Annual Report

_2018

GOBIERNO DE ESPAÑA | MINISTERIO PARA LA TRANSICIÓN ECOLÓGICA

enresa

SUMMARY _ 2018

Annual Report

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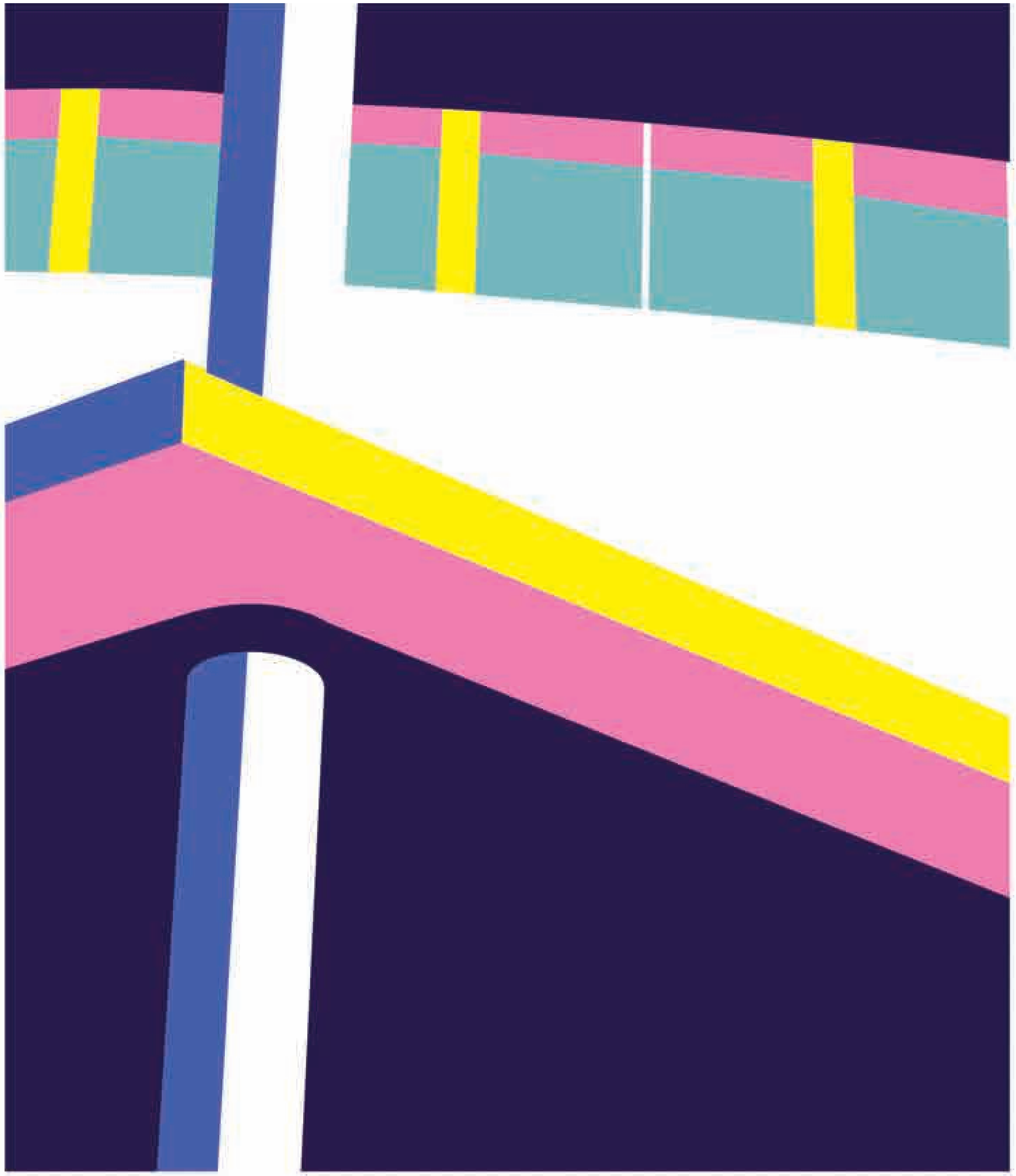
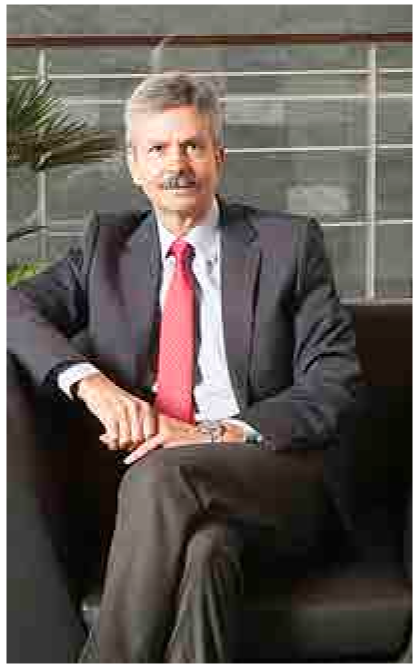
A WORD FROM THE CHAIRMAN

Chairman of Enresa
José Luis Navarro Ribera





This presentation of Enresa's activities during 2018, and particularly, of my first months as chairman of this public company, needs to highlight an element that has been instrumental during this year and that will shape the future of Enresa's activities: the beginning of the preparation, in compliance with the provisions issued by the State Secretariat for Energy, of a draft proposal corresponding to the Seventh General Radioactive Waste Plan (7th GRWP), a document that will include the strategic lines of action this company will follow in the coming years both as regards the management of very low, low and intermediate level waste and as regards the management of high level waste and spent fuel as well as the decommissioning and closure of nuclear facilities.

During 2018, the company continued to fulfil the missions assigned to it by virtue of the current Sixth General Radioactive Waste Plan (6th GRWP) in compliance with regulations applicable to Enresa's activities and its financing. I would like to emphasize some relevant aspects that can be found in this Annual Report.

As of 31 December 2018, the Fund for the financing of the activities of the General Radioactive Waste Plan amounted to 5,674,360 thousand euros (as compared to 5,326,015 thousand euros available as of 31 December 2017). The management of the Fund has followed, therefore, the principles of security, profitability and liquidity standards.

Regarding the technical activities and projects of the company, year 2018 has seen no accident. As for the management of very low, low and intermediate level waste, the El Cabril Disposal Facility received during the year a total of 2,489 m^3 of waste, 71% of which corresponded to very low level waste from the decommissioning of the José Cabrera Nuclear Power Plant and from the Centre for Energy-Related, Environmental and Technological Research (Ciemat, as per the Spanish acronym). Out of the 265 shipments that arrived at the facility, 90% came from nuclear facilities, whereas the remaining percentage was removed from the 934 radioactive facilities in hospitals, factories and research centres with which Enresa has executed service agreements, as well as from other non-regulated facilities within the Megaport protocol and the protocol for the radiological control of metallic materials in foundries, iron and steel factories or scrap yards, in which the company participates.

Regarding spent fuel and high level waste management activities, Enresa focused on the manufacturing of storage casks for spent fuel for the Individualised Temporary Storages (ITS) of Trillo, Ascó, Almaraz and the upcoming Cofrentes ITS. Furthermore, Enresa continued operating the ITS of the José Cabrera NPP as well as collaborating with the licensees of the Santa María de Garoña and Cofrentes nuclear power plants as regards the development of their respective ITS.

Annual Report 2018. Enresa. A word from the chairman.

"Enresa's activities regarding the decommissioning and closure of nuclear facilities are still one of the main technical strengths of the company which draws the attention of other international agencies."

During this year, Enresa kept on working towards the objective of creating a Centralized Temporary Storage (CTS) for spent fuel and high level waste. The company continued to carry out the activities regarding the design and preparation of the licensing documentation for obtaining the Construction Permit as well as the works aimed at complying with the Technical Instructions of the Nuclear Safety Council.

After the request, in July 2018, by the State Secretariat for Energy before the Nuclear Safety Council (NSC) and before the State Secretariat for the Environment for the stopping of the issue of the mandatory report on the Construction Permit of the CTS and the processing of the procedure for environmental assessment, the project is on hold. The management and storage of this type of waste will be one of our future strands of work thus, the 7th GRWP will define the strategies for the management and storage of high level waste.

Enresa's activities regarding the decommissioning and closure of nuclear facilities are still one of the main technical strengths of the company which draws the attention of other international agencies. During 2018, the removal works of the contaminated elements of the walls of the contention building of the José Cabrera Nuclear Power Plant were completed as well as the commissioning of the soil washing plant and the new storage facilities for very low level waste, among other actions.

The Basic Decomissioning Plan for the completion of the dismantling works of the Vandellós I Nuclear Power Plant was completed while the monitoring and maintenance activities of the reactor caisson continued. Regarding the upcoming decommissioning of the Santa María de Garoña Nuclear Power Plant, during the year, the Ministry for the Ecological Transition was presented with the Preliminary Study of Decommissioning Strategies and, simultaneously, the tendering process for the contracting of the decommissioning engineering services commenced.

At this point, I would like to mention the agreement reached by Enresa in March 2019 with the owners of the nuclear power plants for the signing of a memorandum of understanding aimed at establishing a duly organised shut down schedule for these energy production facilities, with a 2025/2035 time horizon, based on the provisions issued by the Government by means of the National Integrated Energy and Climate Plan.

R&D activities are one of the key development elements for Enresa, our way forward and knowledge-related driving force on which the history and gathered technical expertise of the company rest. Activities within this field have been organised in five-year R&D Plans; in 2018, the activities corresponding to the 7th Plan ended. During that year, Enresa worked on the preparation of the draft corresponding to the 8th R&D Plan, corresponding to the period 2019-2023.

The new R&D Plan, like the previous one, is divided into four thematic technical areas, plus a fifth cross-cutting area which deal respectively with the accurate knowledge of the intrinsic properties of the waste and its behaviour; the treatment and conditioning of waste and its relation with the operating and decommissioning techniques of the facilities; the study of the materials used for disposal and their relation with waste and, finally, their impact on the environment, considering current and future scenarios. The cross-cutting activity, which is particularly important due to its duration, basically refers to the management and conservation of scientific and technical knowledge.

Within this scope, Enresa, as well as taking part in many international forums of the IAEA, Euratom or the NEA, among other organisations and consortia, is an active member of three R&D platforms, two national ones -CEIDEN and PREPI- and an international one -IGD-IP-, where it is a member of the decision-making bodies.

This international renowned status is based on the technical quality and trustworthiness of the Spanish radioactive waste management systems, a notoriety that was backed in October 2018 by the International Atomic Energy Agency (IAEA) after jointly carrying out, for the first time in our country, two parallel missions aimed at analysing in detail both the Spanish regulatory framework for nuclear and radiological safety as well as the national programme for radioactive waste management. To such end, an international team from the Integrated Regulatory Review Service (IRRS) and another team from the Integrated Review Service for Radioactive Waste and Spent Fuel Management, Decommissioning and Remediation (ARTEMIS) performed for ten days, at the request of the Government, an external assessment. The first findings of such assessment were presented at the closing session, the final item of which was the recognition of the good practices of the national strategy for the management of radioactive waste and spent fuel and the strong commitment and expertise of Spain regarding nuclear safety.

Such international recognition of the values and work of the company is addressed at its main players, Enresa's workers. Therefore, I would like to dedicate these final words to you, since it is with your effort, commitment and devotion that you have created the renowned history of this company and support its mission as a public service.

