that contents of the 1st General Radioactive Waste Plan approved by the Government on 16 October 1987, when calculating a percentage rate to be collected from sales of electrical energy and for the coefficient of kilowatts per hour produced by nuclear power plants, both present and future costs to be incurred by Enresa in meeting its undertakings and the annual remuneration to be paid out to its shareholders must be included. In accordance with Article 7 of Royal Decree 102/2014, of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste, the said remuneration is determined using a percentage equal to that of the average return obtained from financial investments in the year, which stood at 4.01% in 2021 (2.61% in 2020). For this reason, Enresa's profit and loss account must show a positive figure in line with the amount to be distributed to shareholders plus the regulatory obligation arising from the provision of the legal reserve.

4. RECOGNITION AND VALUATION STANDARDS

The main recognition and valuation standards used by the Company in preparing the 2021 financial statements, in accordance with those established in the General Chart of Accounts, were as follows:

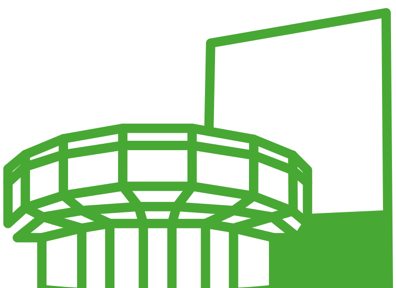
4.1 Intangible Fixed Assets (see note 5)

Enresa incorporates the research and development costs incurred in order to obtain new techniques for the management of the activities of the General Radioactive Waste Plan in its assets each financial year.

Nevertheless, given the gap that foreseeably exists between the time at which the cost is incurred and the time when such studies come to fruition in the form of a specific action or project, Enresa has decided to charge all of these costs against the final profit (loss) each year.

The amount recorded for this item in 2021 was 1,814 thousand euros (2,755 thousand euros in 2020), which is included under the heading “Amortisation of fixed assets” in the profit and loss account.

Computer software is recorded at its acquisition cost or production cost. Subsequently, its cost is measured by deducting the corresponding accumulated amortisation and, as the case may be, any losses due to impairment. The amount paid for the ownership or usage rights of the computer software is included under this heading, including those developed by the Company itself, amortised at a rate of 25% per annum. The charge to the profit and loss account for the 2021 financial year for the amortisation of computer software was 1,033 thousand euros (184 thousand euros in 2020).



In addition, whenever there are signs of losses in the value of the fixed assets (tangible, intangible or financial), the Company shall proceed to estimate the possible existence of losses in value that reduce the recoverable value of those assets to an amount less than their book value.

The recoverable value is the greater of the fair value less sale costs and its value in use.

4.2 Property, Plant and Equipment (see note 6)

Property, plant and equipment are presented at acquisition cost, and are subsequently reduced by the corresponding accumulated amortisation and impairment losses, if any.

The conservation and maintenance costs for the different elements that comprise property, plant and equipment are recorded in the profit and loss account for the financial year in which they are incurred. In contrast, the amounts invested in improvements that contribute to increasing the capacity or efficiency, or to extend the useful life of such assets, are recorded as a higher cost of such assets.

The different items that comprise this chapter are amortised using the linear method according to the estimated remaining years of useful life:

	Estimated years of useful life
Buildings and other constructions	14 to 50
Technical installations and machinery	8 to 46
Other installations, tools and fittings	4 to 46
Other tangible fixed assets	4 to 12

The charge to the profit and loss account for the 2021 financial year under amortisation of tangible fixed assets was 14,195 thousand euros (13,319 thousand euros in 2020).

4.3 Impairment of Value of Intangible and Tangible Assets

At the close of each financial year (in the case of goodwill or intangible assets with an indefinite useful life) or whenever there are signs of a loss in value (for other assets), the Company makes an estimate using the so-called impairment test for the possible existence of losses in value that reduce the recoverable value of the said assets to an amount less than their book value.

The recoverable value is the greater of the fair value less sale costs and value in use. In evaluating value in use, projected cash flows are discounted at the current value using the weighted average cost of capital which mainly reflects both the cost of liabilities and the specific risks of the assets.

At the close of 2021, the Company understands that there are no signs of impairment, in addition to those already recorded, in any of the elements of intangible or tangible fixed assets that might have a significant effect.

4.4 Operating Leases

Costs arising from operating lease agreements are charged to the profit and loss account in the financial year in which they accrue.

Any collection or payment that may be made upon entering into an operating lease agreement shall be treated as a prepaid lease collection or payment which shall be allocated to profit or loss over the term of the lease, as the profits from the leased asset are transferred or received.

4.5 Financial Instruments (see note 7)

4.5.1 Financial Assets

Classification

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

a. Loans and receivables: financial assets originating from the sale of assets or the provision of services for company trade operations or those that have no commercial origin and are not equity instruments or derivatives whereby the amounts collected are fixed or determinable and not traded on an active market.

b. Assets at amortised cost: debt securities, with a fixed maturity date and collections of a determinable amount, traded on an active market that the Company has shown its intention and capacity to maintain in its power up to the maturity date.

   These investments include fixed and variable rate bonds (referenced to inflation or an interest rate) that do not have embedded derivatives and hybrid financial assets in which embedded derivatives cannot be segregated.

c. Other financial instruments at fair value with changes in the profit and loss account: included within this heading, in accordance with Enresa's equity structure, are hybrid financial assets (structured bonds) in which embedded derivatives must be segregated, but since the Company cannot reliably determine the fair value of the embedded derivative to be segregated, all hybrid financial assets must be recorded at fair value with changes in the profit and loss account. Also included are investment funds, infrastructure funds and shares.

d. Derivatives: with some of the securities acquired, as part of its management of the GRWP, Enresa performs hedging operations through interest-rate swaps. All of these swaps, in accordance with Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste, are directly associated with specific investment operations, with the swap agreement serving to hedge the positions of the GRWP as part of its risk management and the financing model established therein.

Financial assets at amortised cost

A financial asset shall be included in this category, even when admitted to trading on an organised market if the Company maintains the investment with the aim of receiving cash flows from the execution of the contract, and the contractual conditions of the financial asset give rise, on specific dates, to cash flows that are solely collections of principal and interest on the amount of the principal pending.

Contractual cash flows that are solely collections of principal and interest on the amount of the principal pending are inherent to an agreement with the nature of an ordinary or common loan, without prejudice to the operation being agreed at a zero-interest rate or below the market rate.

Initial Valuation

Financial assets classified in this category are initially valued at their fair value which, without evidence to the contrary, is the transaction price, equivalent to the fair value of the consideration given, plus any directly attributable transaction costs.

However, loans for trade operations with a maturity date of no more than one year and that do not have an explicit contractual interest rate, along with loan to staff, dividends to be collected and capital calls on equity instruments that are expected to be received in the short term may be valued at their nominal value when the effect of not updating the cash flows is not significant.

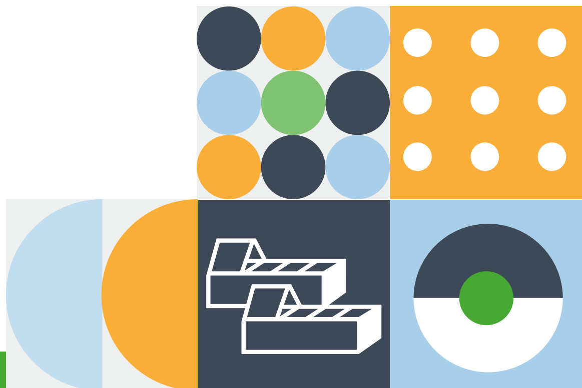
Subsequent valuation

Subsequently, the financial assets included in this category are valued at their amortised cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

However, loans that mature in less than a year which, according to the provisions of the previous paragraph, are initially valued at their nominal value, will continued to be valued at that amount, unless they have suffered impairment.

Value impairment

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the Company will analyse whether it is appropriate to record a loss in impairment value.



At least at the close of the year, the necessary value adjustments are carried out provided that objective evidence exists that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as a result of one or more events that have occurred after their initial recognition and that lead to a reduction or a delay in future estimated cash flows that may be caused by the insolvency of the debtor.

The impairment loss of these financial assets shall be the difference between their book value and the current value of the future cash flows including, as the case may be, those from the enforcement of *in rem* and *in personum* guarantees that it is estimated will be generated, discounting the effective interest rate calculated at the time of their initial recognition.

For financial assets at a variable interest rate, the effective interest rate that corresponds at the date of the close of the financial statements is used in accordance with the contractual conditions.

Impairment value adjustments, along with their reversal when the amount of the loss falls due to causes related to a subsequent event, are recognised as an expense or an income, respectively, in the profit and loss account. The impairment reversal has a limit of the book value of the asset that would be recognised at the reversal date in the event that the impairment value had not been recorded.

However, the market value of the instrument may be used as a substitute for the current value of the future cash flows, provided that this is sufficiently reliable to be considered as representative of the value that the Company may recover.

The recognition of interest on financial assets with credit impairment shall follow the general rules, regardless of whether the Company simultaneously evaluates if this amount will be subject to recovery and, as the case may be, records the corresponding impairment loss.

In particular, and with respect to any value adjustments related to trade debtors and other receivables, the Company uses the criterion of allocating the provision necessary to cover those amounts that are uncertain of being recovered by year-end. As at 31 December 2021 and 2020, respectively, the Company had a provision of 19 and 35 thousand euros, respectively.

Fair value financial assets with changes in the profit and loss account

A financial asset must be included in this category unless its classification is suitable in any of the other categories established in the General Chart of Accounts. Furthermore, financial assets maintained to trade must be included in this category. It is considered that a financial asset is held to trade when:

- It originates or is acquired for the purpose of sale in the short term (for example, debt securities, whatever their maturity date or listed equity instruments that are acquired to be sold in the short term),
- It forms part, at the time of its initial recognition, of a portfolio of financial instruments identified and managed jointly where evidence exists of recent actions to obtain short-term profits, or
- It is a derivative financial instrument, provided that it is not a financial guarantee contract or has been designated a hedging instrument.

The Company, at the time of the initial recognition, has irrevocably designated financial assets as fair value measures with changes in the profit and loss account and which, if not, would have been included in another category with the aim of eliminating or significantly reducing a valuation incoherence or accounting asymmetry that would have arisen in a different case of the valuation or the assets on liabilities on different bases.

Initial Valuation

Financial assets included in this category are initially valued at their fair value which, without evidence to the contrary, is the transaction price, equivalent to the fair value of the consideration given. The transaction costs directly attributable to them are recorded in the profit and loss account for the financial year.

Subsequent valuation

After their initial recognition, the Company values the financial assets included in this category at their fair value with changes in the profit and loss account.

The Company derecognises financial assets when they expire or when the cash flow rights of the corresponding financial asset have been transferred and the risks and benefits inherent to ownership of the same have been substantially transferred.

Classification as Current and Non-current

In the attached balance sheet, assets and liabilities are classified based on their contractual or expected maturity. To these effects, those assets with a maturity equal to or less than 12 months are classified as current and those with a maturity in excess of that term as non-current.

4.5.2 Financial Liabilities

Financial liabilities, for the purposes of their valuation, are included in the following categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value with changes in the profit and loss account

Financial liabilities at amortised cost are Company debits and items payable that have originated from the purchase of goods and services through trade operations or those that, with no trade origin, cannot be considered derivative financial instruments.

Debits and items payables are initially measured at the fair value of the consideration received, adjusted by any directly attributable transaction costs. However, debits from trade operations with maturity at less than one year and that are not subject to any contractual interest rate, along with disbursements called by third parties on holdings, the amount of which are expected to be paid out in the short term, may be valued at their nominal value, when the effect of not updating the cash flows is not significant. Subsequently, these liabilities are valued in accordance with their amortised cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits with maturity at less than one year, in accordance with the provisions of the previous paragraph, are initially valued at their nominal value, and continue to be valued at that amount.

Derivative financial instruments are measured at fair value, with those that, at 31 December 2021, hold a negative fair value, recorded as financial liabilities, following the same criteria as the corresponding financial assets at fair value with changes in the profit and loss account as described in the previous section. Derivative financial instruments not designated as hedging instruments are included in the category of "financial liabilities at fair value with changes in profit and loss".

The Company derecognises passive liabilities when the obligations they generate are extinguished.

4.5.3 Equity Instruments (see note 8)

Capital instruments issued by the Company are recorded in net equity at the amount received, net of any issue costs.

4.6 Inventories

Inventories are valued at the lesser of the acquisition price, the production cost and the net realisable value.

In assigning the value of its inventory, the Company uses the FIFO (First In, First Out) method.

The Company recognises the appropriate write-downs as an expense in the profit and loss account when the net realisable value of the inventories is lower than the acquisition price (or production cost).

4.7 Foreign Exchange Transactions (see note 12.4)

The functioning currency of the Company is the Euro. Consequently, all transactions in other currencies are considered in the foreign currency and are recorded according to the exchange rates in effect on the date of the transaction.

At the end of the financial year, all assets and liabilities denominated in foreign currency other than Euro are converted by applying the exchange rate on the date of the balance sheet. Any resulting profits or losses are directly assigned to the profit and loss account for the financial year in which they occur.

4.8 Taxes on Profits (see note 11)

Income or expenses under this item include both current and deferred taxes on earnings.

Current tax is the amount paid by the Company as a result of tax settlements on profit related to a specific financial year. Any deductions or tax benefits in the tax payable excluding withholdings and payments on account, as well as any tax losses carried over from prior years and effectively applied in the current year, give rise to a lesser current tax amount.

The expense or income for deferred tax corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences identified as those amounts expected to be payable or recoverable deriving from differences between the book amounts of the assets and liabilities and their tax value, as well as tax loss carryforwards pending offsetting and credits for tax deductions not applied fiscally. These amounts are recorded by applying the tax rate at which they are expected to be recovered or settled to the corresponding temporary difference or credit.

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

In turn, deferred tax assets are only recognised when it is considered likely that the Company will have future tax gains against which they may be made effective.

Deferred tax assets and liabilities originating from transactions with direct debits or credits to the equity accounts are also recorded with a balancing entry in the equity.En cada cierre contable se reconsideran los activos por impuestos diferidos registrados, efectuándose las oportunas correcciones a los mismos en la medida en que existan dudas sobre su recuperación futura. Asimismo, en cada cierre se evalúan los activos por impuestos diferidos no registrados en balance y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación con beneficios fiscales futuros.

Law 40/1994, of 30 December, organising the National Electricity System, in its Seventh Additional Provision, on the Fund for financing Phase 2 of the nuclear fuel cycle, established that "the amounts collected through electricity rates, along with financial returns generated therefrom, shall be allocated to a provision considered deductible from Corporation Tax". This law came into force in January 1995, and hence only affects that financial year and subsequent years.

Prior to the entry into force of that law, Enresa paid Corporation Tax on profits from financial returns obtained from its securities portfolio. Allocations to the Fund for the financing of Phase 2 of the nuclear fuel cycle through such returns were not considered tax deductible.

Moreover, the Corporation Tax Act 43/1995, of 27 December, established, in note 2 of point 23 of its Sole Repealing Provision, that, among others, the Seventh Additional Provision of Law 40/1994, organising the National Electricity System, would remain in force.

With its entry into force on 1 January 2015 of the Corporation Tax Act 27/2014, of 27 November, in section i) of the second point of the Sole Repealing Provision, indicated that "*the Electricity Sector Act 54/1997, of 27 November, shall remain in force insofar as it refers to this Tax*".

As from 1 January 1998, the Electricity Sector Act 54/1997, of 27 December, in its Sixth Additional Provision, regarding the Fund for financing Phase 2 of the nuclear fuel cycle, also established that:

"Amounts paid through rates, tolls and prices, along with financial returns generated thereby, allocated to cover the costs of works under Phase 2 of the nuclear fuel cycle and the management of nuclear waste produced by the electricity sector, shall be allocated to a provision, with this allocation being considered deductible for the purpose of Corporation Tax. Other forms of financing of the costs of radioactive waste management shall receive the same consideration.

Amounts collected in the aforementioned provision may only be invested in costs, works, projects and fixed assets deriving from the activities provided for in the General Radioactive Waste Plan approved by the Government.

Amounts collected in the provision referred to in this provision shall be considered diversification and security of supply costs for the effects of the provisions of Article 16.6 of this law".

The drafting of this Sixth Additional Provision of the Electricity Sector Act 54/1997 was amended through the Fourteenth Additional Provision of Law 24/2001, of 27 December, on Tax, Administrative and Social Order Measures, to read as follows:

"Sixth Additional Provision. Fund for the financing of the activities of the General Radioactive Waste Plan.

1. *Amounts paid through rates, tolls and prices, along with any other form of financing of the costs of the work corresponding to Phase 2 of the nuclear fuel cycle, the management of*

radioactive waste and the dismantling and decommissioning of installations, including the financial returns generated thereby shall be allocated to a provision, with this allocation being considered deductible for the purpose of Corporation Tax.

Amounts collected in the aforementioned provision may only be invested in costs, works, projects and fixed assets deriving from the activities provided for in the General Radioactive Waste Plan approved by the Government.