José Luis Navarro Ribera
Chairman of Enresa

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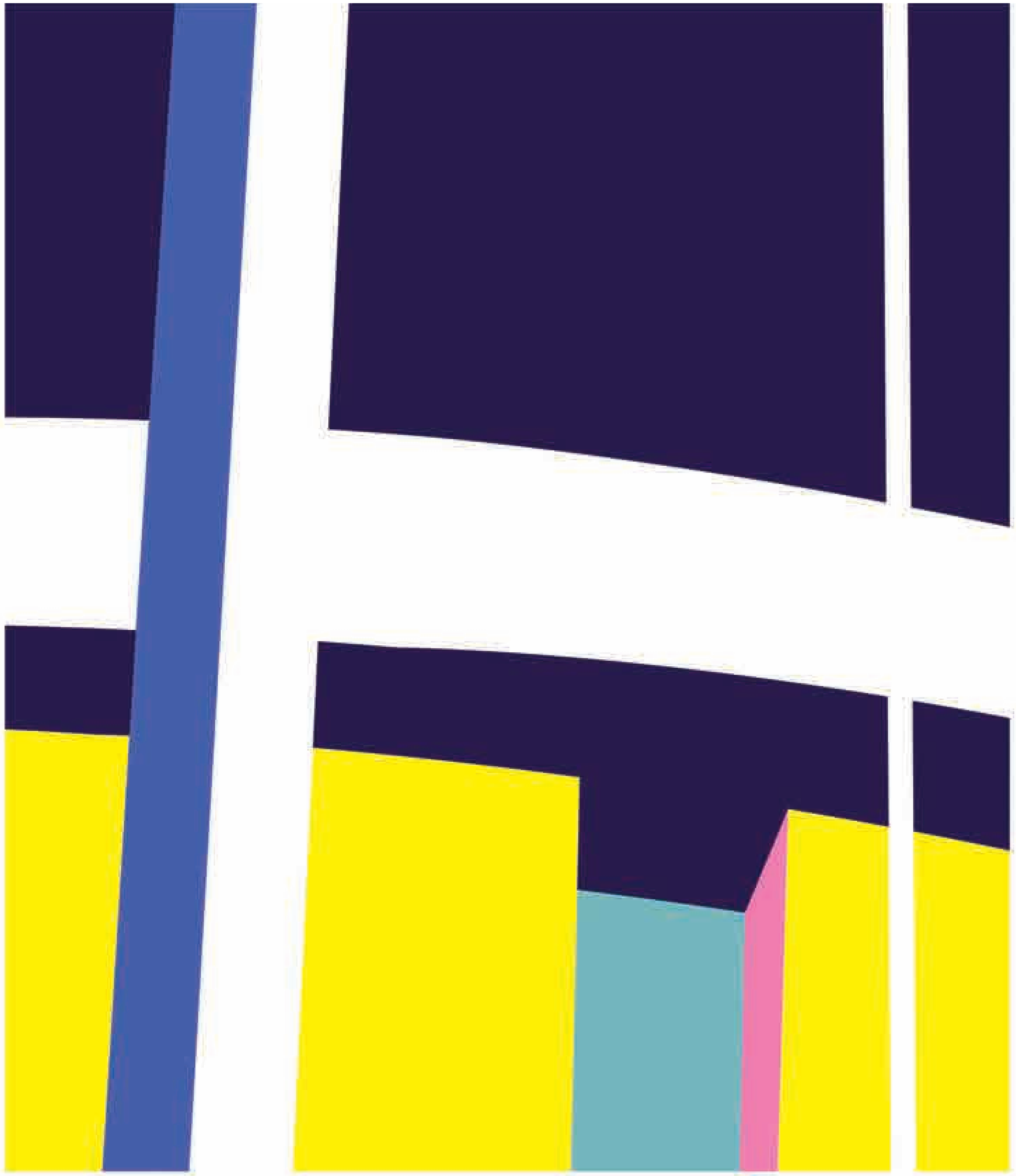
GOVERNING BODIES

_Board of Directors
_Management Committee



Board of Directors (as of 31 December 2018)

CHAIRMAN

Mr. José Luis Navarro Ribera

ENRESA.

VICE-CHAIRMAN

Mr. Carlos Alejaldre Losilla

DIRECTOR GENERAL OF THE CIEMAT.

MEMBERS

Mr. José Manuel Pérez Morales

DIRECTOR OF THE DEPARTMENT OF TECHNOLOGY. CIEMAT.

State Industrial Ownership Corporation (SEPI), represented by Ms. Mercedes Real Rodrigálvarez

DIRECTOR OF THE EQUITY DIVISION.

Mr. Joaquín Serrano Agejas

HEAD OF THE SUB-DIVISION FOR STRENGTHENING, EXCELLENCE, CROSS-SECTIONAL AND SCIENTIFIC-TECHNICAL PROGRAMMES. STATE RESEARCH AGENCY. MINISTRY OF SCIENCE, INNOVATION AND UNIVERSITIES.

Mr. José Manuel Redondo García

DEPUTY DIRECTOR GENERAL FOR NUCLEAR ENERGY. MINISTRY FOR THE ECOLOGICAL TRANSITION.

Mr. José Gabriel Maganto Fernández

CONSULTING MEMBER OF THE CABINET OF THE STATE SECRETARIAT FOR ENERGY. MINISTRY FOR THE ECOLOGICAL TRANSITION.

Mr. Alfonso de las Heras Gozalo

DEPUTY DIRECTOR GENERAL FOR INTERNATIONAL RELATIONS. MINISTRY FOR THE ECOLOGICAL TRANSITION.

Mr. Gonzalo Díaz Millán

DEPUTY TECHNICAL SECRETARY GENERAL. MINISTRY OF ECONOMY AND BUSINESS.

Ms. Cristina Morales Puerta

DEPUTY DIRECTOR GENERAL FOR CONTENTS OF THE INFORMATION SOCIETY. MINISTRY OF ECONOMY AND BUSINESS.

Ms. Beatriz Pérez Raposo

CHIEF OFFICER OF THE COMMERCIAL OFFICE IN MILAN. MINISTRY OF ECONOMY AND BUSINESS.

Ms. Belén Isla Ayuso

DEPUTY DIRECTOR GENERAL FOR THE CHIEF ADMINISTRATION OFFICE AND FINANCIAL ADMINISTRATION. MINISTRY OF INDUSTRY, COMMERCE AND TOURISM.

NON-MEMBER SECRETARY

Ms. Fabiola Gallego Caballero

GENERAL SECRETARY AND SECRETARY TO THE BOARD. ENRESA.

Management Committee (as of 31 December 2018)

CHAIRMAN

Mr. José Luis Navarro Ribera

MANAGEMENT

Ms. Lorena Segura Romera

DIRECTOR OF CORPORATE DEVELOPMENT.

Mr. Álvaro Rodríguez Beceiro

TECHNICAL DIRECTOR.

Ms. Aurora Saeta del Castillo

ADMINISTRATION DIRECTOR.

Ms. Fabiola Gallego Caballero

GENERAL SECRETARY AND SECRETARY TO THE BOARD.

Mr. Francisco Jiménez de la Peña.

AUDIT DIRECTOR.

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THE YEAR IN FIGURES

_2018

The year in figures

data as of
31 December
2018

5,674M€
Fund for financing the activities of the General Radioactive Waste Plan

497	18	43	436
contracts awarded	SARA	Non-SARA	minor contracts

Quality assurance inspections
2,087

33.4M€	29.4M€	2.4M€	1.6M€
amount awarded	SARA	Non-SARA	minor contracts

70
Casks loaded with spent fuel (SF) and high level waste (HLW) on site at nuclear power plants

Trillo NPP	32	DPT (CG)
	+2	ENUN32P (CG)
José Cabrera NPP	12	HI-STORM 100Z (CG)
	+4	HI-SAFE (RAA)
Ascó NPP	19	HI-STORM 100 (CG)
Almaraz NPP	1	ENUN32P (CG)

36
Casks under production and awaiting loading

Ascó NPP	2	HI-STORM 100 awaiting loading
	+10	HI-STORM 100
Santa Mª de Garoña NPP	5	ENUN52B pending transfer
Spanish PWR Plants	10	ENUN32P 7 under production and 3 delivered
Cofrentes NPP	5	HI-STAR 150 being designed for subsequent production
Vandellós I NPP	4	TN-81 for the transportation of waste arising from reprocessing, stored in La Hague (France)

315
Employees

12,034
Hours of training received by company personnel

6,186
Visits to Enresa Spaces

93,590
Visits to the Enresa website

1,824
News stories on Enresa published in Spanish media

16,244
Documentation requests processed

El Cabril

Occupation percentage of El Cabril

265
Shipments to El Cabril with a volume of 2,489 m^3 of waste received

77.2%
Of low and intermediate level waste capacity occupied

934
Relationships for the provision of radioactive waste management services

36.2%
Of very low level waste capacity currently available

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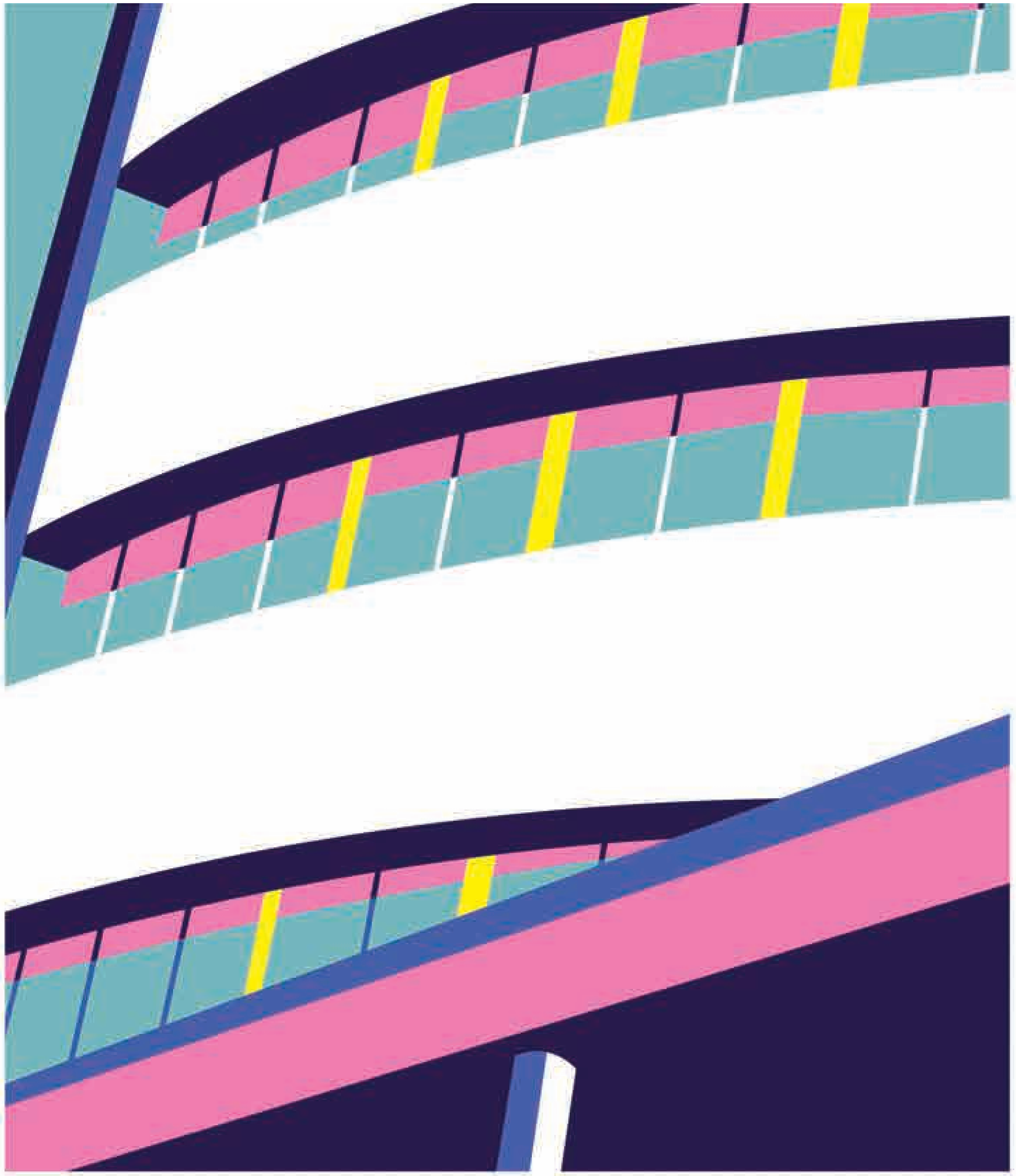
AUDIT REPORT

_2018



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Financial Statements Audit Report Issued by an Independent Auditor

To the Shareholders of
Empresa Nacional de Residuos Radiactivos S.A., S.M.E., M.P.

Report on the Financial Statements

Opinion

We have audited the financial statements of Empresa Nacional de Residuos Radiactivos S.A., S.M.E., M.P. (hereinafter the Entity) which include the balance sheet as of 31 December 2018, the profit and loss account, the statement of changes in net equity, the consolidated cash flow statement and the consolidated annual report for the financial year ending on said date.

In our opinion, the financial statements express, in all significant aspects, a fair and accurate picture of the equity and of the financial situation of the Entity as of 31 December 2018, and of the results and cash flows corresponding to the financial year ending on said date, in accordance with the applicable regulatory framework on financial information (see Note 2.1 of the Report) and, in particular, with the accounting principles and criteria contained therein.

Background of the opinion

We have conducted our audit in accordance with the regulations on the auditing of financial statements currently in force in Spain. Our responsibilities pursuant to said regulations are described below in the section Responsibilities of the auditor with regard financial statement auditing of our report.

We are independent of the Entity, in compliance with ethical requirements, including those of independence, that are applicable to our auditing of financial statements in Spain as stated in the regulations governing the auditing of accounts, we are independent to the Company. In this regard, we have not provided services other than those of account auditing, nor have circumstances or situations occurred which, pursuant to that established in the above mentioned regulation, have affected the required independence to the extent that it has been compromised.

We consider that the audit evidence obtained provides an adequate and sufficient basis for the issue of our opinion.

Relevant Aspects of the Audit

The most relevant aspects of the auditing are those that, according to our professional judgement, have been considered as the most important material error risks in our auditing of the financial statements of the current period. These risks have been treated in the context of our auditing of the financial statements as a whole, and of our opinion of same. We do not express a separate opinion on said risks.

C/ Alcalá, 63 28014 Madrid Teléfono: +34 915 624 030 Fax: +34 915 610 224 e-mail: auditoria@mazars.es
Oficinas en: Alicante, Barcelona, Bilbao, Madrid, Málaga, Valencia, Vigo.

MAZARS Auditores, S.L.P. Domicilio Social: Calle Diputació, 200 - 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)

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Fund to finance the activities of the General Radioactive Waste Plan

The Entity develops its public activity in compliance with the provisions of Royal Decree 102/2014 and other applicable regulations for the responsible and safe management of spent nuclear fuel and radioactive waste. Therefore, its activities are devoted to the achievement of such purposes in accordance with the statements of Note 1 of the report.

The management of radioactive waste, including spent nuclear fuel and the decommissioning and closure of nuclear facilities, as referred to in Article 38 bis of Law 25/1964, of 29 April, entrusted to Enresa, shall be carried out using the Fund for financing the activities of the General Radioactive Waste Plan.

The Fund for the financing of the General Radioactive Waste Plan is financed under the terms established by the Ministry of Energy, Tourism and the Digital Agenda (current Miteco) and through the taxes collected by the State Tax Administration Agency (AEAT). These taxes are lodged by taxable persons by way of self-declaration through their collaborating entities and finally, when the Secretary of State for Energy releases the funds, they are transferred to Enresa from the Treasury. In addition, income derived from the temporary financial investments of same is included in the fund. The sums are financed by the owners of nuclear power plants under the terms established by the aforementioned Ministry.

The future financing requirements arising from potential deviations from the hypothesis of the GRWP are fully guaranteed by means of the amendment of the types of levies that said law envisages being introduced by virtue of Royal Decree.

The purpose of this Fund is to cover the costs and expenses arising in relation to the development of the activities and projects that comprise the purpose of Enresa, and on 31 December 2018 the balance amounted to a total sum of 5,674,360 thousand euros.

The annual variation of the Fund is determined, from an accounting perspective, by the difference between the allocation to the fund to meet future costs, from which the profit to be registered by Enresa is deducted, and the use of the Fund for its purpose.

The focus of our audit has included both the assessment of the most relevant controls applied by the Entity and the completion of detailed and substantial tests. The principal procedures carried out consisted, among others, of the following:

- Review of the correct entry of the income obtained during the financial year as allocations to the fund and entry of costs incurred in application of same.
- Review of the process and controls implemented in the billing of owners of nuclear power plants, constituting the large part of the turnover registered. Our work included detailed tests of the calculation established.
- With regard to the costs incurred, we have performed detailed tests, consisting of verifying their correct accrual through the corresponding supporting documentation which primarily consists of award contracts, with the most significant being those relating to the study and management of waste.

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The valuation criteria used and the breakdown of information in relation to the Fund are included in notes 1 and 9 of the attached report.

Classification and valuation of financial instruments

As of 31 December 2018, the portfolio of financial instruments represents a significant percentage of the Entity's assets. The classification and valuations criteria of the financial instruments, for the purposes of valuation, can require a high degree of judgement and complex estimates that determine the criteria to be applied in subsequent valuation.

In those cases where there is no quoted price in an active market (level two financial instruments), the calculation of the fair value of the financial instruments requires complex estimates made by means of valuation techniques that may take into account a degree of subjectivity or market data that cannot be directly observed.

The focus of our audit has included both the assessment of the most relevant controls and the classification and assessment of financial instruments, with the completion of detailed and substantial tests. The principal procedures carried out consisted, among others, of the following:

- An adequate understanding of the Entity's contracting and investment operations and strategy, through meetings and reading of investment materials.
- Verification and review of the accounting criteria and procedures established for the registration and valuation of the portfolio of financial instruments, checking that they are in line with the criteria established in the regulations.
- Review of the correct classification of values representing debt based on the purpose for which they have been acquired, verifying compliance with the requirements established in the regulations (demonstrated financial capacity of the holder, intention to maintain up to maturity, no cancellation option in favour of the issuer that may cause a loss for the holder, market quotation, profitability) along with the correct assessment and evaluation of the need to assess possible impairment.
- Balance of accounting assistants who gather the inventories of the financial instruments with the respective accounting balances.
- For tests on the classification and valuation of financial instruments, we have selected a sample of operations with the aim of verifying the reasonableness of recognised fair value and/or correction for impairment, where applicable. For this sample, and based on the type of instruments contacted, where applicable, the methods of contrast applied to obtain evidence of the fair value assigned by same to the different financial assets and liabilities in accordance with the criteria established in the regulation:
- For financial instruments valued at amortised cost, verification that there are no defaults or other facts that, jointly analysed, might lead to impairment.
- Overall reasonableness of variables considered by the independent expert designated for the valuations made and the inputs proposed.
- Sample valuation for certain financial instruments at fair value (bonds and derivatives).

The valuation criteria used and the breakdown of information in relation to the items indicated are included in notes 4.5, 7.1 7.2 and 7.5, respectively, in the attached report.

Other Information: Management Report

The other information is exclusively made up of the management report of the 2018 financial year, the preparation of which is the responsibility of the Directors of the Entity and does not constitute an integral part of the financial statements.

Our audit opinion of the financial statements does not cover the management report. Our responsibility regarding the management report, pursuant to that stated in the regulations governing the auditing of accounts, consists of evaluating and reporting on the consistency of the management report with the financial statements, based on the knowledge of the entity gained from undertaking the audit of the aforementioned financial statements, without including information that is different to that obtained as evidence during same. Likewise, our responsibility involves evaluating and reporting on whether the content and presentation of the management report comply with the applicable regulation. If, based on the work that we have undertaken, we conclude that there are material inconsistencies, we are obliged to report this.

On the basis of the work undertaken, pursuant to that outlined in the previous paragraph, the information contained within the management report matches the financial statements for the 2018 financial year and both its content and presentation comply with the regulation that is applied.

Responsibility of the Directors regarding the Financial Statements

The Directors are responsible for the preparation of the attached financial statements so as to provide a fair and accurate picture of the equity, financial situation and profit and loss of the Entity in accordance with the financial information regulatory framework applicable to the Entity in Spain, identified in Note 2.1 of the attached report, and in accordance with the internal monitoring necessary for the preparation of these financial statements free of material misstatement due to fraud or error.

In the preparation of the financial statements, the directors are responsible for assessing the Entity's capacity to operate as a going concern, revealing, where applicable, the issues relating to the functioning of the company and using the going concern accounting principle, except if the directors have the intention of liquidating the company or terminating operations, should there be no other realistic alternative.

Responsibilities of the auditor with regard to the audit of the financial statements

Our aims are to obtain reasonable certainty that the financial statements on the whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable certainty represents a high level of certainty, but it does not guarantee that an audit undertaken pursuant to the applicable regulation governing the auditing of financial statements in Spain will always detect a material misstatement where such exists. Misstatements may be due to fraud or error and shall be considered material if, individually or on an aggregate basis, it can be reasonably forecast that they influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations on the auditing of financial statements currently in force in Spain, we apply our professional judgement and we uphold an attitude of professional scepticism throughout the entire audit. In addition:

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- We identify and consider the risks of material mistakes in the financial statements due to fraud or error; we design and apply auditing procedures to respond to said risks and we gather sufficient and appropriate auditing evidence to provide a basis for our opinion. The risk of not detecting a material mistake due to fraud is higher than the risk of not detecting a material mistake due to error, as fraud may entail collusion, falsification, deliberate omissions, intentionally erroneous declarations or the avoidance of internal controls.

- We gather knowledge of the internal control that is relevant for the audit in order to design appropriate audit procedures based on the circumstances; therefore; not for the purpose of expressing an opinion on the efficiency of the internal monitoring of the Entity.

- We assess whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information revealed by the Administrators.

- We then conclude whether the directors' use of the going concern principle is adequate and, based on the audit evidence obtained, we draw a conclusion on whether there is a material uncertainty or not concerning events or conditions which may cast significant doubt on the capacity of the Company to continue functioning. If we conclude that there is a material uncertainty, we must highlight this in our audit report regarding the corresponding information revealed in the financial statements or, if said revelations are not adequate, that we express a modified opinion. Our conclusions are based on the auditing evidence gathered up until the date of our auditing report. However, future events or conditions may be the cause of the Company ceasing to function as a going concern.

- We evaluate the overall presentation, the structure and the content of the financial statements, including the information revealed therein, and if the financial statements represent the underlying transactions and facts in such a way that they express a fair and accurate picture.

We communicate with the Entity's directors in relation to, among other issues, the scope and moment at which to carry out the planned audit and the important findings of the audit, as well as any other significant deficiency in internal control that we identify during the audit.

Among the significant risks that have been subject of communication to the directors of the Company, we determine those that have had a greater importance in the audit of the financial statements and that are, as a result, considered as the most important risks.

We describe these risks in our audit report, unless legal or regulatory provisions prohibit public disclosure thereof.

Madrid, 27 March 2019

MAZARS AUDITORES, S.L.P
ROAC [Official Registry of Account Auditors] No. S1189

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

MAZARS AUDITORES, S.L.P

2019 Núm. 01/19/03631
96,00 EUR
SELLO CORPORATIVO:
Informe de auditoría de cuentas sujeto a la normativa de auditoría de cuentas española o internacional

Carlos Marcos Corral
ROAC Nº 17577

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FINANCIAL STATEMENTS

1_ Balance sheet

BALANCE SHEET AS OF 31 DECEMBER 2018

(In thousands of euros)

	Notes in the 2018 Report	Financial Year 2018	Financial Year 2017
NON-CURRENT ASSETS		4,384,586	3,965,262
Property, plant and equipment	Note 5	**107**	**79**
Computer software		107	79
Property, plant and equipment	Note 6	**269,950**	**269,250**
Land and buildings		16,717	16,962
Technical installations and other property plant and equipment		130,372	130,456
Assets under construction and advance payments		122,861	121,832
Long-term financial investments		**4,089,193**	**3,670,414**
Credits to third parties		7,879	8,690
Investment Portfolio	Note 7.1	4,024,130	3,624,977
Derivatives	Note 7.2	16,235	22,845
Other financial assets		40,949	13,902
Deferred tax assets	Note 11.4	**1,583**	**1,766**
Long-term accruals	Note 12.6	**23,753**	**23,753**
CURRENT ASSETS		1,446,550	1,510,144
Inventory		**1,103**	**1,077**
Raw materials and other supplies		1,103	1,077
Trade debtors and other receivables		**206,230**	**199,782**
Trade and service provision customers	Note 7.3	204,663	197,853
Miscellaneous debtors		62	77
Personnel		1,445	1,476
Other credits with Public Administrations	Note 11.1	60	376
Short term financial investments		**545,499**	**1,238,686**
Investment Portfolio	Note 7.1	543,813	1,237,116
Derivatives	Note 7.2	0	148
Other financial assets		1,686	1,422
Short term accruals		**288**	**564**
Cash and other equivalent liquid assets		**693,430**	**70,035**
Treasury		693,430	70,035
TOTAL ASSETS		5,831,136	5,475,406

(*) Included for comparison purposes only
Notes 1 to 17 described in the attached Report are an integral part of the balance sheet as of 31 December 2018

Annual Report 2018. Enresa. Financial Statements. Balance sheet.

BALANCE SHEET. NET EQUITY AND LIABILITIES AS OF 31 DECEMBER 2018

(In thousands of euros)

	Annual Report 2018 Report	Financial year 2018	Financial Year 2017(*)
NET EQUITY	Note 8	4,438	4,445
OWN FUNDS		4,438	4,445
Capital		**3,606**	**3,606**
Registered capital		3,606	3,606
Reserves		**721**	**721**
Legal and statutory		721	721
End of year profit (loss)	Note 3	**111**	**118**
NON-CURRENT LIABILITIES		5,753,526	5,403,527
Long-term provisions		**5,674,445**	**5,326,100**
Fund for the financing of the activities of the General Radioactive Waste Plan	Note 9	5,674,360	5,326,015
Long-term obligations for employee benefits		85	85
Long-term debts		**79,081**	**77,427**
Derivatives	Note 7.2	79,081	77,427
CURRENT LIABILITIES		73,172	67,434
Short-term debts		**25,580**	**24,391**
Other Financial Liabilities		25,580	24,391
Trade and other payables		**47,592**	**43,043**
Suppliers		27,457	23,369
Sundry Creditors		12,130	13,199
Personnel (Payments pending)		1,711	1,782
Other debts with Public Administrations	Note 11.1	6,294	4,693
TOTAL NET EQUITY AND LIABILITIES		5,831,136	5,475,406

(*) Included for comparison purposes only
Notes 1 to 17 described in the attached Report are an integral part of the balance sheet as of 31 December 2018