2. *Amounts collected to be allocated to the provision relating to Phase 2 of the nuclear fuel cycle, to the management of radioactive waste generated in the production of nuclear energy or from those research activities that the Ministry of Economy determines have been directly related to this, along with those other activities specified by means of royal decree shall be considered costs of diversification and security of supply for the purposes of the provision of Article 16(6) of this law."*

The Sixth Additional Provision of the Electricity Sector Act 54/1997, of 27 December, was amended through the Ninth Additional Provision of Law 11/2009, of 26 October, regulating Listed Investment Companies on the Property Market, which also contained the amendment to the Nuclear Energy Act 25/1964, of 29 April, and the repeal of the Sixth Additional Provision *bis* of the Electricity Sector Act 54/1997. The said Sixth Additional Provision confirmed that allocations to the Fund would be considered deductible for financial years from 1 January 2010. "The allocations to the Fund shall be considered deductible under Corporation Tax".

As a consequence of this, and insofar as Enresa applies the provision allocated prior to 31 December 1995, and allocates financial returns taxed under Corporation Tax, this item shall be considered tax deductible and hence, as it will not have sufficient income to be calculated for tax purposes, this will give rise to tax loss carryforwards.

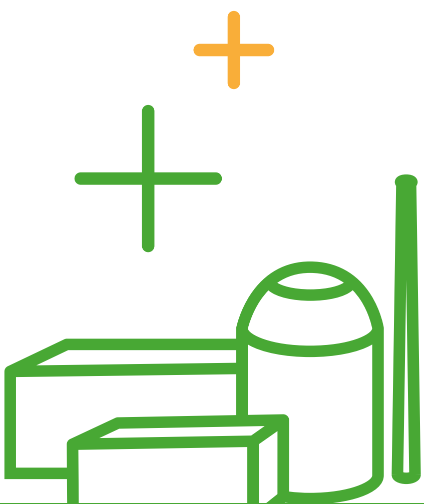
4.9 Income and Expenditure (see note 12)

Income and expenditure are recorded on an accrual basis, i.e., in the period in which the income or expenditure arising from the goods or services in question is earned or incurred rather than the period in which the cash or financial income is actually received or disbursed. Such income is recorded at the fair value of the consideration received, less discounts and taxes.

Income from the development of ordinary activity shall be recognised, for each contract, when the Company transfers the control of the goods or services committed to the clients.

The control of a good or service (an asset immediately consumed by the client) refers to the capacity to fully decide on the use of this equity element and obtain substantially all of its remaining profits. This control includes the capacity to prevent other entities from deciding on the use of the asset and obtaining its profits. At the time of the transfer of control, the income is valued at the amount reflected in the consideration that the company expects to be entitled to in exchange for the goods or services transferred.

For each obligation to be complied with (delivery of goods or provision of services) identified, the Company shall determine at the start of the contract whether the commitment taken on shall be complied with over the course of time or at a specific moment.



To apply this criterion, the Company follows a complete process made up of the following successive stages:

- Identify the contract (or contracts) with the client
- Identify the obligations contained in the contract to be complied with
- Determine the price of the transaction or contractual consideration
- Assign the price of the transaction between the different obligations to be complied with, as identified in the contract
- Recognise the income when (or to the extent that) the Company satisfies the obligations to be complied with

The Company recognises as income a) the fiscal obligation on tolls, paid by electricity distribution companies, in the month in which the distributor bills the electricity supplier; b) the fiscal obligation on the nuclear kWh generated, which is recorded in the month in which the energy is produced; c) the manufacturing fiscal obligation on nuclear fuel in the year in which the fuel is produced, and d) the fiscal obligation on other facilities (basically, radioactive facilities) in the month in which the waste removal occurs.

The Sixth Additional Provision of Law 54/1997 establishes the system of financing of Enresa through fiscal obligations and states that as it is considered a tax on the provision of service, this fiscal obligation will incur VAT and the General Directorate of Taxation, through a consultation issued in 2010, established that VAT shall accrue on the final day of the voluntary period for the payment of the tax or before if it is paid in advance.

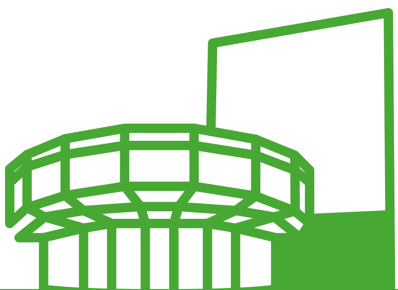
Income through interest on financial assets is recognised using the method of the effective interest rate for investments valued at amortised cost. For instruments valued at fair value, income is recognised as the difference between the market value at the end and at the start of the year.

4.10 Provisions for Pensions and Similar Obligations

By virtue of the provisions of the collective bargaining agreements corresponding to 2021, Enresa participates in the Pension Plan for its workers, through an external defined contribution fund, contributing, provided this is permitted under prevailing legislation, an initial contribution of €445.60 for all employees that contribute a minimum of €74.50. It adds to any higher amount 1.4 times the amount contributed by employees that sign up to this fund, with a maximum limit of €2,600 per person and year.

In 2021 and 2020, Enresa has not made contributions as the promotor of its employment Pension Plan set up prior to 31 December 2011.

Enresa recognises a retirement premium through the collective bargaining agreement, which takes the form of an employee entitlement to receive a specific lump sum according to the number of years of service of the employee at the time of their retirement. The Company has outsourced this commitment in the form of an insurance policy with the company Mapfre, the most relevant hypotheses being the purchase of capital at maturity (n-ésima) with a one-off premium, the application of a technical interest rate of 0.18% and the PERM/F 2012P actuarial table.



In 2021, the insurance policy was updated by the insured capital agreed in the current collective bargaining agreement. The expense was recorded in the profit and loss account for 2021 under the heading "Social contributions", with this item amounting to 788 thousand euros (1,822 thousand euros in 2020).

4.11 Provisions and Contingencies

In preparing these financial statements, the Directors of the Company differentiate between:

a. Provisions: credit balances that cover current obligations deriving from past events when the cancellation is likely to create a cash outflow, but the amount and/or time of cancellation thereof is uncertain.

b. Contingent liabilities: potential obligations as a result of past events, the future materialisation of which depends on whether one or more future events occur beyond the Company's control.

The financial statements reflect all provisions for which it is estimated that the likelihood of having to assume the liability is greater than the contrary. Contingent liabilities are not recognised in the financial statements but rather reported in the notes to the financial statements insofar as they are not considered remote

Provisions are measured at the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, considering the information available on the event and its consequences.

Any amounts to be received from a third party at the time of settling the obligation are recorded as assets, provided there are no doubts that the payment will be received, except where there is a legal relationship through which part of the risk has been outsourced and by virtue of which the Company is not required to assume it. In this situation, the amount offset will be considered when estimating the amount to be reflected as the corresponding provision, as the case may be.

4.12 Fund for the Financing of the Activities of the General Radioactive Waste Plan (see note 9)

The purpose of this Fund is to cover the costs and expenses deriving from the development of the activities and projects that comprise the corporate purpose of Enresa.

The annual variation of the Fund is determined by the difference between income provided to the Fund to meet future costs, from which the profit to be recorded by Enresa is deducted, and the application of the Fund to its purpose.

4.13 Allocations to Local Authorities

Until 11 March 2015, the Order of the Ministry of Industry and Energy, issued on 13 July 1998, regulated the allocations that Enresa was required to pay to local authorities whose jurisdiction covers or is close to a radioactive waste storage facility or nuclear power plant where spent fuel is stored on site. This Ministerial Order has been replaced by Order IET/458/2015, of 11 March, regulating the allocations to local authorities in the vicinity of nuclear power plants, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.

Enresa records the total accrued from these amounts paid annually as a cost, applying the calculation method established in the aforementioned Ministerial Order, having charged 25,534 thousand euros to the profit and loss account for 2021 (23,601 thousand euros in 2020) for this item.

As stated in the preamble of the Order itself, *"25 years after the introduction of these allocations, the same local authorities remain highly economically dependent on nuclear facilities, due to the low incidence that such allocations have had on their economic development, rarely having been used for investment in projects that contribute to the generation of alternative economies. Consequently, it was considered appropriate to introduce mechanisms that contribute to this objective, principally with a view to the future, once activity at the facilities has ceased.*

To this end, the Order provides for the allocation of further funds in addition to those received by the local authorities by virtue of the different Ministerial Orders, receipt of which is conditional upon the financing by such local authorities of projects that contribute to their economic development or the conservation and improvement of the environment.

Similarly, on a temporary basis until these additional funds arrive, the possibility that Enresa enters into collaboration agreements with the local authorities in the vicinity of Enresa-owned facilities is provided for, given its particular ties with that area."

In 2021, in accordance with Ministerial Order IET/458/2015, additional funds were approved to co-finance local development projects through the Resolutions of the Ministry for the Ecological Transition and Demographic Challenge (Spanish acronym: MITECO), of 15 December 2021 and previous resolutions, for the amount of 2,718 thousand euros (2,482 thousand euros in 2020). This amount is reduced by 150 thousand euros in 2021 for projects approved in 2018, 2019 and 2020, during which time (474 thousand euros in 2020) was waived, or which cost less than the amount of 156 thousand euros initially approved (95 thousand euros in 2020).

In accordance with the Single Temporary Provision on collaboration agreements in 2021 and 2020 under the aforementioned Ministerial Order, Enresa signed agreements with local authorities for local development for amounts of 277 thousand euros in each of the two years.

4.14 Related-party Transactions (see note 13)

The Company performs all its transactions with related parties at arm's length and therefore the Company does not consider any significant risks exist from which material liabilities may arise in the future.

4.15 Non-cash Generating Assets or Operating or Service Units

Order EHA/733/2010, of 25 March, approving the accounting of public enterprises operating in certain circumstances, contains the standards that constitute the regulation of the impairment of tangible fixed assets in public enterprises that operate in circumstances that impede the generation of cash flow.

For the purposes of the Order, a distinction is made between cash-generating assets, which are those that are held for the purpose of obtaining a profit or generating a commercial return through the delivery of goods or the provision of services, and assets that do not generate cash flow, which are those held for a purpose other than generating a commercial return, such as economic or social flows that such assets generate and benefit society as a whole through their social benefit or service potential.

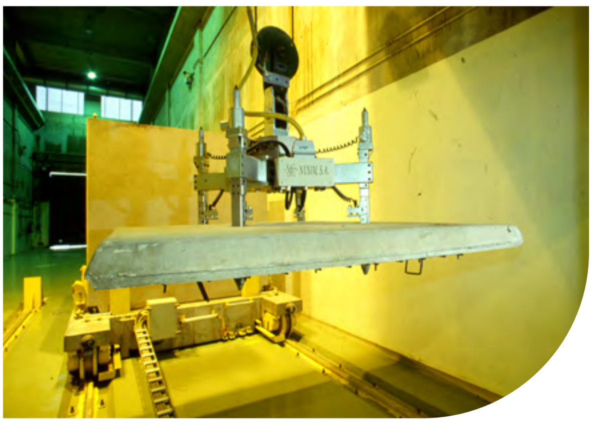
Non-cash flow generating assets are those used by State, regional or local public sector enterprises, whatever their legal nature, which must apply accounting principles and standards contained in the Code of Commerce and in the General Chart of Accounts of the Spanish enterprise and which, considering the strategic nature or public utility of the activity, regularly offer benefits or provide services to other entities without consideration, or in exchange for a fee or at a price set directly or indirectly by the public authorities.

Enresa has no non-cash generating operating or service units, as the fiscal obligations regulated by the Sixth Additional Provision of the Electricity Sector Act 54/1997, of 27 November, raise 100% of the funds necessary to meet the costs of the complete management of radioactive waste regulated by the General Radioactive Waste Plan, with no subsidy provided for on the part of the State, or economic or social flows.

5.
INTANGIBLE ASSETS
(see note 4.1)

The transactions occurring during financial years 2021 and 2020 in the different intangible asset accounts and their corresponding accumulated depreciation are set out in the following table:

Financial year 2021					Thousand euro
	Balance 01/01/21	Credits and allocations	Transfers	Debits, Write-offs reductions	Balance 31/12/21
COSTS:					
Research and development	2,755	1,814	-	(2,755)	1,814
Concessions, patents, licences, trademarks and similar	3,123	-	-	-	3,123
Computer software	16,233	0	3,355	(33)	19,555
Computer software under development	2,300	1,055	(3,355)	-	-
Total	**24,411**	**2,869**	**-**	**(2,788)**	**24,492**
DEPRECIATION:					
Research and development	(2,755)	(1,814)	-	2,755	(1,814)
Concessions, patents, licences, trademarks and similar	(3,123)	-	-	-	(3,123)
Computer software	(15,252)	(1,033)	-	33	(16,252)
Total	**(21,130)**	**(2,847)**	**-**	**2,788**	**(21,189)**
TOTAL NET COST	**3,281**	**22**			**3,303**



Financial year 2020					Thousand euro
	Balance 01/01/20	Credits and allocations	Transfers	Debits, Write-offs reductions	Balance 31/12/20
COSTS:					
Research and development	1,476	2,755	-	(1,476)	2,755
Concessions, patents, licences, trademarks and similar	3,123	-	-	-	3,123
Computer software	15,507	294	432	-	16,233
Computer software under development	1,134	1,598	(432)	-	2,300
Total	**21,240**	**4,647**	**-**	**(1,476)**	**24,411**
DEPRECIATION:					
Research and development	(1,476)	(2,755)	-	1,476	(2,755)
Concessions, patents, licences, trademarks and similar	(3,123)	-	-	-	(3,123)
Computer software	(15,068)	(184)	-	-	(15,252)
Total	**(19,667)**	**(2,939)**	**-**	**1,476**	**(21,130)**
TOTAL NET COST	**1,573**	**1,708**			**3,281**

In 2021 and 2020, Enresa continued to participate in European Research and Development Programmes, specifically in the European Union Shared Costs Programme, which finances both Enresa and its contractors. Enresa records the funds it receives from the EU to finance its R&D projects as operating income in the financial year. In 2021, it received such funds up to an amount of 116 thousand euros; see note 12.1 (206 thousand euros in 2020).

The amounts of the elements that were fully depreciated on the balance sheet as at 31 December 2021 and 2020 were 19,924 and 20,895 thousand euros respectively, according to the following breakdown:

In thousand euro

Carrying value (gross)

Item	2021	2020
Research and development	1,814	2,755
Concessions, patents, licences, trademarks and similar	3,123	3,123
Computer software	14,987	15,017
TOTAL	**19,924**	**20,895**

6.
FIXED ASSETS
(see note 4.2)

The transactions recorded in 2021 and 2020 in the different tangible fixed assets accounts and their corresponding accumulated depreciation are as follows:

Financial year 2021						**Thousand euro**
	Balance 01/01/21	**Credits and allocations**	**Transfers**	**Debits, Write-offs and reductions**	**Valuations adjustments for impairment**	**Balance 31/12/21**
COSTS:						
Land and buildings	42,874		-	-	-	42,874
Technical installations and other property, plant and equipment	334,298		23,886	(345)	-	358,716
Assets under construction and advance payments	123,869		(23,886)	-	-	159,541
Total	**501,041**		**-**	**(345)**	**-**	**561,131**
DEPRECIATION:						
Land and buildings	(27,187)		-	-	-	(27,733)
Technical installations and other property, plant and equipment	(205,858)		-	345	-	(219,162)
Total	**(233,045)**		**-**	**345**	**-**	**(246,895)**
TOTAL NET COST	**267,996**					**314,236**

Financial year 2020						Thousand euro
	Balance 01/01/20	Credits and allocations	Transfers	Debits, Write-offs and reductions	Valuations adjustments for impairment	Balance 31/12/20
COSTS:						
Land and buildings	43,026	-	-	-	(152)	42,874
Technical installations and other property, plant and equipment	319,955	246	14,148	(51)	-	334,298
Assets under construction and advance payments	122,959	15,058	(14,148)	-	-	123,869
Total	**485,940**	**15,304**	**-**	**(51)**	**(152)**	**501,041**
DEPRECIATION:						
Land and buildings	(26,885)	(302)	-	-	-	(27,187)
Technical installations and other property, plant and equipment	(192,892)	(13,017)	-	51	-	(205,858)
Total	**(219,777)**	**(13,319)**	**-**	**51**	**-**	**(233,045)**
TOTAL NET COST	**266,163**	**1,985**			**(152)**	**267,996**

For the 2021 financial year, investments were made in new fixed assets for an amount of 60,435 thousand euros (15,304 thousand euros in 2020). Among the most significant were the new installations at the El Cabril Disposal Centre at a cost of 590 thousand euros (167 thousand euros in 2020), the manufacture of metallic casks for storage at the ITS of Santa María de Garoña NPP at a cost of 24,656 thousand euros (304 thousand euros in 2020), the manufacture of metallic casks for storage at the ITS of Cofrentes NPP for a cost of 10,055 thousand euros (7,867 thousand euros in 2020), the manufacture of casks for the ITS of the Ascó NPP at a cost of 1,005 thousand euros (5,735 thousand euros in 2020), the manufacture of ENUN32P casks for the storage and transport of spent fuel from Spanish PWR plants at a cost of 23,208 thousand euros (882 thousand euros in 2020).

As at 31 December 2021 and 2020, Enresa has made provisions for value adjustments of 1,040 thousand euros for the impairment of buildings, due to the difference between the net book value and the market value of those properties for which the market value was less than the net book value.

The Company has formalised insurance policies to cover potential risks that different elements of its fixed assets may be subject to. In 2020, a market study highlighted the difficulties in implementing them as part of the Company's assets associated with industrial risks.

The amount of the elements that were fully amortised on the balance sheet as at 31 December 2021 and 2020 were 53,275 and 51,233 thousand euros, respectively, as broken down below:

	In thousand euro **Carrying value (gross)**	
Item	**2021**	**2020**
Buildings	4,710	4,601
Technical installations and other property, plant and equipment	48,565	46,632
TOTAL	**53,275**	**51,233**

At the close of financial years 2021 and 2020, the Company had no elements subject to guarantee or firm commitments to purchase fixed assets.

7. FINANCIAL INVESTMENTS (see note 4.5)

The existing financial instruments at 31 December 2021 are 2020 are as follows:

7.1 Investment Portfolio

In accordance with the options established in the General Chart of Accounts, the Company has designated its financial assets as "Assets at amortised cost" and "Other assets at fair value with changes in profit and loss". However, in the case of the latter, all its purchases of financial assets are also made with the intention and capacity to maintain them to maturity, although and given that they do not comply with the SPPI test, they are classified at fair value with changes in profit and loss. The investment portfolio as a whole is managed with the aim of optimising the finance model for the management of radioactive waste in Spain as provided for in the General Radioactive Waste Plan which determines a long-term time frame that does not provide for partial divestments, and a profitability target in real terms. The measurement criterion of the investment portfolio, with the exception of assets at fair value with changes in profit and loss, is the amortised cost with financial accrual of interest and not market value, as amortised cost is the criterion that best allows for the optimisation of the financial model of radioactive waste management in Spain. For the presentation of this note, financial investments have been grouped into long term and short term to offer a global overview.

At as 31 December 2021 and 2020, Enresa held the following financial assets in its investment portfolio:

Thousand euro

Class	Nominal	Carrying value	Nominal	Carrying value
	31-12-2021		31-12-2020	
Held-to-maturity investments	4,448,577	4,290,438	4,912,077	4,724,442
Fixed income financial assets at fair value with changes in profit and loss	651,000	651,679	465,000	500,505
Other assets at fair value with changes in profit and loss (*)	-	638,463	-	-
TOTALS	**5,099,577**	**5,580,580**	**5,377,077**	**5,224,947**

(*) These assets do not have a nominal value

The Company categorises the investment portfolio, from a management perspective, into different classes of assets:

a. State Debt: includes Spanish public debt, specifically, Spanish Treasury bonds, coupons and principal strips from the Spanish Treasury, Treasury bills and short-term repos, whose underlying element is Spanish public debt. The carrying value and face value of this class are 2,695,099 and 2,933,213 thousand euros, respectively, in 2021 (2,680,371 and 2,950,214 thousand euros, respectively, in 2020).

b. Other public debt: includes financial assets issued by government agencies, supranational bodies, regional governments and the public debt of other countries. The carrying value and face value of this class are 1,222,363 and 1,170,410 thousand euros, respectively, in 2021 (1,448,519 and 1,411,910 thousand euros, respectively, in 2020).

c. Other Debentures and Bonds: includes a diverse range of financial assets from different issuers from different sectors, both national and international and of different types. The carrying value and face value of this class of assets are 1,024,656 and 995,953 thousand euros in 2021 (1,096,057 and 1,014,953 thousand euros in 2020).

d. Passive investment funds: the amount of the carrying value of this class of assets is 523,905 thousand euros in 2021; this class of asset did not exist in 2020.

e. Infrastructure funds: the amount of the carrying value of this class of assets is 19,217 thousand euros in 2021; this class of asset did not exist in 2020.

f. Equity: the amount of the carrying value of this class of assets is 95,341 thousand euros in 2021; this class of asset did not exist in 2020.

g. Other short-term assets: includes financial assets, deposits and others, issued by financial institutions. No assets of these classes existed in 2021 and 2020.

As a result of the new purchases made in passive investment funds, infrastructure funds and equity as of 2021, and because these assets do not have a face value or maturity, and to best reflect the true image of the portfolio of securities, the portfolio has been broken down by maturity in 2021, taking into account the carrying value instead of the face value, and adding a column of assets without an established maturity. Applying this criterion, as at 31 December 2021 and 2020, the maturity breakdown for the items that form part of the section "investment portfolio" is as follows:

Financial year 2021						Thousand euro (Nominal)
Class / Item	Less than 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	More than 20 years	TOTAL
Held-to-maturity investments	1,931,501	990,293	262,796	1,105,848	-	4,290,438
Other assets at fair value with changes in profit and loss	51,803	59,322	143,632	396,922	638,463	1,290,142
TOTALS	**1,983,304**	**1,049,615**	**406,428**	**1,502,770**	**638,463**	**5,580,580**

Financial year 2020						Thousand euro (Nominal)
Class / Item	Less than 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	More than 20 years	TOTAL
Held-to-maturity investments	2,238,345	1,034,159	471,213	114,360	1,054,000	4,912,077
Other assets at fair value with changes in profit and loss	115,000	60,000	115,000	-	175,000	465,000
TOTALS	**2,353,345**	**1,094,159**	**586,213**	**114,360**	**1,229,000**	**5,377,077**

In financial year 2021, various assets reached maturity for a nominal amount of 638,500 thousand euros (407,679 thousand euros in 2020).

For net profit and loss from the different categories of financial instruments defined in the ninth recognition and measurement standard, see note 12.5.

In relation to financial assets at fair value with changes in profit and loss we have:

Financial year 2021				**Thousand euro**
Class	**Nominal**	**Carrying value**	**2021**	**Accumulated**
	31.12.2021		**Change in fair value**	
Other fixed income assets at fair value with changes in profit and loss	651,000	651,679	(35,090)	679
Other equity assets at fair value with changes in profit and loss (*)		638,463	19,746	19,746
TOTALS	**651,000**	**1,290,142**	**(15,344)**	**20,425**

(*) These assets do not have a nominal value

Ejercicio 2020				**Miles de euros**
Clase	**Nominal**	**Valor en libros**	**2020**	**Acumulado**
	31.12.2020		**Variación del valor razonable**	
Otros activos a valor razonable con cambios en pérdidas y ganancias	465,000	500,505	26,634	35,769
TOTALS	**465,000**	**500,505**	**26,634**	**35,769**

For financial years 2021 and 2020, the Company has estimated that there is no impairment to any financial instrument valued at amortised cost or fair value, and considers that there are no reasonable doubts regarding the repayment capacity of the assets on the part of issuers, who hold the appropriate credit rating, in accordance with the Company's investment policies.

In financial year 2021, there were acquisitions of assets classified as assets at amortised cost for the amount of 110 million euros (215 thousand euros in 2020).

In financial years 2021 and 2020, there were purchases of fixed income financial assets at fair value for a nominal amount of 251 and 175 million euros, respectively, recorded by Enresa as "Other assets at fair value with changes in profit and loss". In addition, purchases were made in 2021 of other types of assets valued at their fair value, such as passive investment funds, infrastructure funds and equity, which do not have a face value, for a purchase cost of 619 thousand euros. The contracting of this kind of instrument was authorised by the Monitoring and Control of the Fund Committee at its meeting on 26 November 2020.

7.2 Derivatives

All derivatives held by the Company are contracted with national or international financial institutions with the appropriate credit rating and consist of swaps between fixed or variable rates at a variable interest, at inflation or at the value of a share price index that allows for the objectives of profitability and management to be achieved.

As at 31 December 2021 and 2020, Enresa holds the following financial assets and liabilities from the financial derivatives contracted by the Company for the purpose of hedging against market risk and in accordance with the financial model established in the General Radioactive Waste Plan:

Thousand euro

	2021		2020	
Class	**Nocional**	**Fair value**	**Nocional**	**Fair value**
Item	**31-12-2021**		**31-12-2020**	
Financial derivatives (assets)	150,002	139,301	215,002	52,859
Financial derivatives (liabilities)	120,000	(44,724)	120,000	(58,398)
TOTALS	**270,002**	**94,577**	**335,002**	**(5,539)**

The derivatives held by the Company cannot be recorded as accounting hedges, in accordance with prevailing accounting rules.

For this reason, these derivative financial instruments have been recorded at fair value as financial assets or liabilities, and the changes thereof have been recorded in the profit and loss account.

The maturity breakdown of the item under the heading "Derivatives" is as follows:

Financial year 2021			Thousand euro (Notional)
Class	**less than 5 years**	**between 5 and 10 years**	**TOTAL**
Item			
Derivatives	150,002	120,000	270,002
TOTALS	**150,002**	**120,000**	**270,002**

Financial year 2020			Thousand euro (Notional)
Clase	**less than 5 years**	**between 5 and 10 years**	**TOTAL**
Item			
Derivatives	215,002	120,000	335,002
TOTAL	**215,002**	**120,000**	**335,002**

In financial year 2021, derivatives have been amortised or de-registered for a notional value of 65,000 thousand euros (no derivatives were amortised or de-registered in 2020).

For net profit and loss from the different categories of financial instruments defined in the ninth recognition and measurement standard, see note 12.5.

To calculate the fair value of these financial assets, the Company has taken as a reference the fair value calculated through measurement techniques based on discounting future cash flows and options as the reference value. Interest rate and inflation curves, volatility implicit in all interest rates and variable income have been taken as market inputs.

Since 1 January 2013, the Company has included a bilateral credit risk adjustment with the aim of reflecting both own risk as well as counterparty risk in the fair value of derivatives.

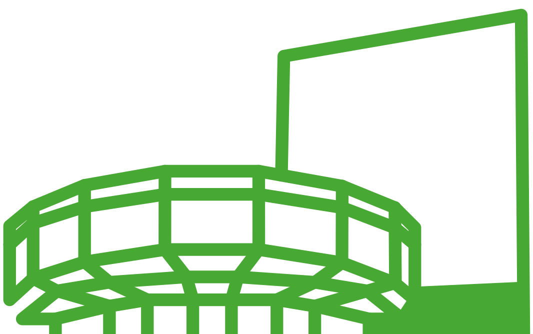
In order to determine the credit risk adjustment, the Company has applied a technique based on calculation through simulations of the expected total exposure (which includes both current exposure and potential exposure), adjusted by the default probability over time and by the severity (or potential loss) assigned to the Company and to each of its counterparties.

As at 31 December 2021, the inclusion of credit risk in the determination of the fair value of derivatives has led to an increase in the valuation of the derivatives of 611 thousand euros (1,406 thousand euros in 2020).

The Company has deemed that there is no impairment to any derivative financial instrument (with a positive fair value for the Company), and believes there are no reasonable doubts regarding the repayment capacity of the assets by the issuers, which hold the appropriate credit rating, in accordance with the Company's investment policies.

7.3 Trade and Service Provision Customers

The amount collected as trade debtors and other accounts receivable mainly includes the remaining amount pending collection per kilowatt generated monthly by the nuclear power plants, corresponding to the fiscal obligations collected through the Spanish Tax Agency to be allocated to Enresa from the Treasury when the State Secretary for Energy releases the funds (see note 1).



7.4 Information on the Nature and Level of Risk of Financial Instruments

7.4.1. Qualitative Information

Enresa's management of financial risks is adapted to the needs and requirements of prevailing legal regulations which establish that the basic principles of the financial management of Enresa shall be security, profitability and liquidity. At the same time, it complies with the GRWP, in which the model for financing the management of radioactive waste in Spain is defined. Lastly, it complies with the general principles of management of the Fund for the financing of the activities of the GRWP, issued by its Monitoring and Control Committee.

a) Credit risk:

Enresa complies with the guidelines on diversification and creditworthiness established by the Monitoring and Control Committee in accordance with the development capacities of the general investment criteria granted to the said body under prevailing legislation.

Additionally, Enresa assigns lines of concentrations of its investments to its counterparts based on an analysis of their financial solvency, ensuring even greater prudence in addition to the guidelines issued by the Committee.

b) Market Risk:

Enresa's portfolio of short-term financial investments must achieve a specific minimum real interest rate established through the model for the financing of radioactive waste management in Spain which the Government approved in the General Radioactive Waste Plans. This serves to update future costs to present values. Accordingly, Enresa, insofar as financial markets allow, concentrates its financial investments in fixed-income financial instruments linked to Spanish inflation plus a margin above the aforementioned real interest rate. It mainly diversifies the rest of its investments between fixed income alternatives offered in the financial market and, to a lesser degree, in financial investment vehicles with equity, real estate and infrastructure market exposure, and always with the expectation of exceeding the established real interest rate as a target.

c) Liquidity Risk:

Enresa adjusts the liquidity structure of its financial investments to the requirements of the economic-financial planning approved by the Government in the General Radioactive Waste Plans. Given the broad time-frame of current planning, financial investments are fundamentally made on a long-term basis, provided that financial market conditions allow this and make it advisable, since special liquidity requirements do not exist in the short or medium term. Nevertheless, the financial investments of the portfolio in the long term are mainly materialised through totally liquid financial products.

7.4.2. Quantitative Information

Data calculated from the nominal value of the portfolio as at 31 December 2021 and 2020:

a) Credit Risk:

The distribution of financial assets by sector and class of asset they belong to are broken down as follows:

In thousand euro

	2021		2020	
Sector	**Nominal**	**Carrying value**	**Nominal**	**Carrying value**
Public sector	4,403,624	4,242,776	4,662,124	4,767,460
Financial institutions	245,000	269,814	550,000	590,288
Energy	213,000	196,914	108,000	109,123
Technology and communication	111,000	105,017	-	-
Consumption and services	16,953	17,408	16,953	17,615
Industry	90,000	89,969	20,000	20,240
Real estate	20,000	20,219	20,000	20,221
Passive investment funds	-	523,905	-	-
Infrastructure funds	-	19,217	-	-
Equity	-	95,341	-	-
TOTAL	**5,099,577**	**5,580,580**	**5,377,077**	**5,224,947**

b) Performance Risk:

The percentages of financial assets by profitability rate are broken down into:

	% of carrying value	
Financial assets	**2021**	**2020**
Percentage of financial assets at interest rate	44.96%	48.10%
Percentage of financial assets linked to inflation	40.25%	48.32%
Percentage of financial assets linked to variable rate indexes with the principal guaranteed	3.35%	3.58%
Percentage of financial assets in passive investment fund market	9.39%	-
Percentage of financial assets in infrastructure fund market	0.34%	-
Percentage of financial assets in equity market	1.71%	-
TOTAL	**100.00%**	**100.00%**

7.5 Fair Value of Financial Instruments: Measurement Techniques and Hypotheses Applicable for Measuring Fair Value

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and liabilities under the standard terms and conditions and that are quoted on asset and liquid markets shall be determined in reference to the market prices quoted.
- The fair value of other financial assets and liabilities (except derivative instruments) shall be determined in accordance with the measurement models generally accepted on the basis of the discount of cash flows using the price of observable market transactions and those quoted by contributors for similar instruments

The following table shows an analysis of the financial instruments measured subsequently from groups 1-3 based on the extent to which the fair value is observable.

- Level 1: Those linked to quoted prices (without adjustment) on asset markets for identical assets or liabilities.
- Level 2: Those linked to other inputs (which are not quoted prices included in level 1) observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Those linked to measurement techniques that include inputs for assets or liabilities not based on observable market data (inputs that are not observable).

Financial year 2021				In thousand euro
	Nivel 1	Nivel 2	Nivel 3	Total
Derivative financial assets-instruments	619,246	790,980	19,217	**1,429,443**
Derivative financial liabilities-instruments	---	(44,724)	---	**(44,724)**

Financial year 2020				In thousand euro
	Nivel 1	Nivel 2	Nivel 3	Total
Derivative financial assets-instruments	---	553,364	---	**553,364**
Derivative financial liabilities-instruments	---	(58,398)	---	**(58,398)**

8. NET EQUITY AND OWN FUNDS (see note 4.5.3)

8.1 Share Capital

On 22 May 2001, the Board of Directors of Enresa approved the re-designation of the share capital to Euros. For this reason, the reduction in the share capital of €72.63 was agreed through the creation of the corresponding restricted reserve. The share capital of Enresa is now thus represented by 60,000 shares at a face value of €60.10, fully subscribed and paid up.

As at 31 December 2021 and 2020, the breakdown of Enresa shareholders is as follows:

Shareholder	Percentage holding	Thousand euro
Energy, Environmental and Technology Research Centre (CIEMAT)	80%	2,885
State Industrial Holdings Company (SEPI)	20%	721
TOTAL	**100%**	**3,606**

8.2 Reserves

In accordance with the Capital Companies Act, limited companies must allocate a figure equal to 10% of the year's profit to the legal reserve until it amounts to at least 20% of the share capital. The legal reserve may be used to increase capital in the part of the account balance that exceeds 10% of the capital already increased. Other than for the above purpose and without exceeding 20% of share capital, this reserve may only be used to offset losses provided there are no other reserves available and sufficient for this purpose.

At the end of financial year 2021, this reserve is fully constituted.