2_ Profit and Loss Account

PROFIT AND LOSS ACCOUNT AS OF THE END OF FINANCIAL YEAR ON 31 DECEMBER 2018	Annual Report 2018 Report	Financial year 2018	Financial year 2017 (*)
		(In thousands of euros)	
CONTINUING OPERATIONS			
Net Turnover	Note 12.1	**375,618**	**390,498**
Provision of services and rates		375,618	390,498
Work performed by the company for assets	Notes 4.1 y 4.2	**1,537**	**2,200**
Studies and waste management		**(90,065)**	**(150,397)**
Studies and waste management	Note 12.6	(63,626)	(122,974)
Allocations by Ministerial Order IET/458/2015 MINETUR	Note 4.13	(26,439)	(27,423)
Other operating income	Note 12.2	**544**	**231**
Casual income and other current operating income		469	156
Operating subsidies included in the profit/loss of the financial year		75	75
Personnel costs		**(25,862)**	**(25,376)**
Wages, Salaries and similar payments		(19,732)	(19,458)
Social Security Contributions	Note 12.3	(6,130)	(5,918)
Other operation costs		**(18,318)**	**(20,348)**
External services		(16,669)	(18,659)
Taxes		(1,395)	(1,687)
Losses, impairment and changes in provisions for trade operations		(23)	(2)
Other current operating expenses		(231)	-
Depreciation of Fixed Assets	Notes 5 y 6	**(14,086)**	**(15,197)**
Impairment and profit/loss on disposal of fixed assets		**(2)**	**(919)**
Impairment and losses		-	(888)
Gains/losses on disposal and others		(2)	(31)
Other profits (losses)		**8**	**54**
OPERATING PROFIT (LOSS)		**229,374**	**180,746**
Finance income	Note 12.5	**151,617**	**158,152**
From marketable securities and other financial instruments		151,617	158,152
- In third parties		151,617	158,152
Finance costs	Note 12.5	**(17,270)**	**(22,992)**
For debt with third parties		(17,270)	(22,992)
Variation in fair value on financial instruments	Note 12.5	**(15,094)**	**(8,373)**
Trading book and others		(15,094)	(8,373)
Translation differences	Note 12.5	**13**	**959**
FINANCIAL PROFIT (LOSS)		**119,266**	**127,746**
PRE-TAX PROFIT (LOSS)		**348,640**	**308,492**
Tax on profit	Note 11.3	(184)	5
Variation in provision for Fund for financing the Activities of the GRWP	Note 9	(348,345)	(308,379)
PROFIT (LOSS) FOR THE FINANCIAL YEAR ARISING FROM CONTINUING OPERATIONS		**111**	**118**
END OF YEAR PROFIT (LOSS)	Note 3	**111**	**118**

(*) Included for comparison purposes only
Notes 1 to 17 described in the attached Report are an integral part of the profit and loss account as of 31 December 2018

3_ Statement of Changes in Net Equity

STATEMENT OF CHANGES IN NET EQUITY FOR THE YEAR 2018

(In thousands of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE	Financial Year 2018	Financial Year 2017 (*)
RESULT OF THE PROFIT AND LOSS ACCOUNT	**111**	**118**
Income and expenses directly attributed to 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 EXPENSES	**111**	**118**

(*) Included for comparison purposes only
Notes 1 to 17 described in the attached Report are an integral part of the statement of changes in net equity as of 31 December 2018.

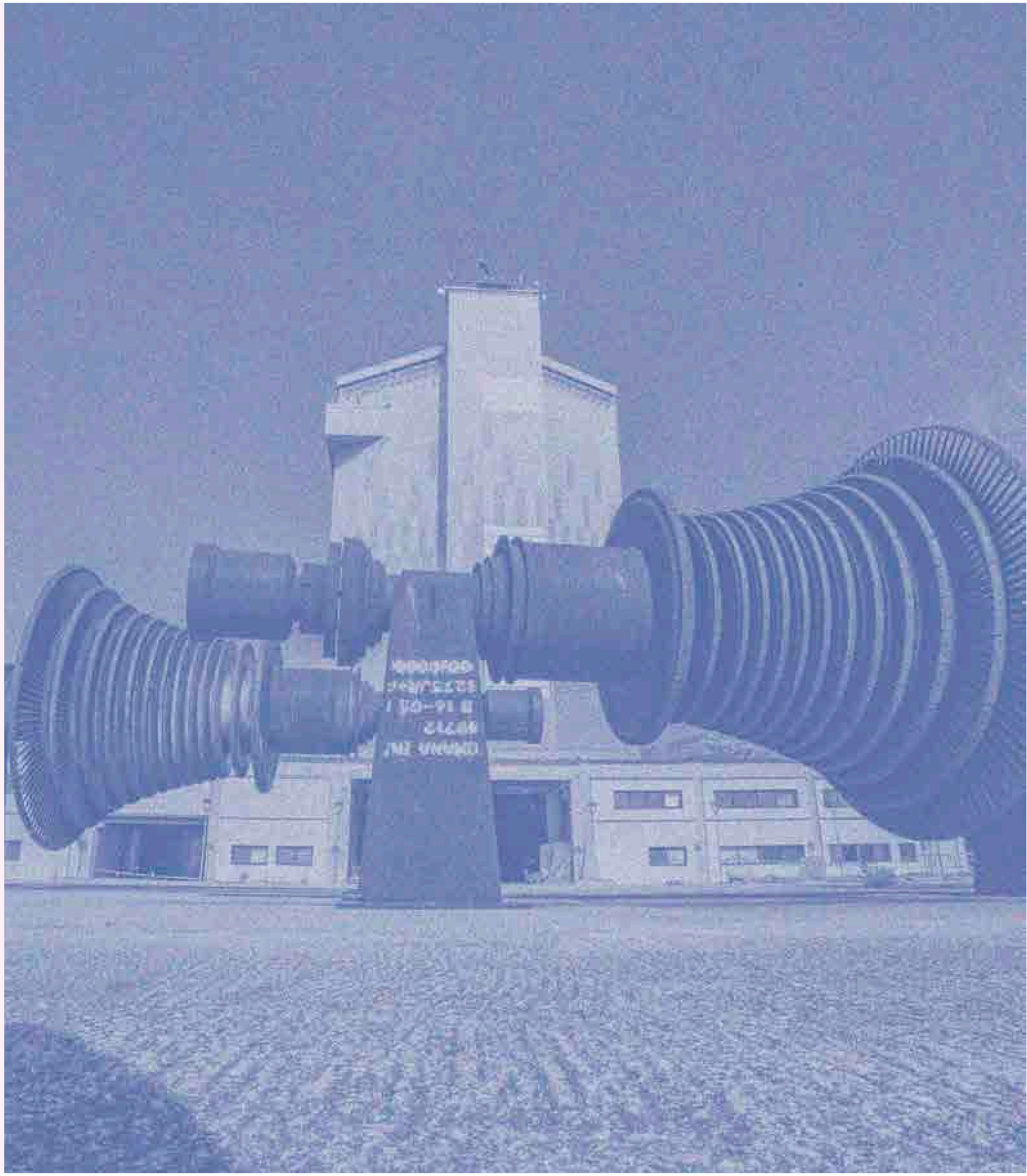
B) TOTAL STATEMENT OF CHANGES IN NET EQUITY	Capital	Reserves	Results for Previous Years Financial Years	Result for Financial Year	Total
ADJUSTED BALANCE AT START OF FINANCIAL YEAR 2017 (*)	**3,606**	**721**	**-**	**114**	**4,441**
Total recognised income and expenditure	-	-	-	118	118
Shareholder operations:					
Distribution of 2016 result	-	-	-	(114)	(114)
FINAL BALANCE FOR FINANCIAL YEAR 2017 (*)	**3,606**	**721**	-	**118**	**4,445**
Adjustments for changes to accounting practices or errors	-	-	-	-	-
ADJUSTED BALANCE AT THE BEGINNING OF FINANCIAL YEAR 2018	**3,606**	**721**	-	**118**	**4,445**
Total recognised income and expenditure	-	-	-	111	111
Shareholder operations:					
Distribution of 2017 result	-	-	-	(118)	(118)
FINAL BALANCE FOR FINANCIAL YEAR 2018	**3,606**	**721**	-	**111**	**4,438**

(*) Included for comparison purposes only
Notes 1 to 17 described in the attached Report are an integral part of the statement of changes in net equity as of 31 December 2018.

4_ Cash Flow Statement

CASH FLOW STATEMENT FOR FINANCIAL YEAR 2018 (In thousands of euros)	Financial Year 2018	Financial Year 2017 (*)
OPERATING CASH FLOW (I)	**375,320**	**352,081**
Pre-tax profit (loss) for financial year	348,640	308,492
Adjustments to profit:		
- Depreciation of Fixed Assets	14,086	15,197
- Write-downs for impairment	-	888
- Provision variation	23	2
- Earnings for write-offs and disposals of fixed assets	2	31
- Finance income	(151,617)	(158,152)
- Finance costs	17,270	22,992
- Exchange rate differences	(13)	(959)
- Variation in fair value of financial instruments	15,094	8,373
Changes in working capital		
- Inventory	(26)	(9)
- Trade and other accounts receivable	(6,880)	11,316
- Other current assets	294	4,946
- Creditors and other accounts payable	4,549	9,785
- Other current liabilities	1,189	13,527
Other operating cash flows from operating activities		
- Interest paid	(18,647)	(22,992)
- Interest received	150,980	138,644
- Proceeds (payments) arising from the profit tax	376	-
INVESTMENT ACTIVITIES CASH FLOW (II)	**248,180**	**290,902**
Investment payments		
- Intangible fixed assets	(1,143)	(1,660)
- Property, Plant and Equipment	(13,673)	(37,085)
- Other financial assets (Investment portfolio)	(1,402,270)	(2,086,798)
- Other assets (Third party creditors and others)	(28,530)	(15,070)
Proceeds from divestment		
- Other financial assets (Investment portfolio)	1,691,693	1,847,730
- Other assets (Third party creditors)	2,103	1,981
CASH FLOW FROM FINANCING ACTIVITIES (III)	**(118)**	**(114)**
Dividends paid and income from other equity instruments		
- Dividends	(118)	(114)
EXCHANGE RATE VARIATIONS EFFECT (IV)	**13**	**959**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III+IV)	**623,395**	**62,024**
Cash or cash equivalents at beginning of the financial year	70,035	8,011
Cash or cash equivalents at close financial year	693,430	70,035

(*) Included for comparison purposes only
Notes 1 to 17 described in the attached Report are an integral part of the cash flow statement as of 31 December 2018



5_ Report

_SUMMARY

1 Company Business Activities

Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., M.P. (hereinafter, Enresa) has, in 2018, continued to develop its objectives as established in Royal Decree 100/2014 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 (GRWP), a document in which the policies to be enacted 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.

Enresa has established agreements with the principal 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 Law 25/1964, of 29 April, the Nuclear Energy Act, of the sixth additional provision of Law 54/1997 and the repeal of the sixth additional provision bis of the Electricity Industry Act, which in Law 11/2009, of 26 October, read as follows:

"Ninth final provision. Amendment of Law 25/1964, the Nuclear Energy Act, and of Law 54/1997, the Electricity Industry Act.

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

Article 38 bis is added to Law 25/1964, The Nuclear Energy Act of 29 April, stating the following:

«Article 38 bis Radioactive Waste Management.

1. 1. The management of radioactive waste, including spent nuclear fuel and the dismantling and closure 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 service, in accordance with the General Radioactive Waste Plan, approved by the Government.

To this end, Enresa was set up as the technical arm of the Administration, to carry out the functions assigned 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 closure of nuclear facilities, through the approval of the General Radioactive Waste Plan, which is prepared by the Ministry of Industry, Tourism and Commerce, upon report from the Nuclear Safety Council and once the Autonomous Communities have been consulted in relation to territorial planning and the environment, and which will subsequently be considered by Parliament.

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

3. The Ministry of Industry, Tourism and Commerce shall exercise the necessary powers 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 of public utility through forced expropriation.

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

Two. The sixth additional provision of Law 54/1997, the Electricity Industry Act of 27 November is amended.

The sixth additional provision of Law 54/1997, the Electricity Industry Act of 27 November is amended, to state 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 closure 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.

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

The sums comprising the fund, without prejudice to the aforementioned temporary financial investments, may only be invested in costs, works, projects and assets arising 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 Control Committee attached to the Ministry of Industry, Tourism and Commerce through the State Secretariat for Energy.

3. Sums allocated to the Fund for to finance the costs corresponding to the management of nuclear waste and spent nuclear fuel generated at nuclear facilities where operation has ceased definitively prior to 1 January 2010, along with their dismantling and closure, future costs corresponding to the nuclear facilities or factories producing fuel components that, having definitively ceased operation, were not foreseen during said operation and that, where necessary, can arise from that provided for in section 5 of this provision, shall be considered costs of diversification and security of supply as provided for in this Law.

Similarly, sums allocated to the Fund to finance the costs of radioactive waste management arising from the research activities the Ministry of Industry, Tourism and Commerce determine to have been directly related to the generation of nuclear power, dismantling and closure operations that must be carried out as a consequence of the mining of uranium concentrates prior to 4 July 1984, the costs arising from the reprocessing of spent fuel sent abroad prior to the entrance into force of this Law and those other costs specified by royal decree shall also have the same consideration as those listed in the previous paragraph.

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

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

5. In the event of an early cessation of operation in respect of the period established in the General Radioactive Waste Plan due to causes beyond the control of the licensee, the financing deficit in such an event shall be considered a cost of diversification and security of supply. Where such a cessation is enacted wilfully by the licensee, the licensee shall be liable for the corresponding costs.

6. The remaining sum of the fund as of 31 December 2009, once the sums necessary to finance the forecast costs referred to in section 3 are deducted, shall be allocated to the financing of 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 projects and activities of R&D&I shall be included in the costs of managing radioactive waste and spent fuel and dismantling and closure, all in accordance with the provisions of the General Radioactive Waste Plan.

The cost of managing radioactive waste and spent fuel in the nuclear production facilities themselves shall include, exclusively, the cost corresponding to activities carried out by Enresa and, where applicable, third party costs arising from such activities.

8. The removal and management of lightning arrester heads and the management of radioactive generated in exceptional circumstances provided for in Article 2 of Law 15/1980 of 22 April, creating the Nuclear Safety Council, shall be financed by the Fund, the latter where these cannot be transferred in accordance with the relevant regulation and so determined by the Ministry of Industry, Tourism and Commerce.

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

With the entrance 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 collected by the Spanish Tax Agency. These taxes are lodged by taxable persons by way of self-declaration through their collaborating entities and finally, when the Secretary of State for Energy releases the funds, they are transferred to Enresa from the Treasury.

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

Specifically in the case of nuclear production, Enresa bills the licensees of nuclear power plants for the sums resulting from multiplying the gross kilowatts per hour generated in each of them, per natural month, for a specific unitary value for each facility expressed in Euro cents, obtained by multiplying the fixed unit rate, 0.669 cents €/kWh, by a corrector coefficient in accordance with the type of plant (rate lodged).

The Sixth General Radioactive Waste Plan, currently in force, approved by the Government on 23 June 2006 has, among others, the objective of evaluating the total management costs and calculating the necessary investment for its financing, based on the legally established systems. To determine future management costs, the Company has taken into consideration the period between 2006 and 2070 and the tax raising period considered to cover such costs considered a 40-year stage of reference of nuclear power plants, with income raising period ending in the year 2028.

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

(Thousands of euros)

Item	Planned cost	Updated value as of 01/01/2019
Electricity rates	1,274,714	942,730
Nuclear power plants	14,113,902	9,708,454
Juzbado Factory	13,374	11,012
Other installations	47,705	35,131
Totales	**15,449,695**	**10,697,327**

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 of 31 December 2018, the Fund for financing the activities of the General Radioactive Waste Plan has a balance of 5,674,360 thousand euros (5,326,015 thousand euros as of 31 December 2017). The sixth additional provision of Law 54/1997, of 27 November, establishes the means for raising the sum 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 amendment of the types of levies that said law envisages being introduced by Royal Decree, with such deviations therefore not 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 economic-financial report updated with the cost of the activities corresponding to those set out in the General Radioactive Waste Plan."*

2 Principles of the 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 Commercial Code and the remaining commercial legislation.

b) The General Accounting Plan approved by Royal Decree 1514/2007 and the amendments to same made through Royal Decree 1159/2010, of 17 September and Royal Decree 602/2016, of 2 December.

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

d) Remaining applicable Spanish accounting standards.

2.2 True and Fair View

The attached consolidated financial statements have been prepared based on the accounting records of the Company and they are presented in accordance with the applicable regulation on financial information and, in particular, the accounting principles and criteria contained therein, so that they represent a fair and accurate picture of the consolidated equity, financial position and results 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 Shareholder's Meeting, where they are expected to be approved without any modifications.

The 2017 financial statements were approved by the General Shareholder's Meeting held on 27 June 2018 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 accounting principles and standards, which have a significant effect on said financial statements. No mandatory accounting principle was omitted.

Enresa's accounting is developed in accordance with the accounting principles approved in Royal Decree 1514/2007, of 16 November.

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 before 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 improved information available in relation to the facts analysed on the date of formulation of the attached financial statements, although it is possible that events that may take place in the future require modification over the coming years, which would be done prospectively as stipulated by recognising the effect of change in the estimate which, in any case, 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 this report referring to the 2017 financial year is presented only for the purposes of comparison with information on the 2018 financial year.

2.6
Grouped items

Certain items of the balance sheet and the profit and loss account and of 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 is included in the corresponding Report.

2.7
Changes in accounting criteria

During 2018, no changes were made to the accounting criteria in respect of those applied in 2017.

2.8
Correction of errors

No significant errors were identified during the preparation of the attached financial statements that involved re-expressing the sums included in the financial statements for year 2017

3
Application of the Result

The Ordinary General Shareholder's Meeting approved the proposal for the distribution of the 2017 profits on 27 June 2018, with no changes in respect of that formulated by the Directors of the Company.

The proposed distribution of 2018 profits, prepared by the Directors of Enresa, and which will be submitted for approval at the General Shareholder's Meeting is the following:

	(In thousands of euros)
BASIS OF DISTRIBUTION:	
Profit and Loss	111
DISTRIBUCIÓN:	
Dividends	111

From 1987, and based on that envisaged in the first 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 public tasks, such as annual dividend paid to shareholders must be included. In accordance with Article 7 of Royal Decree 102/2014 of 21 February for the responsible and safe management of spent nuclear fuel and radioactive waste, said dividend is determined using the percentage in the same way average return is obtained from financial investments in the financial year, which was 3.07% in 2018 (3.28% in 2017). For this reason, Enresa's profit and loss account must show a positive figure in line with the sum to be distributed to shareholders plus the regulatory obligation arising from the provision of the legal reserve.

4
Accounting and Valuation Standards

The principal accounting and valuation standards used by the Company in preparing the 2018 financial statements, in accordance with that established in the General Accounting Plan, were the following:

4.1
Intangible fixed assets (see note 5)

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

Nevertheless, given the gap that predictably exists between the moment in 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 deduct the total of these costs from the final result for each year.

The sum registered for this item in 2015 was 1,074 thousand euros (1,637 thousand euros in 2017), which is included under the heading Amortisation of fixed assets in the Profit and Loss Account.

IT applications are recorded at their acquisition cost or their production cost. Subsequently, their retail value shall be evaluated for the corresponding accumulated depreciation and, where applicable, losses due to impairment. Included under this heading is the sum paid for ownership or usage rights of the IT programmes, 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 2018 financial year was 41 thousand euros (63 thousand euros in 2017).

In addition, provided there are signs of losses in 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 a sum less than their book value.

The recoverable value is the greater of the fair value less costs to sell 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.

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. On the contrary, sums invested in improvements that contribute to increase the capacity or efficiency or to extend the useful life of such assets are registered as a higher cost of such assets.

The Company expenses the personnel costs directly related to the construction of the Centralised Temporary Storage (CTS) for a sum of 463 thousand euros (563 thousand euros in 2017).

The different items that comprise this chapter are amortised in accordance with the linear method, based on the estimated remaining years of useful life.

	Estimated years of useful life
Buildings and other constructions	14 a 50
Technical facilities and machinery	8 a 46
Other facilities, tooling and fittings	4 a 46
Other tangible fixed assets	4 a 12

The charge to the Profit and Loss account for the 2018 financial year under amortisation of tangible fixed assets was 11,945 thousand euros (11,550 thousand euros in 2017).

4.3 Impairment of value of intangible and tangible assets

At the end of every financial year (in the case goodwill or intangible assets of indefinite useful life) or provided there are signs of loss in value (for the 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 said assets to an amount less than their book value.

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

At the close of 2018, 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 are incurred.

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, in accordance with the term for the provision or receipt of the benefits of the leased asset.

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 traffic operations or those that have no commercial origin and are not equity instruments nor derivatives and the sums collected for which are a fixed or determinable sum not negotiated in an active market.

b) Investments maintained up to maturity: debt securities, with fixed maturity date and collections of a determinable sum, negotiated 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 or and variable rate bonds (referenced to an inflation or interest rate) that do not have embedded derivatives and hybrid financial assets in which embedded derivatives must not be segregated.

c) Other financial instruments at fair value through profit or loss: within his category, in accordance with equity structure of Enresa, 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.

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.

Initial valuation

Financial assets are initially recorded at fair value of the consideration given plus any directly attributable transaction costs.

Subsequent valuation

Loans, items to be collected and investments maintained to maturity are valued at their amortised cost.

In particular, and with respect to any value corrections related to trade and other receivables, the Company uses the criteria for the necessary provision to cover those sums that are uncertain of being recovered by year-end. As of 31 December 2018 and 2017, respectively, the Company had a provision of 46 and 23 thousand euros, respectively.

Financial assets at fair value with changes in the profit and loss account are valued at fair value, with the result of the variations in said fair value registered in the profit and loss account. Derivatives are valued at fair value, with those that, at 31 December 2018, hold a positive fair value, recorded as financial assets.

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

A loss in value for the financial assets valued at amortised cost occurs when there is objective evidence that the Company will not be able to recover all of the amounts in accordance with the original terms of same.

The sum of the loss in value is recognised as a cost in the profit and loss account and is determined by the difference between the book value and the present value of future cash flows discounted at the effective interest rate. The book value of the asset is written down through an allowance account.

If in subsequent periods, there is an evident recovery of the financial asset to amortised cost, the loss due to impairment shall be reversed. The limit of this reversal is the book value of the financial asset in the case that its loss in value due to impairment was not recorded. The recording of the reversal is recognised in the profit and loss account for the financial year.

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 twelve 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 are debt and payable items of the Company that have arisen from the purchase of goods and services through trade operations and also include those with no trade origin that therefore cannot be considered derivative financial instruments.

Debt and payables are initially valued at the reasonable value of the compensation received, adjusted by any directly attributable transaction costs. Subsequently, such liabilities are valued according to their amortised cost.

Derivative financial instruments are measured at fair value, with those that, at 31 December 2018, 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.

The Company derecognises passive liabilities when the obligations they generate have ceased.

4.5.3
Equity instruments
(see note 8)

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

4.6
Inventories

Inventories are valued at the lesser of acquisition price, production cost or net realizable value.

In assigning the value of its inventory, the company uses the FIFO method.

The Company recognises the appropriate write-downs as an expense in the profit and loss account when the net realizable value of the inventories is lower than acquisition (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 as per 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 as of 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)

Expenses or revenues under this item include both current and deferred taxes on earnings.

The current tax is the amount paid by the Company as a result of tax on profit settlements related to a specific financial year. Any deductions or tax benefits in the tax payable excluding retentions and payments on account, as well as any fiscal losses compensated for prior years and effectively applied in the current year, give rise to a lesser current tax sum.

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 sums expected as payable or recoverable deriving from differences between the book amounts of the assets and liabilities and their fiscal value, as well as negative tax bases pending compensation and credits for tax deductions not applied fiscally. These sums 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 fiscal result nor the accounting result and provided that it is not a business combination.

On the other hand, 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 originated by transactions with direct debits or credits to the equity accounts are also accounted with a balancing entry in the equity.

The deferred tax assets recorded are reconsidered at the end of each accounting period and the appropriate corrections are made if there are any doubts about their future recovery. Likewise, the deferred tax assets not recorded on the balance sheet are assessed at the closing of each financial year and they are subject to recognition if their recovery is likely with future tax profits.

Law 40/1994, of 30 December, organising the National Electricity System, established, in its Seventh Additional Provision, the Fund for financing the second phase of nuclear fuel cycle, established that sums collected through electricity rates, along with financial gains generated therefrom, shall be destined to a provision considered deductible from Corporation Tax. This regulation entered into force in January 1995, and therefore only affected that and subsequent years.

Prior to the introduction of that Law, Enresa paid Corporation Tax on financial gains obtained from its securities portfolio. Allocations to the Fund for the financing of the second phase of the nuclear fuel cycle through such gains were not considered tax deductible.

Moreover, Law 43/1995, of 27 December, on Corporation Tax, established, in Note 2 of point 23 of its Sole Exemption Clause, that, among others, the Seventh Addition Provision of Law 40/1994, organising the National Electricity System, would remain in force.

With its entry into force from 1 January 2015, Law 27/2014, of 27 November, on Corporation Tax, in section i) of the second point of the Sole Exemption Clause indicated that “Law 54/1997 of 27 November, the Electricity Industry Law, shall remain in force insofar as it refers to this Tax.”

From 1 January 1998, Law 54/1997, of 27 December, on the Electricity Sector, in its Sixth Additional Provision, Fund for financing the second phase of the nuclear fuel cycle, similarly established that:

“Amounts paid through rates, tolls and prices, along with financial gains generated through same, allocated to cover the costs of works that make up the second phase of the nuclear fuel cycle and the management of nuclear waste produced by the electricity sector, shall be allocated to a provision, with same allocation considered deductible for the purpose of Corporation Tax. All forms of financing of the costs of radioactive waste management shall receive the same consideration.

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

The amounts to be allocated to the provision in question in the present provision, shall be considered diversification and security of supply costs for the effects of the provisions of Article 16.6 of this Law.”

The Sixth Additional Provision of Law 54/1997, on the Electricity Sector, was amended through the Fourteenth Additional Provision of Law 24/2001, of 27 December on Tax, Administrative and Social Order Measures, includes the following terms:

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 the costs of works corresponding to the second phase of nuclear fuel cycle, to the management of radioactive waste and the dismantling and decommissioning of facilities, including financial gains obtained therefrom, shall be allocated to a provision which shall be considered deductible for the purpose of Corporation Tax.
Amounts collected in the aforementioned provision shall only be invested in costs, works, projects and fixed assets arising from the activities provided for in the General Radioactive Waste Plan approved by the Government.

2. Amounts allocated the second phase of the nuclear fuel cycle, the management of radioactive waste generated in the production of nuclear electric energy or those sums arising from those research activities that the Ministry of the Economy determines to be directly related to same, along with those other activities that are specified through Royal Decree, shall be considered costs of diversification and security of supply, in accordance with the provisions of Article 16.6 of this Law.”

The Sixth Additional Provision of Law 54/1997, the Electricity Industry Act, 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 Law 25/1964, of 29 April, the Nuclear Energy Act, and the repeal of the Sixth Additional Provision bis of Law 54/1997, the Electricity Industry Act. Said Sixth Additional Provision confirmed allocations to the fund would be considered deductible for the financial years from 1 January 2010. “The allocations to the fund shall be considered deductible within the framework of Corporation Tax.”.