9.
FUND FOR THE FINANCING OF THE ACTIVITIES OF THE GENERAL RADIOACTIVE WASTE PLAN (see note 4.12)

The changes to this Fund over financial years 2021 and 2020 were as follows:

Thousand euro

	2021	2020
BALANCE AT 1 JANUARY	**6,596,098**	**6,096,241**
Allocations made over the year	(207,661)	(163,818)
Provisions made over the year	759,425	663,675
BALANCE AT 31 DECEMBER	**7,147,862**	**6,596,098**

10.
DEBTS

Information on average payment period to suppliers. Third Additional Provision, duty of information, of Law 15/2010, of 5 July.

Pursuant to the provisions of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, subsequently amended by Law 31/2014, establishing measures to combat late payments in trade operations, information relating to late payments to suppliers is set out as follows:

Payments made and payments pending at year-end	**2021**	**2020**
	No. of days	**No. of days**
Average payment period to suppliers	12,37	11,79
Ratio of operations paid	13,55	11,94
Ratio of operations pending payment	0,69	4,75
	Amount (thousand euro)	**Amount (thousand euro)**
TOTAL PAYMENTS MADE	**95,762**	**100,032**
TOTAL PAYMENTS PENDING	**9,704**	**2,213**

The Company, part of the European system of national accounts (SEC-2010), has, as from 1 January 2018, for the purposes of the calculation of the average payment period for suppliers, the status of a public authority, as provided for in Article 2.1 of the Budgetary Stability and Financial Sustainability Act 2/2012, of 27 April, which defines the subjective scope of application of Royal Decree 1040/2017, of 22 December, amending Royal Decree 635/2014, of 25 July, developing the calculation methodology for the average period of payment to suppliers of public authorities and the conditions and procedure to withhold resources from the financing systems.

The data provided above on payments to suppliers refers to those that, by their nature, are trade creditors through debts with suppliers of goods and services, in such a way as to include the relevant data on the items "suppliers" and "sundry creditors" of the current liability on the balance sheet.

11. PUBLIC AUTHORITIES AND TAX SITUATION (see note 4.8)

11.1 Current Balances with Public Authorities

The composition of the current balances with public authorities as at 31 December 2021 and 2020 is as follows:

Thousand euro

	2021		2020	
Item	**Debtors**	**Creditors**	**Debtors**	**Creditors**
Tax Office, Corporation Tax	339	-	-	7
Tax Office, withholdings made	-	899	-	846
Tax Office, VAT	-	2,573	-	2,772
Social Security bodies	-	454	-	445
Tax Office, Non-resident Income Tax	-	11	-	24
Eco Tax	-	2,320	-	2,083
Other creditors	-	4	-	-
TOTAL	**339**	**6,261**		**6,177**

11.2 Reconciliation of Accounting Result and Taxable Income

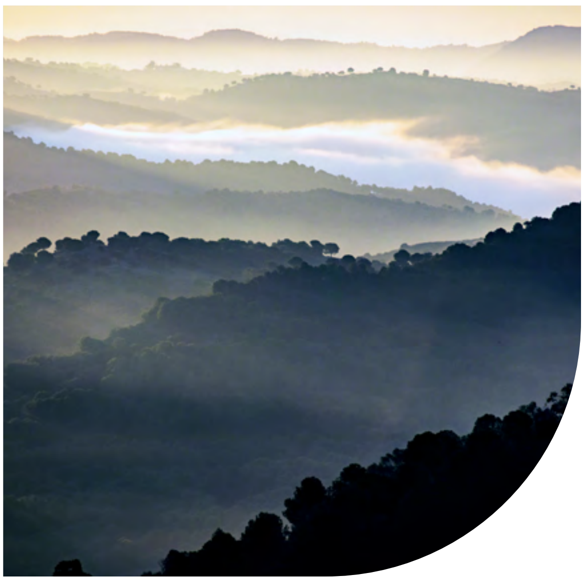
The reconciliation between the reported profit and the taxable income subject to Corporation Tax in financial years 2021 and 2020 is as follows:

Financial year 2021							**Thousand euro**
	Profit and loss account		**Income and expenses directly attributed to net equity**		**Reserves**		**TOTAL**
INCOME AND EXPENSES BALANCE FOR THE YEAR	**145**						**145**
	INCREASES	**DECREASES**	**INCREASES**	**DECREASES**	**INCREASES**	**DECREASES**	
Permanent differences (not including Corporation Tax)	374	(1,348)	-	-	-	-	(974)
Temporary differences	876	(880)	-	-	-	-	(4)
Offset for tax loss carryforwards							
TAXABLE INCOME (TAX PROFIT)	**1,395**	**(2,228)**	**-**	**-**	**-**	**-**	**(833)**
Full rate (25%)							-
Deductions for investments							-
Tax liability							-
Withholdings							(339)
AMOUNTS PAYABLE / (RECEIVABLE)							**(339)**

Financial year 2020							Thousand euro
	Profit and loss account		Income and expenses directly attributed to net equity		Reserves		TOTAL
INCOME AND EXPENSES BALANCE FOR THE YEAR	**94**						**94**
	INCREASES	DECREASES	INCREASES	DECREASES	INCREASES	DECREASES	
Permanent differences (not including Corporation Tax)	101	(1,179)	-	-	-	-	(1,078)
Temporary differences	1,991	(882)	-	-	-	-	1,109
Offset for tax loss carryforwards	-	(31)	-	-	-	-	(31)
TAXABLE INCOME (TAX PROFIT)							
Full rate (25%)	2,186	(2,092)	-	-	-	-	**94**
Deductions for investments							23
Tax liability							(15)
Withholdings							8
AMOUNTS PAYABLE / (RECEIVABLE)							**(1)**

The increases in permanent differences in financial years 2021 and 2020 mainly correspond to expenses for non-tax-deductible donations and agreements.

The decreases in the permanent differences in 2021 and 2020 mainly correspond to the reversal of the waste management provision, endorsed by the consultation made to the Directorate-General of Taxation in 1997, due to the fact that the said income is not calculated to determine the taxable base, for the part of this that corresponds proportionally to the non-tax-deductible provision in the period in which it was provided.



Due to the volume of tax losses pending application by the Company and that the time limit for the recovery of this taxable income is more than 10 years, the provision applied is considered a permanent difference.

In financial year 2014, temporary differences were recorded as a result of the application of Article 7 of Law 16/2012, of 27 December, introducing various tax measures aimed at consolidating public finances and boosting economic activity. The said law established a 70% limit for the deduction of book depreciation for elements of tangible and intangible fixed assets, in the Corporation Tax base.

The value of depreciation that was not financially deducted in these financial years in accordance with the established limit will be deducted on a linear basis over a period of 10 years or optionally during the useful life of the asset, as from the first tax period starting in 2015. Consequently, in the provisional settlement for 2021, apart from the depreciation for the financial year, one tenth of the depreciation not deducted in the years 2013 and 2014 has been deducted, resulting in a recovery rate of 220 thousand euros (220 thousand euros in 2020).

On 3 December 2016, Royal Decree Law 3/2016 was published, adopting tax measures for the consolidation of public finances, which introduces significant amendments to the scope of Corporation Tax. Among others, it establishes, with effect from 1 January 2016, the obligation to reverse, within a maximum period of five years, the provisions for the impairment in value of holdings that were deductible prior to 2013, the off-set for tax losses for large companies was limited to 25% of the previous taxable income and the application of the deduction for double domestic or international taxation generated or pending application was limited to 50% of the previous full rate. In addition, with effect from 1 January 2017, losses on the transfer of holdings are not deductible. In financial year 2021, these measures had no significant negative impact on the financial statements of the Company.

11.3 Reconciliation of Accounting Profit and Corporation Tax Expense

The reconciliation between the accounting profit and the Corporation Tax expense is as follows:

Thousand euro

Item	2021	2020
Accounting profit	145	94
Permanent differences	(974)	(1,078)
Adjusted accounting profit	(829)	(984)
25% rate	(207)	(246)
Impact of temporary differences	(1)	269
Deductions:		
For double taxation	-	-
For reinvestment of profits	-	-
Deductions for investments	-	(15)
Tax loss carryforwards	-	(8)
Current Corporation Tax cost	-	-
Deferred Corporation Tax cost	1	(269)
Deferred negative Corporation Tax adjustments	-	-
Adjustment for Corporation Tax paid in previous year	265	(135)
TOTAL TAX EXPENSE RECOGNISED IN PROFIT AND LOSS ACCOUNT	**266**	**(404)**

11.4 Deferred tax assets recorded

The breakdown of the balance of this account at year-end 2021 and 2020 is as follows:

Thousand euro

Temporary differences:	2021	2020
Depreciation of fixed assets	659	879
Impairment losses	260	260
Other	574	628
TOTAL DEFERRED TAX ASSETS	**1,493**	**1,767**

The deferred tax asset arises as a result of the temporary differences originating from different criteria for the accounting and tax allocation of fixed assets.

The deferred tax assets indicated above have been recorded on the balance sheet as the Directors of the Company, in accordance with the best estimates of future profits, consider it likely that these assets will be recovered.

The amount per deferred tax asset of the 2014 financial year was adjusted to the tax rates of those that would recover the deduction, which were modified in 2014 by the new Corporation Tax Act, at a rate of 25% for 2016 and following years.

In financial year 2021, deferred tax assets were recovered corresponding to depreciation in 2013 and 2014 for 220 thousand euros (220 thousand euros in 2020), which have been partly offset by the generation of other deferred tax assets.

11.5 Unrecorded deferred tax assets

The Company has not recorded certain deferred tax assets on the balance sheet attached, considering it unlikely that there will be positive taxable income in the future that will allow for their recovery.

The breakdown of these unregistered assets is as follows:

- Tax loss carryforwards:

The Company has tax loss carryforwards to offset as at 31 December 2021 for 267,779 thousand euros (265,544 thousand euros at 31 December 2020) according to the following breakdown:

Thousand euro

Year	Taxable income 2021	Taxable income 2020
1997	21,321	21,290
2000	17,400	17,400
2001	26,280	26,280
2002	31,306	31,306
2003	28,404	28,404
2005	33,706	33,706
2007	5,906	5,906
2008	79,882	79,882
2009	5,711	5,711
2010	3,564	3,564
2011	3,953	3,953
2015	1,940	1,940
2016	1,090	1,090
2017	1,890	1,890
2018	2,007	2,007
2019	1,215	1,215
2020	1,371	-
2021	833	-
TOTAL	**267,779**	**265,544**

- Deductions: As at 31 December 2021 and 2020, the Company has tax credits pending deduction for the amount of 20,809 and 23,580 thousand euros, respectively, which, for the most part, correspond to research and development costs, according to the following breakdown:

Thousand euro

Year of origin	Amount 2021	Amount 2020	Maturity
2002	-	2,047	2020
2003	1,994	1,994	2021
2004	1,108	1,108	2022
2005	1,371	1,680	2023
2006	1,307	1,307	2024
2007	1,016	1,016	2025
2008	851	851	2026
2009	806	806	2027
2010	891	1,722	2028
2011	1,840	1,840	2029
2012	1,618	1,618	2030
2013	1,880	1,880	2031
2014	932	932	2032
2015	1,126	1,126	2033
2016	1,594	1,594	2034
2017	456	456	2035
2018	299	299	2036
2019	391	391	2037
2020	861	913	2038
2021	468	-	2039
TOTAL	**20,809**	**23,580**	

11.6 Other tax information

The Company has a credit pending collection, resulting from the provisional settlement of the tax on profits for the 2021 financial year, for an amount of 339 thousand euros (7 thousand euros of debit pending payment in 2020).

Given that the settlement of the tax on profits for financial year 2021 has not been paid to date, the figures may suffer changes, and hence this is considered to be provisional for the purposes of the tax settlement.

According to prevailing legislation, tax settlements are not considered final until the returns filed have been inspected by the tax authorities or the limitation period of four years has elapsed. As at the date of the preparation of these financial statements, the Company has the following taxes open for inspection:

Corporation Tax	**2017 to 2020**
Value Added Tax	**2018 to 2021**
Personal Income Tax	**2018 to 2021**

The Company considers that that these tax settlements have been applied appropriately, and hence, even in the event that discrepancies in the interpretation of prevailing legislation arise due to the tax treatment of the transactions, any resulting liability, should this materialise, would not significantly affect the attached financial statements.

12.
INCOME AND EXPENDITURE
(see note 4.9)

12.1 Net Turnover

The distribution of the net turnover corresponding to the ordinary activity of the Company in financial years 2021 and 2020 is as follows:

Thousand euro

By activity	2021	2020
Billing of electricity companies (tolls). Form 681 - Spanish Tax Agency	117	130
Billing of electricity companies (nuclear kWh). Form 682 - Spanish Tax Agency	453,564	467,953
Billing for production of nuclear fuel. Form 683 - Spanish Tax Agency	464	419
Billing of radioactive installations. Form 684 - Spanish Tax Agency	143	124
TOTAL INCOME FROM ACTIVITIES	**454,288**	**468,626**

All income has been generated in national territory.

12.2 Other operating income

The distribution of "Other operating income" corresponding to the ordinary activity of the Company in financial years 2021 and 2020 is as follows:

Thousand euro

By item	2021	2020
EU funding of research and development (Note 5)	116	206
Provision of services for technical assistance on international projects	-	1
Subsidies for operations and reimbursements from authorities	37	32
Other management income (travel deductions, accident mitigation and prevention incentive, and others)	26	64
TOTAL OTHER OPERATING INCOME	**179**	**303**

12.3 Social contributions

The balance of the heading "Social contributions" on the attached profit and loss account is broken down as follows:

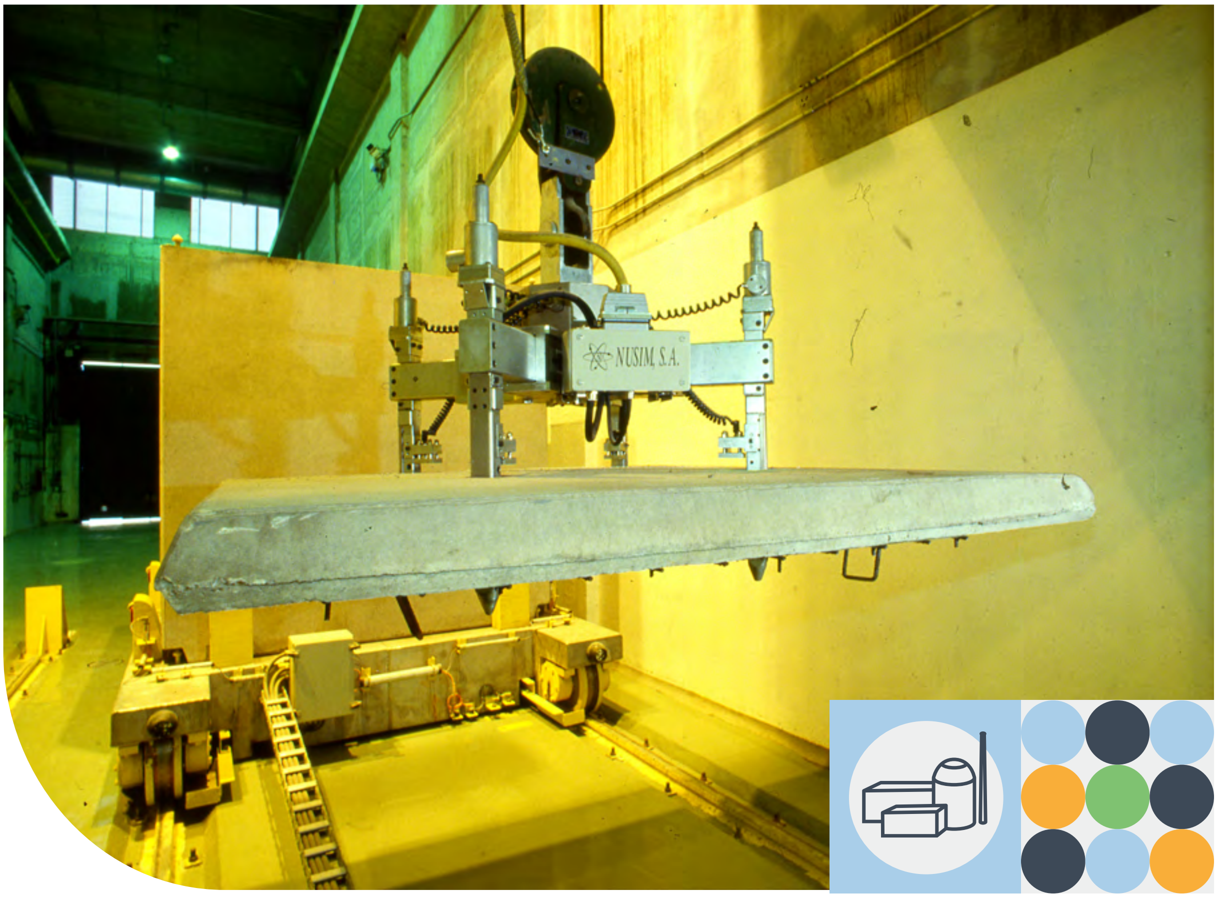
Thousand euro

By item	2021	2020
Social security charged to the Company	5,189	4,999
Other social expenses	2,366	3,178
TOTAL SOCIAL CONTRIBUTIONS	**7,555**	**8,177**

12.4 Transactions performed in Currencies other than the Euro (see note 4.7)

In financial years 2021 and 2020, the Company performed transactions in currencies other than the Euro. The breakdown of the balances and transactions in foreign currencies, measured at the closing and average exchange rates, respectively, is as follows:

	2021		2020	
By item	**In foreign currency (thousand)**	**Thousand euro**	**In foreign currency (thousand)**	**Thousand euro**
Accounts receivable				
US dollars - Treasury	175	154	464	378
Services received				
US dollars-Fixed assets in progress, Studies and waste management, Others	307	259	464	421
Pounds sterling – Studies and waste management, Others	11	12	12	13
Swiss francs – Studies and waste management, Others	60	56	60	56

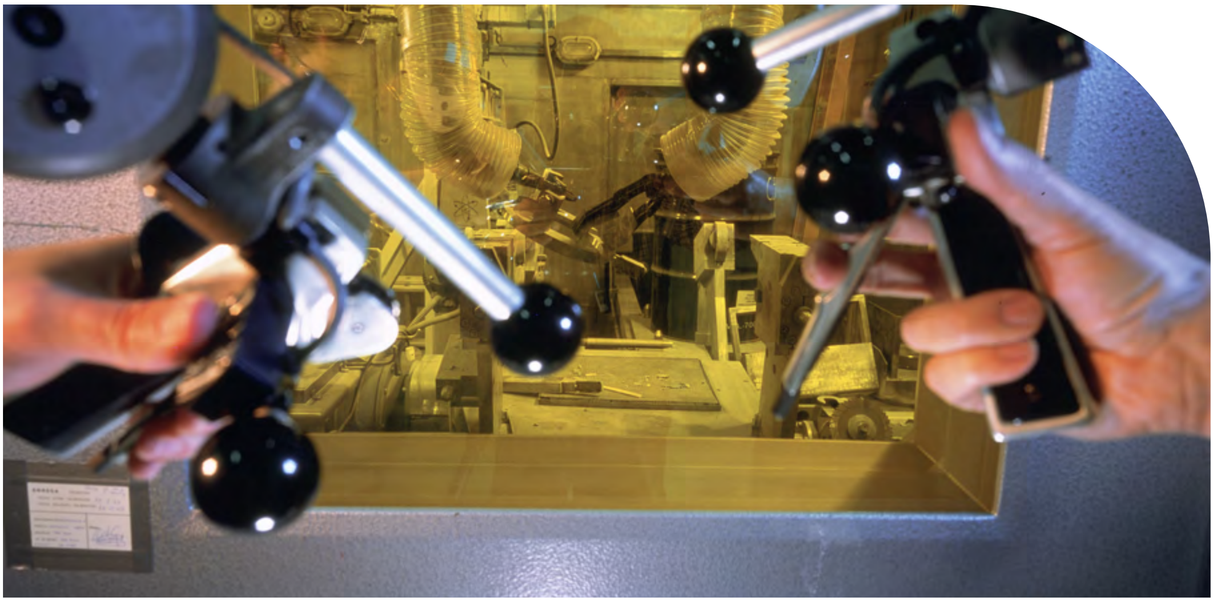


12.5 Financial Income and Expenses

The amount of financial income and expenses recognised in the net financial profit (loss) for financial years 2021 and 2020, by class of financial instrument, is as follows:

Financial year 2021			In thousand euro
By item	**Financial income**	**Financial expenses**	**Net financial profit (loss)**
Financial assets at amortised cost	159,436	-	159,436
Non-derivative financial assets at fair value - bonds	6,869	-	6,869
Non-derivative financial assets at fair value - passive investment funds	1,776	-	1,776
Non-derivative financial assets at fair value - infrastructure funds	595	-	595
Interest on derivatives	10,711	(14,682)	(3,971)
Differences through application of fair value to derivatives	111,161	(11,045)	100,116
Differences through application of fair value to bonds	3,238	(38,328)	(35,090)
Differences through application of fair value to equity	1,348	(2,083)	(735)
Differences through application of fair value to passive investment funds	25,561	(3,748)	21,813
Differences through application of fair value to infrastructure funds	-	(1,332)	(1,332)
Exchange differences	24	(44)	(20)
Others	1,578	(571)	1,007
TOTAL	**322,297**	**(71,833)**	**250,464**

Financial year 2020			In thousand euro
By item	**Financial income**	**Financial expenses**	**Net financial profit (loss)**
Held-to-maturity investments	137,391	-	137,391
Non-derivative financial assets at fair value	3,157	-	3,157
Interest on derivatives	2,100	(14,682)	(12,582)
Differences through application of fair value to bonds	28,605	(1,971)	26,634
Differences through application of fair value to derivatives	22,980	(3,224)	19,756
Exchange differences	49	(62)	(13)
Others	2,538	-	2,538
TOTAL	**196,820**	**(19,939)**	**176,881**



12.6 Waste management

The main strategic activities and objectives carried out in 2021 for each of the main lines of activity can be summarised as follows:

a) Low- and Intermediate-Level Waste and Very Low-level Waste (LILW/VLLW).

In 2021, Enresa continued to transport this type of waste, both from nuclear power plants and from radioactive installations to the El Cabril Disposal Centre, which has been operating under its usual system, having delivered 257 shipments with a total of 2,389 m^3 transported.

b) Spent Fuel and High-level Waste (SF/HLW)

Enresa, following the resolutions of the Ministry of Industry, Energy and Tourism (now the Ministry for Ecological Transition and Demographic Challenge), has covered the costs of the reprocessing in France of the spent fuel from the Vandellós I Nuclear Power Plant.

In 2012, Enresa signed a supplementary agreement for the densification of waste with Areva NC (now Orano Recyclage) through which they changed the type and volume of waste that they would return to Spain, also establishing a new period for its return to Spain. The cost of the agreement was 194,000 thousand euros. As at 31 December 2014, 30% (58,200 thousand euros) remains pending, updated by the reference index, which was billed in October 2015 and subsequently paid. This was recorded as an expense in the profit and loss account when the provision of services took place in financial years 2013 to 2015, except the cost of transporting the waste to Spain which was recorded under the heading “Long-term accruals” on the balance sheet, until the time when the transport is carried out.

In 2013, a new agreement was signed in which the reduction in the definitive volume of waste densification was accepted, changing from a forecast volume under the previous agreement of 68 bundles of type CSD-V, 84 of type CSD-B, and 54 of type CSD-C to 68 of type CSD-V, 12 of type CSD-B and 12 of type CSD-C. This constituted a very significant reduction in the waste volumes compared with the previous agreement.

Furthermore, in 2013, waste production was carried out through its assignment in the formats indicated in the previous paragraph and hence yielded the production cost accrued for accounting purposes. In addition, its financial value in 2012 was completed monthly through the amortised cost method until reaching the debt payable on 31 October 2015 of 28,000 thousand euros of waste allocation and 7,200 thousand euros of storage of the waste in France. The accumulated interest accrued for these items as at 31 December 2015 amounted to 4,103 thousand euros.

Apart from the costs mentioned above, updated by the reference index, which were paid to Areva in 2015, the amount of 23,753 thousand euros was also paid for the cost of the transport of waste to Spain, transport which is currently expected to be carried out in the year 2028, which has been recorded under the item “Long-term accruals and advance payments” of non-current assets on the balance sheet.

In accordance with the Protocol of May 2001 and the agreement reached between Enresa and Areva, dated 22 August 2013, in Clause Five, relating to the return of waste from Vandellós I NPP to Spain, it is established that in the event of the failure to meet the deadlines for return of the waste set for 30 June 2017, from the said date and on a non-retrospective basis, a daily penalty shall be applied by Areva to Enresa.

The amounts paid by Enresa to Areva for this item shall be repaid to Enresa at the time of the return of the last return shipment of waste, once the storage costs borne by Areva as from 1 October 2015 are deducted. The estimated date of return is in 2028.

As at 31 December 2021, the expense recorded in the profit and loss account for storage amounts to 1,424 thousand euros, which remains pending at year-end and will be paid upon completion of transport.

Based on the above, Enresa began to pay Areva, as from 1 July 2017, the penalty (guarantee) established in the agreement signed between Hifrensa and Cogema (now Orano Recyclage) in 2001 as a result of the non-return of radioactive waste from Vandellós I NPP. In accordance with the provisions of Clause 5.1, Enresa, which subrogated Hifrensa’s obligations under the said agreement, had to pay the amount of €49,545.17 per day as from 1 July 2017. As a result of applying certain updated indices provided for in the agreement, the amounts to pay in 2021, 2020, 2019, 2018 and 2017 were €78,848.66, €76,618.14, €76,296.09€, €74,887.03 and €73,044.94 per day respectively. As at 31 December 2021, the accumulated total stood at 125.5 million euros. The penalties will cease upon the transport of the final shipment of radioactive waste to Spain. At that time, all the amounts paid out will be reimbursed to Enresa and, furthermore, the storage of the said waste in France as from 1 October 2015 will be billed to Enresa, which to 2021 has an accrued accumulated amount of 8,469 thousand euros.

In addition, pursuant to the provisions of the General Chart of Accounts, Enresa has discounted, as at 31 December 2021, the flows of the penalties paid until that date, at a discount rate equivalent to the 7-year Spanish State Bond, which resulted in an expense recorded on the profit and loss account of 348 thousand euros. In 2019, given the interest rate at 31 December, a financial expense was recorded of 2,729 thousand euros, which was partially reverted in 2020 by applying the interest rates at 31 December in the sum of 2,366 thousand euros. As a result of this income, the amount of 363 thousand euros was still pending recovery as financial income. However, by applying the interest rate again in December 2021, an expense of 348 thousand euros has been generated to complete the cumulative discount, at that date, in the sum of 711 thousand euros.

The company Orano Recyclage supplied four TN®81 casks acquired to transport high-level waste from the reprocessing of spent fuel at Vandellós I Nuclear Power Plant. These casks will transport the waste from France to Spain for its temporary storage. In December 2018, a contract was formalised with Orano for the temporary storage of empty casks and auxiliary equipment at the site in The Hague until its shipment at an accumulated cost of 950 thousand euros as at 31 December 2021.

With regard to the management of spent fuel at Santa María de Garoña NPP, in 2017 the production of five casks for the storage and transport of fuel was completed. At the end of 2021, two ENUN52B metallic casks had been delivered to the plant, with three pending delivery. In 2018, construction was completed on the Individualised Temporary Storage facility for spent fuel at this power plant. On 1 August 2017, the Ministry of Energy, Tourism and Digital Agenda issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating authorisation. In May 2020, Enresa presented the revision of the contents of the Individualised Temporary Storage facility, within the framework of the dismantling and decommissioning of the nuclear power plant, with the aim of storing the entire inventory of fuel elements from the plant's pool there. 44 ENUN52B casks are being manufactured to that end.

In 2021, the operations of the Individualised Temporary Storage facility for spent fuel at Trillo NPP continued normally, where 32 DPT casks and 4 ENUN32P casks are located. An additional 10 ENUN32P casks are currently being manufactured.

Spent fuel operations continue at the Individualised Temporary Storage facility at Ascó NPP and the loading of new HI-STORM 100 systems. By the end of 2021, a total of 26 casks were on the storage slabs and another five HI-STORM 100 systems had been delivered to the plant pending loading. The supply of 5 additional HI-STORM 100 systems has also been contracted.

An Individualised Temporary Storage facility (ATI) for spent fuel (SF) was started up at the site of Almaraz NPP which, at the end of 2021, stored six metallic ENUN32P casks. An additional 14 ENUN32P casks are being manufactured.

Regarding the management of spent fuel at the José Cabrera NPP, the Individualised Temporary Storage facility has operated normally, housing all the casks planned: 12 HI-STORM 100Z capsule systems welded on concrete and metal packaging loaded with spent fuel from the plant, and four HI-SAFE systems loaded with the special waste from the internal segmentation of the reactor vessel.

On 13 May 2019, Iberdrola received authorisation for the implementation and assembly of the Individualised Temporary Storage facility at Cofrentes NPP. The civil engineering works for its construction began in the second half of this year. In 2020, the construction of the Individualised Temporary Storage facility was completed and in 2021, tests were performed for the start-up of the ITS and five HI-STAR 150 casks were loaded. The supply of an additional 10 casks was also contracted.

As regards the Centralised Temporary Storage facility project in Villar de Cañas, since the outset in 2012, Enresa has proceeded with the design and licencing of the facility. However, the project was halted in July 2018 when the State Secretary for Energy sent letters to the Nuclear Safety Council (hereinafter, CSN) and to the State Secretary for the Environment, requesting the temporary suspension of the issue of the report on the favourable opinion to authorise construction and the processing of the environmental evaluation procedure, respectively.

While this remains halted, Enresa continues to work with the aim of guaranteeing the suitable temporary management of spent fuel, according to the provisions of the current Sixth GRWP.

c) Decommissioning of facilities

Enresa's Works in 2021 on the dismantling and decommissioning ofnuclear power plants have included the projects at José Cabrera, Vandellós I and Santa María de Garoña NPPs, along with the monitoring and maintenance of the definitive restoration project at Saelices el Chico (Salamanca) and other nuclear fuel cycle installations.

Enresa, in accordance with the authorisation granted by the Ministry of Industry and Energy (now the Ministry for Ecological Transition and Demographic Challenge) for the implementation of the decommissioning activities of Vandellós I NPP, which underwent level 2 dismantling between 1998 and 2003, continues with the activities associated with the latency phase, which the facility is currently under.

Within the framework of the monitoring and maintenance activities, the periodic safety revision was carried out, presented in November 2021, and a maintenance plan was prepared for the building protecting the outside of the reactor casing. Preparation works have been sent to the CSN for its approval of the necessary documentation to carry out the potential declassification of part of the material stored on site, with the resulting volume saving at the El Cabril Disposal Facility or to condition it as VLLW. The conclusions were received from the CSN on the evaluation of the declassification of the materials from the CTS and additional requirements were requested to those in force on the projects under way, which are being analysed.

On 11 February 2010, ownership was transferred to Enresa as the body responsible for dismantling the José Cabrera NPP. For this project, the full immediate decommissioning alternative was chosen, leaving the whole site free for industrial use, subsequent to transfer of the spent fuel from the Individualised Temporary Storage facility.

In 2021, the demolition of the auxiliary and containment buildings was completed, above the land height (+604); the floor level was removed (+604) along with the 199 blocks resulting from the cut with diamond wire from the lower structures. Furthermore, the demolition of warehouses 1 and 3 has been completed; the work to dismantle and demolish the auxiliary dismantling building (EAD) has begun and the works on Phase 2 of excavation and land cleaning have continued. Lastly, in relation to the radiological characterisation of the building floors and site, samples of concrete continued to be taken inside buildings for their declassification and outside soundings were taken to release the site.

As regards the decommissioning of Santa María de Garoña NPP, in 2021 the detailed design of the activities, both preparatory and for dismantling, continued in order to implement the works under Phase 1, such as the radiological characterisation and estimation of the inventories of materials to be dismantled in this phase; the modalities of waste management, including systems decontamination, defined in the GRWP and SF support studies; the plan to modify electrical and mechanical systems to avoid interference in the dismantling of the turbine building; the plan to fit out the auxiliary installations (workshops for treatment and conditioning, the characterisation and storage of waste and hazardous and conventional materials); and the project to dismantle and recondition the turbine building as an auxiliary dismantling building.

As regards the definitive restoration of Saelices el Chico, different activities and tests have been carried out in 2021 to reduce the generation of acidic water at the site, and to reduce water treatment costs through alternative systems to conventional ones.

d) Research and Development

Enresa has been working on the Eighth R&D Plan (2019-2023), which has been structured in four thematic areas and a fifth cross-cutting area. These relate to the precise knowledge of waste both in terms of its intrinsic properties and its conduct over time; the treatment and conditioning of waste and the operational techniques thereof and the decommissioning of radioactive and nuclear facilities; the study of materials used for its confinement and their relationship with radioactive waste; the impact of these upon the environment in consideration of current and future scenarios, and studies relating to radiation protection for the environment and human beings. The cross-cutting area of activity refers to the management of knowledge and scientific-technological assets generated and coordination between the different parties involved.

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (see note 4.14)

13.1 Related-party Transactions

The breakdown of transactions carried out with related parties in financial years 2021 and 2020, and the balances at 31 December 2021 and 2020, are as follows:

				Thousand euro
	2021		2020	
	CIEMAT	SEPI	CIEMAT	SEPI
ASSET BALANCES				
Service clients, long-term loans to third parties and other short-term financial assets	2,532	-	6,254	-
LIABILITY BALANCES				
Suppliers	-	-	65	-
Sundry creditors	-	-	-	1
TRANSACTIONS				
Provision of services	7	-	20	-
Studies, waste management and external services	507	9	1,060	9
Dividends distributed	75	19	90	22

The balances at the end of each financial year for services received and provided can be found under the headings of "Trade creditors" and "Trade debtors" on the attached balance sheet.