As a consequence of the above, and insofar as Enresa applies the provision recognised prior to 31 December 1995, and through the section allocated with financial gains taxed under Corporation Tax, this part shall be considered tax deductible and therefore without sufficiently deductible revenues, will give rise to negative tax bases.

4.9 Income and expenditure (see note 12)

Income and expense are recorded on an accruals 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 is actually received or disbursed. Such revenues are recorded at the fair value of the consideration received, less discounts and taxes.

The Company recognises as revenues a) the tax on tolls, paid by electricity distribution companies in the month in which the distributor bills the marketing electricity provider; b) the tax on generated nuclear KWh, which is recorded in the month in which the energy is produced; c) the manufacturing tax on nuclear fuel in the year in which the fuel is produced and d) the tax on other facilities (basically, radioactive facilities) in the month in which the removal of waste occurs.

The sixth additional provision of Law 54/1997 establishes the system of financing of Enresa through taxes and states that as it is considered a tax on the provision of service, this rate will incur VAT and the General Directorate on Taxation, through a consultation issued in 2010, established that VAT shall apply on the final day of the voluntary period for the payment of the tax or before if same were paid in advance.

Income through interest on financial assets is recognised using the method of the effective interest rate for investments maintained until maturity applied through the calculation of 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 liabilities

By virtue of that established in the corresponding collective bargaining agreements in 2018, Enresa participates in the Pension Fund for its workers, through an external defined contribution fund, contributing the same sum which is provided by workers who join said fund, up to a limit of 2.6 million euros per person/year.

Based on section three of *Article 18) Bases and Coordination of General Planning for of Economic Activity in relation to Public Sector of Chapter 1 Title III of Law 6/2018, of 3 June, on the General State Budget for the year 2018,* contributions can only be made provided there is no overall increase under the terms established in *Article 18, section two, said Law. While in 2017, in accordance with Article 18) Bases and Coordination of General Planning for of Economic Activity in relation to Public Sector of Chapter 1 Title III of Law 3/2017, of 27 June, on the General State Budget for the year 2017,* contributions can only be made provided there is no increase in total payroll, under the terms established in said Law.

In 2018, Enresa made contributions as the promoter of the employment mode pension plan, constituted prior to 31 December 2011 for a sum of 26 thousand euros (111 thousand euros in 2017), for which said contributions do not exceed the provisions of Law.

Enresa recognises through the collective bargaining agreement a retirement, or loyalty payment, which takes the form of employees' entitlement to receive a specific lump sum according to the number of years of service of the employee at the time of retirement. Since 2002, the Company has outsourced this commitment in the form of an insurance policy with the company Mapfre, the most relevant hypotheses being the use of the projected credit method, the application of a technical interest rate of 3% and the PERM/F 2000P actuarial tables.

During the 2018 financial year, the insured capital agreed in the collective bargaining agreements has not been updated, for reasons detailed previously for the pension fund.

Nevertheless, in 2017, a sum of 176 thousand euros was earned as a consequence of the difference between the bailout pending recovery in 2011, recorded on 31 December 2011 and the bailout finally obtained in 2017. The income and expenditure have been recorded in the profit and loss account for 2017, under the heading "Social Contributions".

4.11 Provisions and contingencies

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

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

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

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 report notes provided they are not considered remote.

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

Any amounts to be received from a third party at the time of settling liabilities 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 externalised and by virtue of which the company is not required to assume it. In this situation, the compensation will be considered when estimating the amount to be reflected as the corresponding provision, where appropriate.

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 arising in relation to the development of the activities and projects that comprise the 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 that ought to be registered by Enresa is deducted, and the Fund's implementation of its purpose.

4.13 Allocations to Local Authorities

Up to 11 March 2015, the Order of the Ministry of Industry and Energy, 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 plants 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 municipalities 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 of these sums paid annually as a cost, applying the calculation method established in the aforementioned Ministerial Order, having charged 23,738 thousand euro to the Profit and Loss Account for 2018 (24,618 thousand euros in 2017).

As stated in the preamble of the order itself, *"twenty five years after the first introduction of these allocations, the same municipalities remain 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, and taking into account the interest shown from different sectors, it was considered convenient to introduce mechanisms to contribute to such an objective, principally with a view to the future, once activity at the facilities has stopped.*

With this purpose, the allocation of further funds in addition to those drawn down by the municipalities in light of the various ministerial orders is set forth, receipt of which will be conditioned upon the financing on the part of those municipalities of projects that contribute to the economic development of same or the conservation and improvement of the environment.

Similarly, on a temporary basis until these additional funds begin to be received, the possibility that Enresa enter into collective collaboration agreements with the municipalities in the vicinity of Enresa-owned facilities is envisaged, given the particular link with that area."

During 2017, in accordance with Ministerial Order IET/458/2015, additional funds were approved for the co-financing of local development projects through the Resolutions of the MINETAD, of 29 March for the sum of 2,665 thousand euros (2,501 thousand euros in 2017). This sum is reduced by 240 thousand euros for projects approved in 2017 or which cost less than the sum initially approved.

In accordance with the *single temporary provision, Collective Agreements* of the aforementioned Ministerial Order, in 2018 and 2017, Enresa signed agreements with local authorities for local development for sums of 276 thousand euros, in each of the two years.

4.14 Transactions between related parties (see note 13)

The Company performs all its transactions with related parties at market prices and therefore the Company does not consider any significant risks 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 companies operating in certain circumstances contains the standards that constitute the regulation of impairment of tangible fixed assets in public companies than operated in circumstances that impede the generation of cash flow.

In accordance with 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 commercial performance through the delivery of goods or the provision of services, and assets that do not generate cash flow, which are those held for the ultimate purpose other than generating commercial performance, 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 companies, whatever their legal status, that must apply accounting principles and standards collated in the Code of Commerce and in the General Accounting Plan of the Spanish company and that, considering the strategic nature of public utility of the activity, regularly offer benefits or provide services to other entities without payment, or in exchange for a fee or at a price set directly or indirectly by the Public Administration.

Enresa has no non-cash generating operating or service units, as the fees regulated by the sixth additional provision of Law 54/1997 of 27 November, the Electricity Industry Act, 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 subvention on the part of the State, nor economic or social flows.

5 Intangible Assets (see note 4.1)

The movements occurring during the 2018 and 2017 financial years in the different intangible asset accounts and their corresponding accumulated depreciations are reflected in the following table:

FINANCIAL YEAR 2018 (In thousands of euros)

	Balance 01/01/2018	Credits or allocations	Transfers	Debits, write-offs or reductions	Balance 31/12/2018
COSTS:					
Research and Development	1,637	1,074	-	(1,637)	1,074
Concessions, patents, licences, trademarks and others	3,123	-	-	-	3,123
Computer software	15,020	-	-	(2)	15,018
IT applications in development	-	69	-	-	69
Total	**19,780**	**1,143**	**-**	**(1,639)**	**19,284**
DEPRECIATION:					
Research and Development	(1,637)	(1,074)	-	1,637	(1,074)
Concessions, patents, licences, trademarks and others	(3,123)	-	-	-	(3,123)
Computer software	(14,941)	(41)	-	2	(14,980)
Total	**(19,701)**	**(1,115)**	**-**	**1,639**	**(19,177)**
Total net cost	**79**	**28**	**-**	**-**	**107**

FINANCIAL YEAR 2017 (In thousands of euros)

	Balance 01/01/2017	Credits or allocations	Transfers	Debits, write-offs or reductions	Balance 31/12/2017
COSTS:					
Research and Development	3,955	1,637	-	(3,955)	1,637
Concessions, patents, licences, trademarks and others	3,123	-	-	-	3,123
Computer software	14,997	23	-	-	15,020
Total	**22,075**	**1,660**	-	**(3,955)**	**19,780**
DEPRECIATION:					
Research and Development	(3,955)	(1,637)	-	3,955	(1,637)
Concessions, patents, licences, trademarks and others	(3,123)	-	-	-	(3,123)
Computer software	(14,878)	(63)	-	-	(14,941)
Total	**(21,956)**	**(1,700)**	-	**3,955**	**(19,701)**
Total net cost	**119**	**(40)**	-	-	**79**

In 2018 and 2017, Enresa continued to participate in the European Research and Development Programmes, specifically the European Union Shared Costs Programme, which finances both Enresa and its contractors. Enresa records the funds it received from the EU to finance its R&D projects as operating income in the financial year. In 2018, it received such funds up to a sum of 41 thousand euros (41 thousand euros in 2017).

The sum of the elements that were fully depreciated on the balance sheet as of the 31 December 2018 and 2017 was from 19,106 and 17,424 thousand euros respectively, as per the following breakdown:

Item	Carrying value (gross) (In thousands of euros) 2018	2017
Research and Development	1,074	1,637
Concessions, patents, licences, trademarks and others	3,123	3,123
IT applications	14,909	14,847
TOTAL	**19,106**	**19,607**

6 Fixed Assets (see note 4.2)

The transactions registered during 2018 and 2017 in the different tangible fixed assets accounts in their corresponding accumulated depreciation are as follows:

FINANCIAL YEAR 2018 (In thousands of euros)

	Balance 01/01/2018	Credits or allocations	Transfers	Debits, write-offs or reductions	Valuation corrections by impairment	Balance 31/12/2018
COSTS:						
Land and buildings	42,696	-	330	-	-	43,026
Technical facilities and other property plant and equipment	298,615	272	12,042	(168)	-	310,761
Assets under construction and advance payments	121,832	13,401	(12,372)	-	-	122,861
Total	**463,143**	**13,673**	**0**	**(168)**	**-**	**476,648**
DEPRECIATION:						
Land and buildings	(25,734)	(575)	-	-	-	(26,309)
Technical facilities and other property plant and equipment	(168,159)	(12,396)	-	166	-	(180,389)
Total	**(193,893)**	**(12,971)**	**-**	**166**	**-**	**(206,698)**
Total net cost	**269,250**	**702**	**-**	**(2)**	**-**	**269,950**

FINANCIAL YEAR 2017 (In thousands of euros)

	Balance 01/01/2017	Credits or allocations	Transfers	Debits, write-offs or reductions	Valuation corrections by impairment	Balance 31/12/2017
COSTS:						
Land and buildings	43,582	11	135	(144)	(888)	42,696
Technical facilities and other property plant and equipment	295,912	177	2,667	(141)	-	298,615
Assets under construction and advance payments	87,737	36,897	(2,802)	-	-	121,832
Total	**427,231**	**37,085**	**-**	**(285)**	**(888)**	**463,143**
DEPRECIATION:						
Land and buildings	(25,301)	(577)	-	144	-	(25,734)
Technical facilities and other property plant and equipment	(155,349)	(12,920)	-	110	-	(168,159)
Total	**(180,650)**	**(13,497)**	**-**	**254**	**-**	**(193,893)**
Total net cost	**246,581**	**23,588**	**-**	**(31)**	**(888)**	**269,250**

For the 2018 financial year, investments were made in new fixed assets for a sum of 13,673 thousand euros (37,085 thousand euros in 2017). Among the most significant were the spent fuel storage system at José Cabrera NPP at a cost of 98 thousand euros (607 thousand euros in 2017), the new installations at the El Cabril Disposal Facility at a cost of 1,345 thousand euros (3,451 thousand euros in 2017), the Centralised Temporary Storage facility at a cost of 1,600 thousand euros (11,926 thousand euros in 2017), whose design and current status is explained in Note 12.6.b), the manufacture of metallic casks for storage at Garoña NPP at a cost of 48 thousand euros (80 thousand euros in 2017), the manufacture of metallic casks for storage at Cofrentes NPP for a cost of 3,974 thousand euros (954 thousand euros in 2017), the manufacture of casks for storage at Ascó NPP at a cost of 2,355 thousand euros (4,031 thousand euros in 2017) and manufacture of 10 ENUN32P casks for storage and transport of spent fuel from Spanish PWR plants at a cost of 3,874 thousand euros (15,759 thousand euros in 2017) and auxiliary equipment for Vandellós I NPP for a sum of 189 thousand euros.

As of the 31 December 2018 and 2017, Enresa has made provisions of 888 thousand euros for 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 inferior to the net book value.

The company has formalised insurance policies for asset risks with coverage that guarantees assets and materials in their entirety, as well as possible claims that may be made as a result of the exercise of its activity. The company considers that such policies provide sufficient coverage for the risks it is subject to.

The sum of the elements that were fully depreciated on the balance sheet as of the 31 December 2018 and 2017 was from 41,138 and 25,254 thousand euros respectively, as per the following breakdown:

Item	2018	2017
	Carrying value (gross) (In thousands of euros)	
Buildings	4,729	4,380
Technical facilities and other property plant and equipment	36,409	20,874
TOTAL	**41,138**	**25,254**

At the close of 2018 and 2017, the company has no elements subject to guarantee or firm commitments to purchase fixed assets.

7. Financial Investments (see note 4.5)

The existing financial instruments from the 31 December 2018 and 2017 are the following:

7.1 Investment Portfolio

In accordance with the options established in the Spanish General Accounting Plan, the company has designated its financial assets as "Investments maintained until maturity" and "Other assets at fair value through profit and loss." Nevertheless, in the case of the latter, all purchased are also made with the intention and capacity to maintain them to maturity.