The services received from CIEMAT have a direct relationship with the waste management activity and the research and development thereof and have been contracted with CIEMAT, fundamentally because it is the only laboratory with the capacity for certain radioactivity analyses and studies.

Enresa and CIEMAT signed an association agreement in 1990 for a term of five years, which was extended to 31 December 2015, the purpose of which was to resolve the problem of Spanish nuclear and radioactive waste management through the research and development of techniques for its treatment, whereby all the projects under this agreement come within this area of activity. On 22 December 2015, a new framework agreement was signed, which came into force on 1 January 2016 for an initial term of four years, which expired in December 2019.

In terms of the services provided, these refer to work carried out as part of the "Integrated Plan for the Improvement of CIEMAT Facilities (PIMIC)". The amounts are appropriately formalised and borne and have been transferred to the authorities upon which the body in question depends along with the need to find a rapid solution that allows for payment of the amount pending. In 2021, 3,830 thousand euros plus 1,426 thousand euros in interest, were collected.

The Directors have not carried out, in financial years 2021 and 2020, related-party transactions beyond ordinary operations or those that would not have been carried out under normal market conditions with the Company and group companies.

13.2 Remuneration of the Board of Directors and Senior Management

At the close of financial years 2021 and 2020, the number of members of the Board of Directors was 12 and 11 respectively, of which, on 31 December 2021, 3 were women and 9 were men (3 women and 8 men as at 31 December 2020).

The total amount for remuneration and attendance fees paid to Directors of the Company in 2021 and 2020 was as follows:

Thousand euro

By item	2021	2020
Salaries	174	173
Attendance fees	77	77
Allowances paid through Treasury for Senior Management	23	22
Allowances to be billed by SEPI	9	9
TOTAL	**283**	**281**

As at 31 December 2021 and 2020, no advances or loans had been granted to members of the Board of Directors.

The Company has not paid out any amount in 2021 or 2020 in the form of life and accident insurance in respect of any of the Directors of the Company, in their condition as employees.

The remuneration of members of Senior Management of the Company, excluding those who simultaneously held a position on the Board of Directors of the Company in 2021 was 719 thousand euros (749 thousand euros in 2020).

As at 31 December 2021 and 2020, the Company had not granted any loans to members of Senior Management.

The Company has no obligations contracted in relation to life and accident insurance for members of Senior Management.

The Company has contracted a civil liability insurance policy for the governing body and for executives and members of the Compliance and Criminal Prevention Committee, with a premium of 18 thousand euros in 2021 (10 thousand euros in 2020).

13.3 Other Information relating to the Board of Directors of the Company

In 2021, and as of the date of preparation of these financial statements, neither the members of the Board of Directors of Enresa nor persons related to them, as defined in Article 231 of the Capital Companies Act, have communicated to other members of the Board of Directors any situation of a direct or indirect conflict of interest with the interests of the Company, other than that declared by a) Carlos Alejaldre Losilla as Managing Director of CIEMAT and Director of the company Sociedad Enusa Industrias Avanzadas, S.A., S.M.E.; b) José Manuel Pérez Morales as Director of the Technology Department of CIEMAT and c) José Manuel Redondo García as Director of the company Sociedad Enusa Industrias Avanzadas, S.A., S.M.E. Both CIEMAT and Enusa Industrias Avanzadas, S.A., S.M.E. carry out complementary activities to those of Enresa.

14. INFORMATION ON THE ENVIRONMENT

Given that the set of activities carried on by the Company are aimed at guaranteeing the safety of persons and the protection of the environment, the expenses and investments for the purposes of this section correspond to those entered on the balance sheet and the profit and loss account of these financial statements.

The Company has no litigation relating to environmental protection or improvements that could lead to significant contingencies.

15. OTHER INFORMATION

15.1 Personnel

The average number of employees in 2021 and 2020, distributed by professional category and the number of employees at the close of financial years 2021 and 2020, distributed by professional category and gender, are as follows:

Financial year 2021

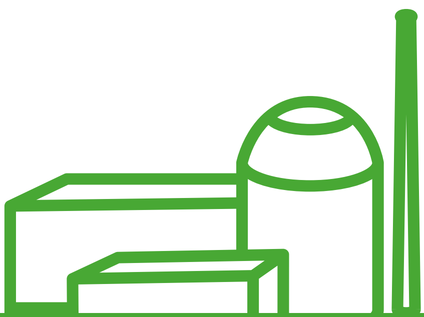
CATEGORY	Average number of employees	Employees at 31 December 2021		
		Men	Women	TOTAL
Senior Management (*)	6,00	3	3	6
Graduates	196.17	120	81	201
Non-graduate Technicians	16,75	14	2	16
Administrative staff	53,03	11	43	54
Professionals - Trade	60,52	61	1	62
TOTALS	**332,47**	**209**	**130**	**339**

(*) his includes the Chairman, who is also included on the Board of Directors.

Financial year 2020

Categoría	Average number of employees	Employees at 31 December 2020		
		Men	Women	Total
Senior management (*)	6,00	3	3	6
Graduates	182,23	108	76	184
Non-graduate technicians	15,34	13	2	15
Administrative staff	51,09	11	40	51
Professionals - Trade	64,23	62	1	63
TOTAL	**318,89**	**197**	**122**	**319**

(*) This includes the Chairman, who is also included on the Board of Directors.



On 17 January 2019, the Directorate-General of the State Public Employment Service (SEPE), attached to the Ministry of Work, Migration and Social Security, ruled to accept the application for a declaration of exception presented by Enresa under the provisions of Royal Decree 364/2005, of 8 April, regulating alternative compliance of an exceptional nature with the reserve quota for workers with disabilities, granting Enresa a Certificate of Exception, with the aim of complying with the provisions of the General Rights of Persons with Disabilities Act. The Certificate of Exception granted is valid for three years: from 2019 to 2021.

SEPE authorised Enresa, in this ruling, to adopt the alternative measures, consisting of the formalisation of a contract for the provision of general services with a Special Employment Centre (CEE), which seeks to train and employ persons with disabilities. These services are provided by seven persons with disabilities. The CEE received from Enresa, for the provision of its services in 2021, an amount billed for 93,842.85 euros, according to the invoicing certificate issued (85,353.36 euros in 2020).

In December 2021, Enresa presented SEPE with a new application for a declaration of exception for the next three years (2022-2024), and is waiting for a resolution from this body.

15.2 Audit Fees

The external auditor of the 2021 and 2020 Financial Statements and Directors' Report of Enresa was Mazars Auditores S.L.P.

The amount of the fees paid for these services in 2021 and 2020 was 27 thousand euros for each financial year. These fees include the issue of the Report on the Situation of Temporary Financial Investments included in the technical specifications of the public tender. In addition, in 2021, the fees accrued by the auditor and other group entities, for other work of a regulatory nature that corresponds to the audit of the non-financial information statement amounted to 14.9 thousand euros.

16. FINANCIAL GUARANTEES

In 2020, the item of “Guarantees for financial operations” primarily includes those guarantees provided by Enresa for the amount of 396 thousand euros to ensure its commitments to third parties. No guarantees were provided in 2021. The Directors of the Company consider that, as a result of these guarantees, no liabilities will be incurred that should be provisioned at the close of financial year 2021.

17. EVENTS AFTER YEAR-END

The war resulting from the Russian invasion of Ukraine is causing, among other aspects, an increase in the price of raw materials and energy supplies, along with the adoption of sanctions by Western countries on Russia, which are affecting, to a greater or lesser extent, the economy in general and particularly the entities that operate on Ukrainian or Russian territory, or have ties with these countries. The scope of this war on the activity of the entity will depend on the development of this conflict and it is not easy to predict at the date of the preparation of these financial statements. At any event, despite the uncertainty this is causing, the Directors of the Company do not expect this to lead to problems for the Company’s daily activity or its compliance with its obligations to third parties, nor that it will affect, at the date of preparation of these financial statements, the accounting principle of going concern.

In addition to the previous paragraph, no other event that significantly affects the attached financial statements of the Company has taken place between 31 December 2021 and the date of preparation of these financial statements

DIRECTORS' REPORT 2021


JOSE CABRERA

A INTRODUCTION AND MANAGEMENT SUMMARY

Enresa's activities in financial year 2021 were framed within the Sixth General Radioactive Waste Plan approved by the Government in June 2006, and the latest update sent by the Ministry for Ecological Transition and Demographic Challenge (MITECO), of the "Updated Economic-Financial Study of the Cost of the Activities Covered in the Sixth General Radioactive Waste Plan", drawn up in accordance with Article 10 of Royal Decree 102/2014, of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste. In March 2020, Enresa presented the State Secretary for Energy with the draft Seventh General Radioactive Waste Plan (7th GRWP).

The Company has complied with the mission it was commissioned with, in accordance with prevailing legislation, including the following:

- The Nuclear Energy Act 25/1964 and the Electricity Sector Act 54/1997, amended by Law 11/2009, of 26 October, regulating Listed Property Market Investment Companies in its Ninth Final Provision. Law 25/1964 defines the management of radioactive waste in Spain as an essential public service to be provided by the State through the then Ministry of Industry, Tourism and Trade, whereby Enresa is the instrumental legal entity through which the said service is provided. Law 54/1997 establishes that the financing of the public service shall be made through a system of rates charged to the producers of radioactive waste.

- The Ninth Final Provision of the Climate Change and Energy Transition Act 7/2021, of 20 May amends Article 38 *bis* of the Nuclear Energy Act 25/1964, of 29 April, in the following terms:

  "Ninth Final Provision. A new paragraph is added to section 2 of Article 38 bis of the Nuclear Energy Act 25/1964, of 29 April, which reads as follows:

  "The construction, extension, repair, conservation, operation, decommissioning and any other works which, in implementation of the General Radioactive Waste Plan approved by the Government and charged to the Fund for its financing, that the Empresa Nacional de Residuos Radioactivos, S.A., S M. E. (Enresa), either itself or through third parties, must carry out to provide the essential public service it is commissioned with, constitute general interest public works."

  This implies that Enresa works classified as public works of general interest will not be subject to a municipal works license.

- Royal Decree 102/2014, of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste, regulating the management of radioactive waste arising from civil activities, in all phases, from generation to final disposal, for the purposes of avoiding the imposition of undue burdens on future generations, and the regulation of some aspects relating to the financing of these activities.

- Law 15/2015, of 27 December, on fiscal measures for energy sustainability, which regulate, in Chapter III thereof, the tax on the storage of spent nuclear fuel (SNF) and radioactive waste at centralised facilities. This regulation is in effect at the El Cabril Disposal Centre, with the imposition of a tax of €2,000/m³ in the case of very low-level waste (VLLW) and €10,000/m³ in the case of low- and intermediate-level waste (LILW). It also affects the future Centralised Temporary Storage (CTS) facility, with the imposition of a tax of €70 per kilo on heavy metal and €30,000/m³ on radioactive waste other than SNF.

- Order IET/458/2015, of 11 March, regulating the allocations to local authorities in the vicinity of nuclear power plants, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.
- The Public Sector Contracts Act 9/2017, of 8 November, amends, in its Eleventh Final Provision, the First Final Provision of the General Taxation Act 58/2003, of 17 December, redefining the tax on the financing of the activities of the General Radioactive Waste Plan as untaxable public financial contributions.
- Royal Decree 750/2019, of 27 December, amends the unit fixed rate of untaxable public financial contributions through which the service of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., (Enresa) is financed at operating nuclear power plants.

The different activities carried out by Enresa are framed under the main lines of action into which its management is divided: very low-level and low- and intermediate-level waste, spent fuel and high-level waste, the decommissioning of facilities, research and development and other activities, in addition to those of a structural nature, which are described in this report.

Over the course of 2021, both the ministerial department responsible and the State Industrial Holdings Company (SEPI) have continued to carry out budgetary monitoring of the Annual Operating Programme and Long-Term Plan (POA-PL) in accordance with the Company's management objectives.

The necessary technical and administrative relations have been maintained with the different agents involved in the management of radioactive waste, including the Directorate General of Energy Policy and Mines, the Nuclear Safety Council and producers of waste. Other stakeholders, aside from the shareholders CIEMAT and SEPI, are the State Secretariat for the Environment, regional governments, local authorities, universities and other support bodies, along with international organisations and similar agencies from other countries.

In relation to the supervision, control and classification of temporary investments relating to the financial management of the Fund, the Monitoring and Control Committee has continued to perform the functions provided for in prevailing legislation. Enresa issued it with the information necessary and presented the breakdown of all the operations contracted. The Committee verified compliance with prevailing legislation, the investment criteria established and the principles of security, profitability and liquidity in the management of the temporary investment portfolio managed by Enresa.

In order to comply with the missions and meet the targets established in the corresponding strategic and operating plans, the company has employed an average workforce throughout the year of 332.47 employees, with 339 employees as at 31 December 2021, of which 198 were employed at its headquarters in Madrid, 117 at the El Cabril Disposal Centre (Cordoba), 7 at the Vandellós I Nuclear Power Plant (Tarragona), 15 at the José Cabrera Nuclear Power Plant (Guadalajara) and 2 at the Centralised Temporary Storage facility at Villar de Cañas (Cuenca).

The technical actions and main economic-financial aspects of its management are summarised below, together with the most significant figures for the year.

B MAIN STRATEGIC ACTIONS AND OBJECTIVES IN 2021

- Collection and transport of very low-level waste (VLLW) and low- and intermediate-level waste (LILW) from production centres – nuclear power plants (NPPs) and radioactive facilities (RFs) - to El Cabril Disposal Centre.
- Actions to minimise the generation of VLLW/LILW and their volume, to optimise the use of storage cells.
- Operation of El Cabril Waste Disposal facility (characterisation, treatment, conditioning and storage of waste) and improvement of its capacities and systems.
- Operation of the complementary facility for the disposal of very low-level waste (VLLW) at El Cabril Disposal Centre.
- Analysis of the need and preparation of the tender for a storage and transport system to manage spent fuel from nuclear power plants (NPPs).
- Operation of Individualised Temporary Storage (ITS) of spent fuel (SF) and special waste (SW) at José Cabrera NPP (Guadalajara).
- Operation of ITS for spent fuel at Ascó NPP (Tarragona).

- Operation of ITS for spent fuel at Trillo NPP (Guadalajara).
- Operation of ITS for spent fuel at Almaraz NPP (Caceres).
- Operation of ITS for spent fuel Cofrentes NPP (Valencia).
- Monitoring and maintenance of latency at Vandellós I Nuclear Power Plant (Tarragona).
- Programmed activities in the Decommissioning Plan of José Cabrera Nuclear Power Plant (Guadalajara).

- Preparatory activities for decommissioning and management of spent fuel at Sta. María de Garoña NPP (Burgos).
- Studies for the optimisation of the decommissioning in collaboration with the NPPs to draw up the initial decommissioning plans in accordance with the instructions from the Nuclear Safety Council (CSN).
- Monitoring of old uranium mine sites in the province of Salamanca.
- Monitoring, control and maintenance of old concentrated uranium mill factory sites in Andújar (Jaen) and La Haba (Badajoz), now decommissioned and restored.
- Monitoring and maintenance of the Definitive Restoration Project at Saelices el Chico (Salamanca).
- Management of lightning arrester heads (*ad hoc* activities in a formally finalised process).
- Management of other materials not in the regulatory system.
- Special interventions deriving from the application of the Protocol for the Radiological Monitoring of Metallic Materials.
- Support for the National Civil Protection System and the security services.
- Projects relating to the R&D Plan for the period 2019-2023.
- Management of Structural Aspects (maintenance of company headquarters; IT management and quality and environmental systems; communication and external relations, logistical services and support, etc.).
- Management of the Fund for financing the activities of the GRWP, complying with the principles of safety, profitability and liquidity.

C MISSION, VISION AND VALUES OF ENRESA

C.1 MISSION

The Spanish State has commissioned Enresa with the performance of the essential public service of radioactive waste management, including spent nuclear fuel, and with the decommissioning and definitive closure of nuclear power plants (Article 38 *bis* of the Nuclear Energy Act 25/1964, of 29 April).

C.2 VISION

Enresa aspires to be an organisation with the latest technological capacities and to maintain an absolute commitment to nuclear safety, and to radioactive and environmental protection.

C.3 VALUES

Enresa is committed to ethical conduct, sustainable development, social responsibility, transparency, work/life balance and respect for diversity and equality.

All of Enresa's actions must adhere to a safety and quality culture and to innovation in technology and management systems.

Enresa fosters professionalism, teamwork, creativity, responsibility and personal commitments.

D TECHNICAL ACTIVITIES

The main technical projects and activities in which Enresa was engaged in 2021, for each of the main lines into which its management is divided, in accordance with the 6th GRWP approved by the Government in June 2006, are set out below.

D.1 MANAGEMENT OF LOW- AND INTERMEDIATE-LEVEL WASTE

In 2021, all stages of the management of this type of waste were carried out without incident: characterisation, collection, transport, treatment, conditioning and disposal, with the installation of the solid radioactive waste disposal facility at Sierra Alabarrana (El Cabril, Cordoba) as its fundamental element.

A total of 257 shipments (227 from nuclear power plants and 30 from radioactive facilities) with a volume of 2,389 m³ of waste, mainly corresponding to very low-level waste, primarily from the José Cabrera Nuclear Power Plant. The rest corresponds to low- and intermediate-level waste generated primarily by nuclear power plants and the decommissioning of José Cabrera NPP.

Approximately 12% of all shipments corresponds to the removal of waste from radioactive facilities (hospitals, industrial facilities, research centres, etc.) and from other facilitates not regulated within the frameworks of action established for "orphan" sources and materials, "NORM" waste and by the "Megaport" protocols on the radiation monitoring of metallic materials. The total volume of waste delivered to El Cabril amounts to 12 m³.

Within the scope of non-nuclear facilities, in 2021, in accordance with the provisions of Article 11 of Royal Decree 102/2014, of 21 February, 39 waste producers signed up to the "technical administrative specifications for the acceptance of waste", as required therein, as a preliminary measure prior to the provision of services to Enresa. As at 31 December 2021, the total number of active subscribers of these specifications was 943.

El Cabril Disposal Centre operated normally throughout the year, occupying 131 positions in disposal vaults (CE-2a concrete casks with 2,226 units within).

With regard to the complementary facility for the storage of very low-level waste at El Cabril, at the end of the year, waste stored at this facility totalled 21,453 m³ (of which 2,056 m³ were stored over the course of 2021).

D.2 SPENT FUEL AND HIGH-LEVEL WASTE MANAGEMENT

The activities in this management area were primarily geared towards the manufacture of casks, the operation of the Individualised Temporary Storage (ITS) facilities for spent fuel at the Trillo, José Cabrera, Ascó and Almaraz Nuclear Power Plants, and the implementation of the ITS at Cofrentes Nuclear Power Plant.

Continuing with the efforts made in previous years, worthy of mention is the manufacture of storage casks and systems and their transport to ensure the regular operation of nuclear power plants, providing them with additional dry storage capacity for spent fuel at those nuclear power plants where pools are at a high risk of saturation, as well as to provide the necessary systems to empty pools prior to the reactor decommissioning operations.

The activities carried out at each power plant are as follows:

Trillo NPP: the supply of metal casks has continued for the operation of the ITS. A review was carried out of their contents to store the ENUN32P. The Individualised Temporary Storage facility has been operating normally and at year-end there were 32 DPT casks and 4 ENUN32P casks ENUN32P on site. 10 additional ENUN32P casks for this ITS are being manufactured.

José Cabrera NPP: the temporary storage facility has operated normally, housing all the casks planned: 12 HI-STORM 100Z capsule systems welded on concrete and metal packaging loaded with spent fuel from the plant, and 4 HI-SAFE systems loaded with the special waste resulting from the internal segmentation of the reactor vessel.

Ascó NPP: the ITS operated normally. 2021 ended with a total of 26 HI-STORM 100 on the storage slabs with another 5 HI-STORM 100 systems delivered and pending loading. Furthermore, the supply of 5 additional HI-STORM 100 systems was contracted.

Almaraz NPP: At the end of 2021, there were six ENUN32P metallic casks loaded at the ITS. 14 additional ENUN32P casks are being manufactured.

Santa María de Garoña NPP: the ITS has the first occupancy licence. At the end of 2021, 2 ENUN52B metallic casks had been delivered to the plant, with another 3 pending delivery. In May 2020, Enresa presented the CSN with the revision of the content of the ITS, within the framework of the decommissioning and closure plan of NPPs, with the aim of storing the entire inventory of fuel elements from the plant's pool there. 44 ENUN52B casks are being manufactured for this purpose.

Cofrentes NPP: in 2021, testing was carried out for the start-up of the ITS and 5 HI-STAR 150 casks were loaded. The supply of an additional 10 casks was also contracted.

In 2021, the procedure to contract the "Design, support for licencing, manufacture and supply of a storage and transportation system for spent nuclear fuel was initiated at Ascó I, Ascó II, Almaraz (Units I and II), Vandellós II and Cofrentes NPPs", following authorization to enter into the contract by the Council of Ministers and approval of spending by the Board of Directors. At the end of 2021, the procedure was at the evaluation phase of the bids submitted.

The French company Orano Recyclage (formerly Areva) supplied 4 TN®81 casks acquired to transport high level waste from the reprocessing of spent fuel from Vandellós I NPP. These casks will be used to transport the waste from France to Spain for their temporary storage. In December 2018, a contract was entered into with Orano for the temporary storage of the empty casks on site at The Hague until they are loaded.

As regards the Centralised Temporary Storage (CTS) facility at Villar de Cañas, since the outset in 2012, Enresa has been working on the design and licencing of the facility. However, the project was halted in July 2018, when the State Secretariat for Energy sent letters to the CSN and to the State Secretariat for the Environment, requesting the temporary suspension of the issue of the report on the granting of the construction permit and the processing of the environmental impact study, respectively.

While this suspension remains in Force, Enresa continues to work with the aim of guaranteeing the suitable temporary management of spent fuel, according to the provisions of the 6th GRWP.

D.3 CLOSURE OF FACILITIES

In 2021, Enresa's work to decommission and close nuclear facilities included the projects on José Cabrera, Vandellós I and Santa María de Garoña NPPs, along with the monitoring and maintenance of the definitive restoration project of Saelices el Chico (Salamanca) and other nuclear fuel cycle facilities.

In terms of the decommissioning of José Cabrera NPP, the demolition of the auxiliary and containment buildings was completed above the land height (+604); the floor level was removed (+604) along with the 199 blocks resulting from the cut with diamond wire from the lower structures. Furthermore, the demolition of warehouses 1 and 3 has been completed; the work to dismantle and demolish the auxiliary dismantling building (EAD) has begun and the works on Phase 2 of excavation and land cleaning have continued.

In relation to the radiological characterisation of the building floors and site, samples of concrete continued to be taken inside buildings for their declassification and outside soundings were taken to release the site. Lastly, the Site Restoration Plan was revised.

As regards the decommissioning of Santa María de Garoña, in 2021, several requests for additional information were received from the CSN within the framework of the evaluation of the documentation that accompanies the request for the authorization of the transfer of the ownership of the site. Within the framework of the environmental impact statement procedure, different reports and arguments have been received, which Enresa has responded to.

The detailed design of the activities, both preparatory and for dismantling, have continued in order to implement the works under Phase 1, such as the radiological characterisation and the estimation of the inventories of materials to be dismantled in this phase; the waste management forms, including the decontamination of systems defined in the support studies of the GRWP and SF; the plan to modify the electrical and mechanical systems to avoid interference in dismantling the turbine building; the plan to fit out the auxiliary installations (workshops for treatment and fit-outs, the characterisation and storage of waste and hazardous and conventional materials); and the project for the dismantling and reconditioning of the turbine building as an auxiliary dismantling building.

The necessary activities have also begun to draw up the basic design and prepare the documentation necessary to present the application for Phase 2 of the decommissioning, such as sampling and analysis plans and activation calculations for the radiation characterisation of the site and the modifications to the systems and installations to adapt them to the needs of Phase 2.

Lastly, within the framework of the preparatory decommissioning work, the implementation of the modification of the design of several warehouses has been finalised for their new use to store declassifiable materials; the tasks to modify and download the systems related to the reconfiguration of the refrigeration systems of the spent fuel pool have been completed (Addendum no. 1 of the agreement); the removal of asbestos from the turbine building has begun and the update of the 3D model of the facility and the database of physical and radiation inventory has continued.

As regards Vandellós I, within the framework of the monitoring and maintenance activities, the periodic safety revision has been carried out, presented in November 2021, and the building maintenance plan to protect the reactor pile against inclement weather has been prepared, In addition, the necessary documentation to carry out the potential declassification of part of the material stored on site was sent to the CSN for its approval, with the resulting volume saving at El Cabril Disposal Centre and to condition it as VLLW. The conclusions were received from the CSN relating to the evaluation of the declassification of the ATOC materials and additional requirements were imposed to those in place for the projects under way, which are being analysed.

As for the definitive restoration of Saelices el Chico, different activities and pilot tests have continued to be carried out in 2021 to reduce the generation of acidic water at the site, and to reduce water treatment costs through alternative systems to conventional ones. In this regard, when the Tekura Project was completed, Enresa presented a new R&D&I project (known as "Minetra"), which was approved in the month of June by the Board of Directors of the CDTI. As regards the use of Technosol, the Regional Government of Castile and Leon has demanded the performance of additional sampling under the Tekura Project by an accredited external agency on the members of the project, which was presented in the month of November. Furthermore, in terms of the acidic water generated, 450,635 m^3 have been treated over the course of the year. In the summer of 2021, the works were undertaken to adapt and repair the pipe that collects the Fe-3 water and the Fe-3-1 landfill for transportation to the boiler.

Also during this period, monitoring and maintenance activities have also continued on all restored sites for uranium concentrate mining/manufacturing sites in the compliance phase (Elefante plant and restored mining sites at Saelices El Chico, Casillas de Flores Mine and the old Uranium Mill at Andújar) or long-term monitoring subsequent to a Declaration of Decommissioning (Lobo-G plant).

D.4 ENVIRONMENTAL MONITORING

Enresa carries out a series of activities on all projects that can be grouped under the heading of Environmental Monitoring. This includes the following activities:

- Environmental Radiation Monitoring Programmes, the results of which are distributed through annual reports to the competent authority and to the Nuclear Safety Council.
- Environmental Monitoring Programmes. Their results are sent periodically to the competent authority and to other public bodies, such as provincial governments, the environment departments of autonomous regions and local authorities.

E RESEARCH AND DEVELOPMENT

R&D activities at Enresa are coordinated in five-year R&D plans. At present, the eighth such plan is in force, covering the period from 2019 to 2023, the initial version of which was approved in May 2019 and the revision on 1 October 2019.

The plan is structured across five areas, four of which are technical and one cross-cutting area that covers the other four.

The four technical areas focus, respectively, on the precise knowledge of waste, both in terms of its intrinsic properties and its evolution over time (1); in the treatment and conditioning of waste and the operational techniques thereof and the decommissioning of radioactive and nuclear facilities (2); in the study of materials used for its confinement and their relationship with radioactive waste (3), and lastly, in the impact of the radioactive waste on the environment in consideration of current and future scenarios, and in studies relating to radiation protection for the environment and human beings (4).

The cross-cutting area of activity refers to the management and spread of knowledge and scientific-technological assets generated, along with coordination between the different parties involved.

Enresa is jointly involved in R&D activities with foreign organisations and other international bodies. It is involved in several projects under the Horizon 2020 (H2020) framework programme of Euratom, among others, in other projects related to the Grimsel (granite) and Mont Terri (clay) underground laboratories, both in Switzerland. Enresa also participates in working groups and collaboration projects of NEA-OECD and IAEA.

Its involvement in the development of the following Horizon 2020 projects is noteworthy: BEACON (2017-2022); SHARE (2019-2022); PREDIS (2020-2024), Inno4Graph (2020-2023) and PLEIADES (2020-2023); and the EURAD programme (2019-2024), in which it participates in five of the 18 projects (known internally as work packages: WP ACED, WP DONUT, WP HITEC, WP SFC, and WP UMAN). Enresa participates in the evaluation and support activities under the specific group known as the "End Users Group" on another three H2020 projects, which are CHANCE (2017-2021), INSIDER (2017-2021) and DISCO (2017-2021).

At the Grimsel Laboratory, it works on the HotBent project and at Mont Terri on the GD, HE-E and SW-A experiments.

Enresa is a member of three R&D platforms, two of a national scope: CEIDEN - the platform for nuclear energy fission, and PEPRI - the platform for R&D on radiation protection; and the European platform IGD-TP, on R&D for final management of radioactive waste in deep geological storage facilities. Enresa, along with another 12 national agencies/ministerial departments, is a member of the Executive Group, which is the platform's decision-making body.

Its participation in all these projects, working groups and platforms allows Enresa, on the one hand, to acquire knowledge on the front line at a reduced cost and, on the other hand, it is an active party in the development of the technologies and knowledge necessary to manage radioactive waste.

F OTHER ACTIVITIES

In addition to the foregoing, Enresa has carried out other more specific and *ad hoc* activities, including the following:

- Management of radioactive lightning arresters. In 2021, 22 lightning arrester heads were removed and 14 new requests to remove radioactive lightning arrester heads were received.
- Enresa has taken part in different courses, including those related to managing radioactive waste and those necessary to obtain a licence to oversee radioactive facilities and to qualify as a radiation protection officer. The courses were organised by such institutions as CIEMAT and the Higher Technical School of Industrial Engineers of the Technical University of Madrid, aimed at either the public in general or specifically at new staff at the Nuclear Safety Council. Enresa staff have received specific training in relation to the management of NORM materials and waste in courses organised to this end by CIEMAT.
- The 20th edition of Workshops on radioactive waste from radioactive installations was held, with the participation of more than 50 professionals who have undertaken their activities in hospitals, industry, research and teaching.
- Activities associated with the protocol for action in the event of the detection of unannounced movements or the illegal traffic of radioactive material at general interest ports (Megaport), signed on 15 June 2010 continued over the year, although no training activities or classroom/field exercises were carried out. Furthermore, the activities provided for in Royal Decree 451/2020 continued on the control and recovery of orphan radioactive sources.
- Within the framework of the radiation monitoring of metallic materials protocol, the Radiation Protection Technical Unit (UTPR) took part in three basic courses with a total of 62 attendees, and in a meeting of the Technical Committee to monitor the protocol.
- Enresa maintained its operational support to the competent authorities (Civil Protection and CSN), for responses in the event of radiation emergencies and participated in training related to the activities of the State law enforcement agencies in regard to the identification, treatment and collection of radioactive sources, radiological emergencies and accidents in the transportation of radioactive material.
- Enresa staff have taken part in various simulations of emergency plans inside Enresa facilities as an external support centre, from the Emergency Response Centre at the Enresa headquarters. They also participated in a table-top exercise simulating an accident in the transportation of radioactive waste, both by the governing board of the exercise and the aforesaid Emergency Response Centre.

G ECONOMIC AND FINANCIAL ASPECTS

G.1 MAIN ECONOMIC-FINANCIAL PARAMETERS

The net turnover for financial year 2021 was 454,288 thousand euros (468,626 thousand euros in 2020), while the net financial profit of the management of the Fund Portfolio for this financial year was 250,464 thousand euros (176,881 thousand euros in 2020). This profit includes the part corresponding to the application of the fair value of certain financial instruments which, even though Enresa has the intention and capacity to maintain them to maturity, the General Chart of Accounts does not allow for them to be classified as such and obliges them to be recorded at fair value, with the result that market volatility has to be recorded for accounting purposes. Furthermore, in 2021, Enresa obtained an operating profit of 301,711 thousand euros (322,666 thousand euros in 2020) and made total investments of 61,490 thousand euros without including investment in R&D.

The average payment period to suppliers in 2021 was 12.37 days. The Company, as a member of the European System of National Accounts (ESA-2010), is considered, for the purposes of calculating the average payment period to suppliers, to be a public authority, as provided for in Article 2.1 of the Budget Stability and Financial Sustainability Act 2/2012, of 27 April, which limits the subjective scope of application of

Royal Decree 1040/2017, of 22 December, amending Royal Decree 635/2014, of 25 July, developing the methodology for the calculation of the average payment period to suppliers by public authorities and the conditions and procedure to withhold resources under financing regimes.

The Fund for financing the activities of the GRWP amounted to 7,147,862 thousand euros at the end of 2021.

The cumulative performance of the total portfolio in 2021 amounted to 4.01% as at 31 December. Enresa continued to manage the portfolio of temporary financial investments of the Fund for the financing of the activities of the GRWP in accordance with the principles of security, profitability and liquidity.

G.2 MANAGEMENT OF FINANCIAL INVESTMENTS

For accounting purposes, the Company classifies its portfolio of financial assets in the following categories:

a. Assets at amortised cost: debt securities, with a fixed maturity date and collections of a determinable sum listed on an active market that the Company has shown its intention and capacity to maintain in its power up to the maturity date.

   These investments include fixed rate and equity bonds (referenced to an inflation or interest rate) that do not have embedded derivatives and hybrid financial assets in which embedded derivatives may not be segregated.

b. Other financial instruments at fair value with changes in the profit or loss account: this category, in accordance with the equity structure of Enresa, includes hybrid financial assets (structured bonds) in which embedded derivatives must be segregated, but since the Company cannot reliably determine the fair value of the embedded derivative to be segregated, all hybrid financial assets must be recorded at fair value with changes in the profit and loss account. Investment funds, infrastructure funds and shares are also included.

c. Derivatives: with some of the securities acquired, as part of its management of the GRWP, Enresa performs hedging operations through interest-rate swaps. All of these swaps, in accordance with Royal Decree 102/2014, of 21 February, on the responsible and safe management of spent nuclear fuel and radioactive waste, are directly associated with specific investment operations, with the swap agreement serving to hedge the positions of the GRWP as part of its risk management and the financing model established therein.

The Company, in accordance with the provisions of the General Chart of Accounts, has designated some of its financial assets as “Other assets at fair value with changes in the profit and loss account” despite the fact that all its financial asset acquisitions are carried out with the intention and capacity to maintain them until maturity.