The investment portfolio as a whole is managed with the objective of optimising the financing model for the management of radioactive waste in Spain provided in the General Radioactive Waste Plan, which determines a long-term time frame, which does not envisage partial divestments and a profitability target in real terms. The valuation criteria of the Securities Portfolio, with the exception of assets at fair value, through 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 or radioactive waste management in Spain. For the presentation of this note, financial investments have been grouped into long-term and short-term to offer an overall picture of same.

As of 31 December 2018 and 2017, Enresa held the following financial assets in its Securities Portfolio:

(In thousands of euros)

Class	Nominal	Carrying Value	Nominal	Carrying Value
	31-12-2018		31-12-2017	
Held-to-maturity investments	4,607,225	4,381,795	4,854,882	4,619,263
Other assets at fair value through profit and loss	190,000	186,148	240,000	242,830
Total	**4,797,225**	**4,567,943**	**5,094,882**	**4,862,093**

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 1,724,368 and 2,059,193 thousand euros, respectively, in 2018 (1,644,541 and 2,009,193 thousand euros in 2017).

b) Other public debt: includes financial assets issued by government agencies, the supranational bodies, the autonomous communities and the public debt of other countries. The carrying value and face value of this class are 1,944,639 and 1,886,111 thousand euros, respectively, in 2018 (1,409,841 and 1,356,111 thousand euros in 2017).

c) Other Obligations and Bonds: includes a diverse range of financial assets from different issuers from different sectors, national as well as international and of different typologies. The carrying value and face value of this class of assets are 624,305 and 577,253 thousand euros in 2018 (798,584 and 720,253 thousand euros in 2017).

d) Other short-term assets: covers financial assets, deposits and others, issued by financial institutions. The carrying value and face value of this class of assets are from 274,631 and 274,668 thousand euros, respectively, in 2018 (1,009,127 and 1,009,325 euros in 2017).
euros en 2017).

As of the 31 December 2018 and 2017 the maturity breakdown for the main items that form part of the section "investment portfolio" is the following:

Financial Year 2018 — Thousands of Euros (Nominal)

Item / Class	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	2,401,349	1,389,753	674,747	141,376	-	4,607,225
Other assets at fair value through profit and loss	115,000	25,000	50,000	-	-	190,000
Total	**2,516,349**	**1,414,753**	**724,747**	**141,376**	**-**	**4,797,225**

Financial Year 2017 — Thousands of Euros (Nominal)

Item / Class	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	2,373,006	1,394,487	915,013	172,376	-	4,854,882
Other assets at fair value through profit and loss	165,000	25,000	50,000	-	-	240,000
Total	**2,538,006**	**1,419,487**	**965,013**	**172,376**	**-**	**5,094,882**

During the 2018 financial year, several assets reached maturity for a nominal sum of 198,000 thousand euros (80,200 thousand euros in 2017).

For net profit and loss arising from the different categories of financial instruments defined in the rule of register and ninth valuation, see Note 12.5.

In relation to financial assets at fair value through profit and loss we have:

Financial Year 2018 — (In thousands of euros)

Class	Nominal (31-12-2018)	Carrying Value (31-12-2018)	2018 (Variation of fair value)	Accumulated (Variation of fair value)
Other assets at fair value through profit and loss	190,000	186,148	(6,683)	(3,588)
Total	**190,000**	**186,148**	**(6,683)**	**(3,588)**

Financial Year 2017 — (In thousands of euros)

Class	Nominal (31-12-2017)	Carrying Value (31-12-2017)	2017 (Variation of fair value)	Accumulated (Variation of fair value)
Other assets at fair value through profit and loss	240,000	242,830	2,706	3,095
Total	**240,000**	**242,830**	**2,706**	**3,095**

For the 2018 and 2017 financial years, 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 due to the issuers, who hold the appropriate credit rating, in accordance with the Company's investment policies.

During the 2018 financial year, there were purchases of fixed assets that would have been designated by Enresa as "Other assets at fair value through profit and loss". The contracting of this kind of instrument was authorised by the Committee for the Monitoring and Control of the Fund at its meeting of 9 July 2015. During financial year 2016 there were acquisitions of this type for a sum of 25,000 thousand Euros was carried out.

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 types 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.

As of the 31st December 2018 and 2017, Enresa holds the following financial assets and liabilities arising 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:

(In thousands of euros)

	2018		2017	
Class	Notional	Fair value	Notional	Fair value
ITEM	31-12-2018		31-12-2017	
Financial derivatives (assets)	65,000	16,235	265,002	22,993
Financial derivatives (liabilities)	270,002	(79,081)	120,000	(77,427)
TOTAL	**335,002**	**(62,846)**	**385,002**	**(54,434)**

The derivatives held by the company are not susceptible to being designated as accounting hedges, in accordance with the applicable accounting standards.

For this reason, these derivative financial instruments have been booked at fair value as financial assets or liabilities, and the variations in same are entered in the profit and loss account.

The maturity breakdown of the groupings that come under "Derivatives" is the following:

FINANCIAL YEAR 2018

Thousands of euros (Notional)

Class ITEM	less than 5 years	between 5 and 10 years	between 10 and 15 years	Total
Derivatives	65,000	150,002	120,000	335,002
TOTAL	**65,000**	**150,002**	**120,000**	**335,002**

FINANCIAL YEAR 2017

Thousands of euros (Notional)

Class ITEM	less than 5 years	between 5 and 10 years	between 10 and 15 years	Total
Derivatives	115,000	150,002	120,000	385,002
TOTALES	**115,000**	**150,002**	**120,000**	**385,002**

During the 2018 financial year derivatives for a notional value of 50,000 thousand euros (50,000 thousand euros in 2017) were depreciated or discharged.

For net profit and loss arising from the different categories of financial instruments defined in the rule of register and ninth valuation, 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 valuation techniques based on discount of future cash flows and options. Interest rate and inflation curves, volatility implicit in all interest rate types and financial markets, have been included 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 the 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 default over time and by the severity (or potential loss) assigned to the Company and each of its counterparties.

As of the 31 December 2018, the inclusion of credit risk in the determination of fair value of the derivatives has implied an increase in the valuation of the derivatives of 945 thousand euros (5,031 thousand euros in 2017).

The Company has deemed that there is no impairment to any financial instrument, both valued neither at amortised cost nor at fair value, and believes there are no reasonable doubts regarding the repayment capacity of the assets by the issuers, who hold the appropriate credit rating, in accordance with the Company's investment policies.

7.3 Trade and service provision clients

The sum collected as trade debtors and other accounts receivable includes, mainly, the remaining sum pending for payment per kilowatt generated monthly by the nuclear power plants, corresponding to the taxes collected through the State Tax Administration Agency that shall be allocated to Enresa from the Treasury when the Secretary of State 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 risk is adapted to the needs and requirements of the applicable legal regulations which state 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. It also complies with the general principles of management of the Fund for the financing of the activities of the GRWP, issued by its Committee for Tracking and Control.

a) Credit Risk:

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

Additionally, Enresa assigns investment to lines of concentrations of investment to its counterparts based on analysis of the financial solvency of same, ensuring even more prudence in addition to the guidelines issued by the Committee.

b) Market Risk:

Enresa's portfolio of short-term financial investments must reach a specific minimum real interest rate 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 value. For this reason, Enresa, insofar as financial markets allow, concentrates its financial investments on fixed-income financial instruments linked to Spanish inflation and with a margin above the aforementioned real interest rate. It diversifies its other investments among fixed-income alternatives offered on financial markets and always with the expectation of exceeding the established real interest rate as an objective.

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. Given the broad time-frame of current planning, financial investments are fundamentally made on a long-term basis; provided that financial market conditions enable it and ensure it is advisable, with special liquidity requirements in the short or medium term. Nevertheless, the financial investments of the Portfolio in the long-term are mainly embodied in entirely liquid financial products.

7.4.2. Quantitative Information

Data calculated from the nominal value of the portfolio as of 31st December 2018 and 2017:

a) Credit risk:

The percentages of financial assets by sector type are broken down as follows:

(In thousands of euros)

	2018		2017	
SECTOR	**Nominal**	**%**	**Nominal**	**%**
Public sector	3,945,304	82.24%	3,365,304	66.05%
Financial institutions	724,668	15.11%	1,599,325	31.39%
Energy	108,000	2.25%	111,000	2.18%
Communications and transport	19,253	0.40%	19,253	0.38%
TOTAL	**4,797,225**	**100.00%**	**5,094,882**	**100.00%**

b) Market Risk:

The percentages of financial assets by type of profitability obtained are broken down as follows:

	% OF NOMINAL	
FINANCIAL ASSETS	**2018**	**2017**
Percentage of financial assets at interest rate	65.09%	63.69%
Percentage of financial assets linked to inflation	31.37%	32.97%
Percentage of financial assets linked to variable rate indices with principle guaranteed	3.54%	3.34%

7.5 Fair value of financial instruments: Valuation techniques and applicable hypothesis for the measurement of fair value

The fair value of financial assets and liabilities shall be determined as follows:

- The fair value of financial assets and liabilities with the standard terms and conditions and that are negotiated in the asset and liquid market 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 generally accepted valuation models on the basis of 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 valued later from groups 1-3 based on the extent in which the fair value is observable.

- Level 1: Those referenced to quoted prices (without adjustment) in active markets for identical assets or liabilities.

- Level 2: Those referenced 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 referenced to valuation techniques that include inputs for the assets or liabilities not based on observable market data (inputs that are not observable).

Financial Year 2018 (In thousands of euros)

	Level 1	Level 2	Level 3	Total
Derivative Financial Assets-Instruments	-	202,383	-	**202,383**
Derivative Financial Liabilities-Instruments	-	(79,081)	-	**(79,081)**

Financial Year 2017 (In thousands of euros)

	Level 1	Level 2	Level 3	Total
Derivative Financial Assets-Instruments	-	265,823	-	**265,823**
Derivative Financial Liabilities-Instruments	-	(77,427)	-	**(77,427)**

8. Net Equity and Own Funds (see note 4.5.3)

8.1 Share Capital

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

As of the 31 December 2018 and 2017, the breakdown of shareholders of Enresa is the following.

SHAREHOLDERS	**Percentage of Participation**	**In thousands of euros**
Centre of Energy, Environment and Technology Investigations. (CIEMAT)	80%	2,885
State Industrial Ownership Corporation (SEPI)	20%	721
TOTAL	**100%**	**3,606**

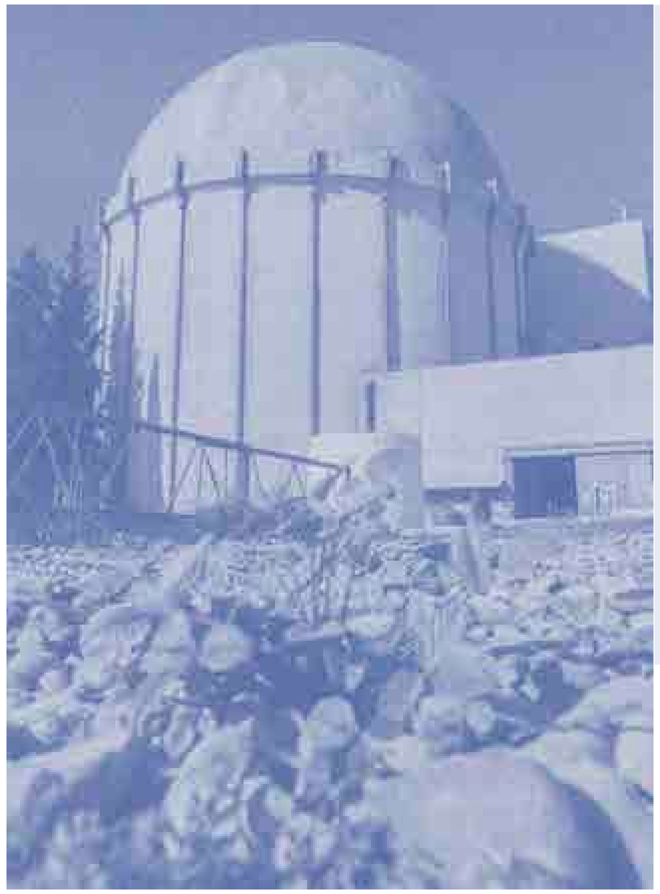
8.2 Reserves

In accordance with the Companies Act the limited Company must allocate a figure equal to 10% of the year's profit to the legal reserve until it reaches at least 20% of 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 compensate for losses and provided there are no other reserves available and sufficient for this end.

At the end of the 2018 financial year this reserve is fully constituted.

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

The variations in this fund over the course of the 2018 and 2016 financial years were the following:



(In thousands of euros)

	2018	2017
BALANCE AS OF 1 JANUARY	**5,326,015**	**5,017,636**
Implementation in practice in the financial year	(181,002)	(246,571)
Provision in practice in the financial year	529,347	554,950
BALANCE AS OF 31 DECEMBER	**5,674,360**	**5,326,015**

10. Debts

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

In accordance with that set out in Law 15/2010, on the 5 July, amending Law 3/2004, of 29 December, subsequently amended by Law 31/2014, establishing measures to combat the accumulation of arrears in commercial operations and in accordance with the Resolution of 29 January 2016 of the Institute of Accounting and Auditing of Accounts, regarding the information to be included in the annual financial statements in relation to the average payment period to suppliers in commercial operations, applicable to the annual financial statements for all years from 1 January 2015 on, the information relating to deferred payments to suppliers in commercial operations is presented.