Financial assets at fair value with changes in the profit and loss account are measured at fair value, with the result of the variations in the said fair value recorded in the profit and loss account. Derivatives are measured at fair value, with those that hold a positive fair value at 31 December 2021 recorded as financial assets.

To calculate the fair value of these financial assets, the Company has taken as a reference the fair value calculated through measurement techniques based on discounting future cash flows and options. Interest rate and inflation curves, volatility implicit in all interest rate types and variable income have been taken as market inputs.

All derivatives held by the Company are contracted with national or international financial institutions with the appropriate credit rating and consist of swaps between fixed or variable rates at a variable interest, inflation or the value of a share price index that allows for the objectives of profitability and management to be achieved.

The derivatives held by the Company are not subject to being designated as accounting hedges, in accordance with prevailing accounting regulations. For this reason, these derivative financial instruments have been recorded at fair value as financial assets or liabilities, and the variations thereof are recorded in the profit and loss account.

In 2021, the Company has estimated that there is no impairment to any active financial instrument, whether measured at amortised cost or at fair value, and it considers that no reasonable doubts exist regarding the repayment capacity of the assets by the issuers, which hold the appropriate credit rating, in accordance with the Company's investment policy.

With regard to the categorisation of the investment portfolio from an investment perspective, the Company classifies assets into different classes:

a. State debt: includes Spanish public debt, specifically, Spanish Treasury bonds, coupons and principal strips from the Spanish Treasury, Treasury bills and short-term repos, whose underlying element is Spanish public debt. The carrying value and face value of this class are 2,695,099 and 2,933,213 thousand euros, respectively, in 2021.

b. Other public debt: includes financial assets issued by government agencies, supranational bodies, regional governments and the public debt of other countries. The carrying value and face value of this class are 1,222,363 and 1,170,410 thousand euros, respectively, in 2021.

c. Other debentures and bonds: these include a diverse range of financial assets from different issuers in different sectors, both national and international and of different types. The carrying value and face value of this class of assets are 1,024,656 and 995,953 thousand euros in 2021.

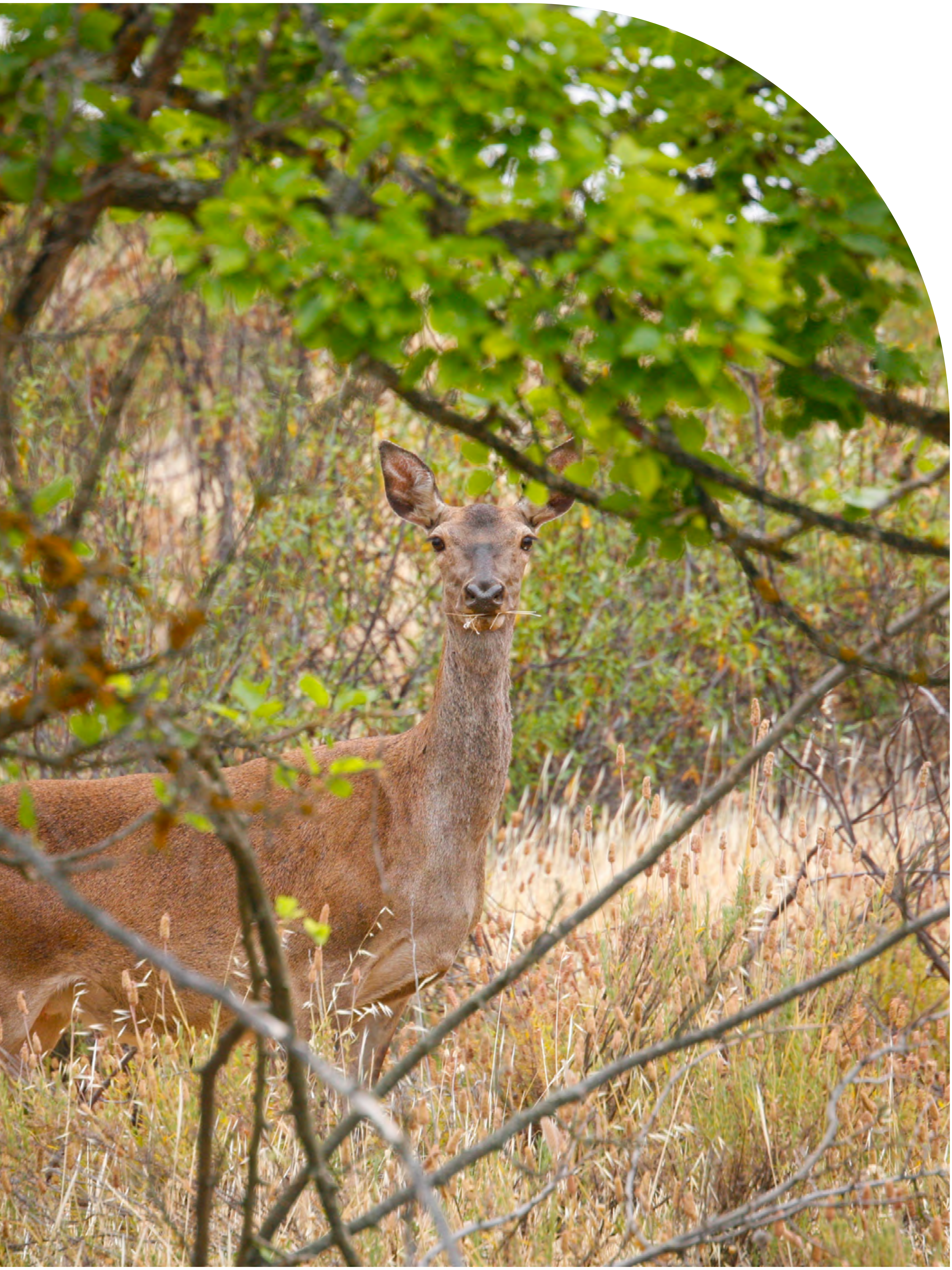
d. Passive investment funds: the amount of the carrying value of this class of assets was 523,905 thousand euros in 2021.

e. Infrastructure funds: the amount of the carrying value of this class of assets was 19,217 thousand euros in 2021.

f. Equity: the amount of the carrying value of this class of assets was 95,341 thousand euros in 2021.

g. Other short-term assets: includes financial assets, deposits and others, issued by financial institutions. No assets of this type existed as at 31 December 2021.

Enresa's management of financial risk is adapted to the needs and requirements of prevailing legislation which established that the underlying principles of the financial management of Enresa shall be security, profitability and liquidity. Similarly, it is adapted to comply with the General Radioactive Waste Plan in which the financial model for the management of radioactive waste in Spain is defined. Lastly, it also complies with the general principles of management of the Fund for the financing of the activities of the GRWP, issued by its Monitoring and Control Committee, regulated in Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste.



a) Security:

Enresa complies with the guidelines on diversification and creditworthiness established by the Monitoring and Control Committee by virtue of the development capacities of the general investment criteria granted to the said body by prevailing legislation.

In addition, Enresa assigns lines of concentration of its investments to its counterparts based on the analysis of their financial solvency, ensuring even greater prudence in the guidelines issued by the Committee.

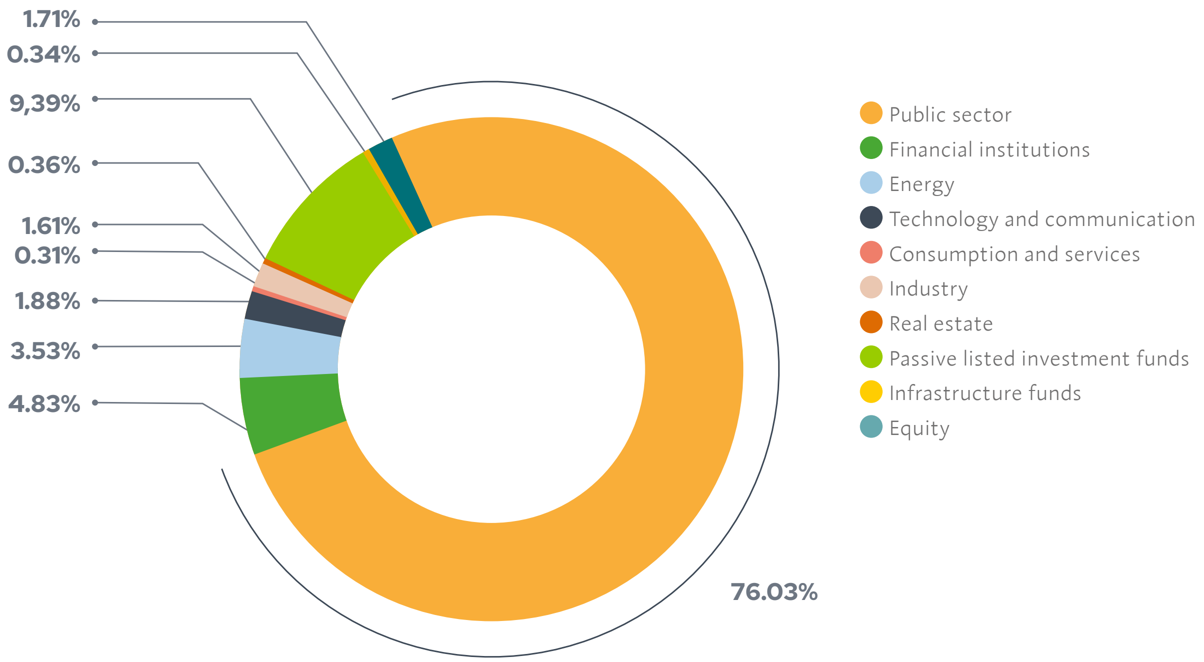
b) Profitability:

The short-term financial investment portfolio managed by Enresa must reach a specific minimum real interest rate established through the model for financing radioactive waste management in Spain approved by the Government in the General Radioactive Waste Plans For this reason, Enresa, insofar as financial markets allow, concentrates its financial investments in fixed-income financial instruments linked to Spanish inflation plus a margin above the aforementioned real interest rate. It diversifies its other investments among fixed income alternatives offered on financial markets always with the expectation of exceeding the established real interest rate as an objective.

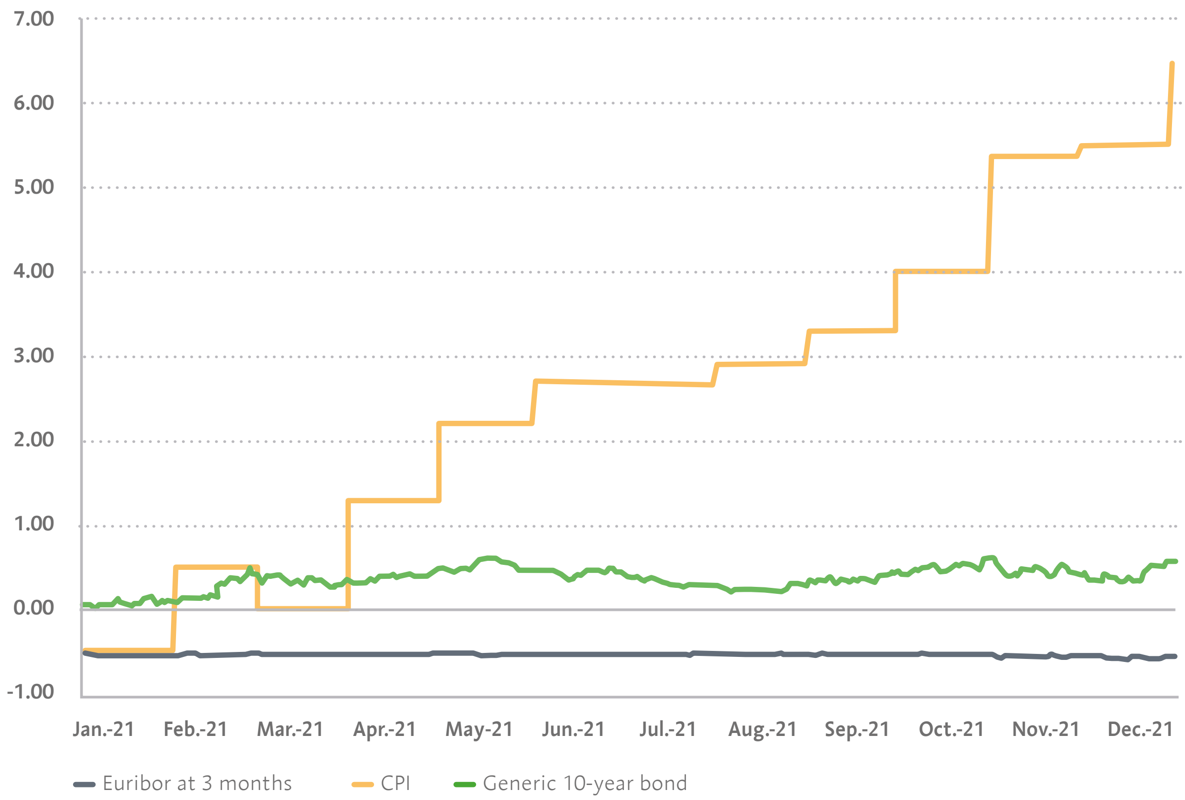
c) Liquidity:

Enresa adjusts the liquidity structure of its financial investments to the requirements of the economic financial planning approved by the Government in the General Radioactive Waste Plans. Given the broad time-frame of current planning, financial investments are fundamentally made on a long-term basis, provided that financial market conditions allow and advise this, as no special liquidity requirements exist in the short or medium term. Nevertheless, the financial investments of the portfolio in the long term are mainly made through entirely liquid financial products.

PORTFOLIO STRUCTURE BY SECTOR CARRYING VALUE



GENERIC 10 A – 3-MONTH RATE | CPI



H PERSONNEL

The average number of employees in 2021, distributed by professional category and the number of employees at the close of the financial year distributed by professional category and sex, was as follows:

Category	Average number of employees	Employees at 31 December 2021		
		Men	Women	Total
Senior management	6.00	3	3	6
Graduates	196.17	120	81	201
Non-graduate technicians	16.75	14	2	16
Administrative staff	53.03	11	43	54
Professionals	60.52	61	1	62
TOTAL	**332.47**	**209**	**130**	**339**

On 17 January 2019, the Directorate-General of the State Public Employment Service (SEPE), attached to the Ministry of Work, Migration and Social Security, ruled to accept the application for a declaration of exception presented by Enresa within the scope of the provisions of Royal Decree 364/2005, of 8 April, regulating alternative compliance of an exceptional nature with the reserve quota for workers with disabilities, granting Enresa a Certificate of Exception valid for three years, from 2019 to 2021, with the aim of complying with the provisions of the General Rights of Persons with Disabilities Act.

SEPE authorised Enresa, in this ruling, to adopt the alternative measures, consisting of the formalisation of a contract for the provision of general services with a Special Employment Centre (CEE), which seeks to train and employ persons with disabilities. These services are provided by seven persons with disabilities. The CEE received from Enresa, for the provision of its services in 2021, an amount billed for 93,842.85 euros, according to the invoicing certificate issued (85,353.36 euros in 2020).

In December 2021, Enresa presented the SEPE with a new application for a declaration of exception for the following three years (2022-2024), and is waiting for the resolution of this body.

The Single Collective Bargaining Agreement for personnel at all Enresa work centres from 2019 to 2023 was published in the Official State Gazette on 31 December 2019. This is the first collective bargaining agreement applicable to the whole of the Company's workforce since it was set up in 1985. The negotiation and signing of this agreement was a joint effort by the workers' representatives at the different work centres and by the management representatives to achieve an integrated framework of relations and work conditions in line with the regulations applicable to commercial State enterprises since 2012.

OWN SHARES

For the purposes of the Own Shares Act 19/1989, of 25 July, Enresa does not hold own shares as at 31 December 2021, nor has it made any acquisition or disposal of own shares, whether directly or indirectly, through its subsidiaries.

J EVENTS AFTER YEAR END

The war resulting from the Russian invasion of Ukraine is causing, among other aspects, an increase in the price of raw materials and energy supplies, along with the adoption of sanctions by Western countries on Russia, which are affecting, to a greater or lesser extent, the economy in general and particularly the entities that operate on Ukrainian or Russian territory, or have ties with these countries. The scope of this war on the activity of the entity will depend on the development of this conflict, and is not easy to predict at the date of the preparation of these financial statements. At any event, despite the uncertainty this is causing, the Directors of the Company do not expect this to lead to problems for the Company's daily activity or its compliance with its obligations to third parties, nor that it will affect, at the date of preparation of these financial statements, the accounting principle of going concern.

In addition to the previous paragraph, no other event that significantly affects the attached financial statements of the Company has taken place between 31 December 2021 and the date of preparation of these financial statements.

K NON-FINANCIAL INFORMATION STATEMENT

Pursuant to the provisions of Law 11/2018, of 28 December, on non-financial information and diversity, Enresa has prepared the non-financial information statement for financial year 2021, which is included as a separate document attached to the Directors' Report for financial year 2021, as established in Article 44 of the Code of Commerce.

GOBIERNO
DE ESPAÑA

VICEPRESIDENCIA
TERCERA DEL GOBIERNO

MINISTERIO
PARA LA TRANSICIÓN ECOLÓGICA
Y EL RETO DEMOGRÁFICO

enresa