PAYMENTS MADE AND PENDING PAYMENT AT THE END OF THE FINANCIAL YEAR	**2018 Days**	**2017 Days**
Average term of payment to suppliers	29.13	18.57
Ratio of paid operations	30.57	18.73
Ratio of transactions pending payment	11.70	16.10
	Amount (in thousands of euros)	**Amount (in thousands of euros)**
TOTAL PAYMENTS MADE	**86,709**	**155,311**
TOTAL PENDING PAYMENTS	**7,141**	**10,331**

The maximum legal payment period applicable to the Company according to Law 3/2004, of 29 December, establishing measures to combat the accumulation of arrears is 30 days, except where there is an agreement between the parties to extend that period up to a maximum of 60 days. These terms were applied by the Company in 2017.

The Company, part of the European system of national accounts. (SEC-2010), has, for the purposes of the calculation of the average payment period for suppliers, the status of Public Administration, as stated in Article 2.1 of Organic Act 2/2012, of 27 April, on Budgetary Stability and Financial Sustainability, 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 in Public Administrations and the conditions and the procedure to withhold the resources of the funding systems.

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

11.
Public Administrations and Tax Status (see note 4.8)

11.1
Current balances with Public Administrations

The composition of the current balance with Pubic Administration as of 31 December 2018 and 2017 is the following:

(In thousands of euros)

	2018		2017	
ITEM	Debtors	Creditors	Debtors	Creditors
Tax Authorities, Corporation Tax	60	-	376	-
Tax Authorities, deductions taken	-	779	-	711
Tax Authorities, VAT	-	2,602	-	1,331
Social Security Administrations	-	442	-	393
Tax Authorities, non-resident tax	-	15	-	36
Eco tax	-	2,456	-	2,221
Other public administrations	-	-	-	1
TOTAL	**60**	**6,294**	**376**	**4,693**

11.2
Reconciliation of the accounting result and the tax base

The reconciliation between the reported profit of the 2018 and 2017 financial years and the taxable income subject to Corporation Tax is the following:

Financial Year 2018

(In thousands of euros)

	Profit and Loss Account		Income and expenses directly attributed to net equity		Reserves		Total
INCOME AND EXPENSES BALANCE FOR THE YEAR	111						111
	Increases	Decreases	Increases	Decreases	Increases	Decreases	
Permanent difference (not including Corporation Tax)	124	(1,593)	-	-	-	-	(1,469)
Temporary differences	37	(884)	-	-	-	-	(847)
Tax base (fiscal result)	272	(2,477)	-	-	-	-	**(2,205)**
Full rate (25%)							-
Deductions for investments							-
Tax liability							-
Withholding taxes							(60)
Sum payable / (receivable)							**(60)**

Financial Year 2017

(In thousands of euros)

	Profit and Loss Account		Income and expenses directly attributed to net equity		Reserves		Total
INCOME AND EXPENSES BALANCE FOR THE YEAR	118						118
	Aumentos	Disminuciones	Aumentos	Disminuciones	Aumentos	Disminuciones	
Permanent difference (not including Corporation Tax)	293	(2,416)	-	-	-	-	(2,123)
Temporary differences	893	(892)	-	-	-	-	1
Tax base (fiscal result)	1,304	(3,308)	-	-	-	-	**(2,004)**
Full rate (25%)							-
Deductions for investments							-
Tax liability							-
Withholding taxes							(175)
Sum payable / (receivable)							**(175)**

The increases in permanent differences in the 2018 and 2017 financial years correspond, basically, to expenses for non-tax deductible donations and agreements.

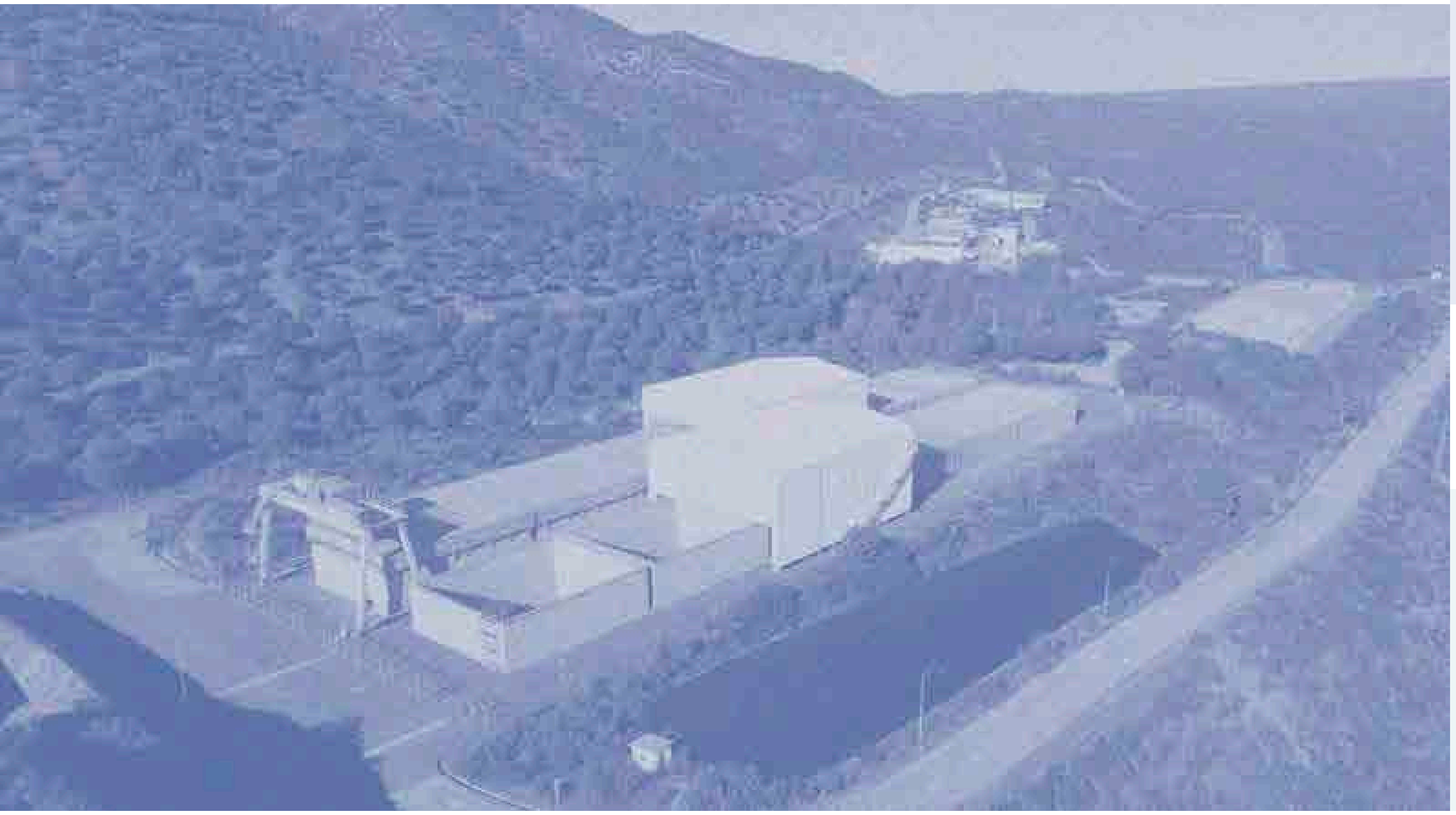
The decreases in the permanent differences in 2018 and 2017 basically correspond to the reversal of the waste management provision, endorsed by the consultation that took place at the Directorate General of Taxation in 1997, due to the fact that said income cannot be used for the determination of the taxable base, for the part of same 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 enforcement by the company and that the time limit for the recovery of these tax bases is more than 10 years, the provision applied is considered a permanent difference.

In the 2014 financial year, temporary differences were registered 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 promoting economic activities. Said law established a 70% limit for the deduction of book depreciation in respect of elements of tangible and intangible fixed assets, in the corporation tax base.

The value of write downs that were not financially deducted in these periods 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, from the first tax period starting in 2015. Consequently in the provisional liquidation for 2018, apart from the write downs for the period, one tenth of the write downs not deducted in the years 2013 and 2014 has been deducted, resulting in a recovery rate of 220 thousand euros (220 thousand euros in 2017).

On 3 December 2016, Royal Decree Law 3/2016 was published, adopting tax measures for the consolidation of public finances, which introduces relevant amendments in the scope of Corporation Tax. Among others, it establishes, with effect from 1 January 2016, the obligation to reverse, within a maximum period of 5 years, the provisions for the impairment in value of participations that were deductible prior to 2013, limiting the compensation for tax losses for large companies to 25% of the taxable base and limiting the application of the deduction for double internal or international imposition generated or pending application to 50% of the previous full liability. In addition, with effect from 1 January 2017, losses on the transfer of participations shall not be deductible. In the 2018 financial year, these measures have had no significant negative impact on the financial situation of the Company.



11.3 Reconciliation of reported profit and deferred corporation tax expense

The reconciliation between the reported profit and corporation tax cost is the following:

(In thousands of euros)

ITEM	2018	2017
Accounting result	111	118
Permanent differences	(1,469)	(2,123)
Adjusted reported profit	(1,358)	(2,005)
Rate at 25%	(340)	(501)
Other temporary differences	(212)	-
Deductions		
For double taxation	-	-
For reinvestment of profits	-	-
Deductions for investments	-	-
Negative tax bases	552	501
Current Corporation Tax cost	-	-
Deferred Corporation Tax cost	212	-
Deferred negative corporation tax adjustments	-	-
Adjustment for previous year corporation tax paid	(28)	(5)
TOTAL TAX EXPENDITURE RECOGNISED IN THE PROFIT AND LOSS ACCOUNT	**184**	**(5)**

11.4 Registered deferred tax assets

The details of the balance of these account at the end of financial years 2018 and 2017 are as follows:

(In thousands of euros)

TEMPORARY DIFFERENCES:	2018	2017
Depreciation of Fixed Assets	1,319	1,538
Impairment of fixed assets	222	222
Other	42	6
TOTAL DEFERRED TAX ASSETS	**1,583**	**1,766**

The deferred tax asset arises as a consequence of the temporary differences that have their origin in the different criteria for the accounting and tax allocation of assets.

The deferred tax assets indicated above have been registered on the balance sheet in light of the fact that the Company Administrators, in accordance with the best forecasts for future results, consider it likely that these assets be recovered.

The sum per deferred tax asset of the 2014 financial year was adjusted to the tax types of those that will recover the deduction, that were modified in 2014 by the new Corporate Income Tax Law, being 28% for 2015 and 25% for 2016 and beyond.

In the 2018 financial year deferred tax assets were recovered by deferred tax corresponding to the depreciations of 2013 and 2014 valuing 220 thousand euros (220 thousand euros in 2017), which have been partly redeemed by the generation of other deferred tax assets.

11.5 Unregistered deferred tax assets

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

The breakdown of these unregistered assets is the following:

- Negative tax bases:

The company has pending tax losses to compensate for as of the 31 December 2018 for a sum of 264,558 thousand euros (262,467 thousand euros at 31 December 2017) according to the following breakdown:

(In thousands of euros)

YEAR	Tax base 2018	Tax base 2017
1997	21,321	21,321
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	2,004
2018	2,205	-
TOTAL	**264,558**	**262,467**

- Deductions:

As of the 31 December 2018 and 2017, the Company has pending tax incentives to deduct for a sum of 27,012 and 29,515 thousand euros, respectively that, for the most part, correspond to research and development costs, as per the following breakdown:

(In thousands of euros)

YEAR BEGINNING	Sum 2018	Sum 2017	Expiry
1999	-	2,115	2017
2000	1,253	1,253	2018
2001	2,309	2,309	2019
2002	2,047	2,047	2020
2003	2,144	2,144	2021
2004	1,108	1,108	2022
2005	1,680	1,680	2023
2006	1,307	1,307	2024
2007	1,016	1,696	2025
2008	1,359	1,359	2026
2009	1,310	1,310	2027
2010	1,722	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	1,129	1,135	2033
2016	1,597	1,597	2034
2017	459	463	2035
2018	302	0	2036
TOTAL	**27,012**	**29,515**	

11.6 Other financial information

The company has pending credit to be recovered, resulting from the provisional repayment of the tax on profits from the 2018 financial year, for the most part originating from retentions of financial yields. Said sum amounts to 175 thousand euros (201 thousand euros in 2017).

Given that the date has not affected the tax repayment regarding profits corresponding to 2018, the same figures can suffer some variation, which is why the effects of the tax liquidation are considered to be provisional.

According to the current legislation, tax settlements may not be deemed final until they have been inspected by tax authorities or the limitation period of four years has elapsed. As of the drafting date of these statements, the company has the following taxes open for inspection:

Corporation Tax	2014 to 2017
VAT	2015 to 2018
Personal Income Tax	2015 to 2018

The company considers that that these tax settlements have been applied appropriately, therefore, even in the event that discrepancies regarding the interpretation of the current legislation arise due to the tax treatment granted to transactions, the resulting liabilities, if they were to materialise, would not affect the attached financial statements in any significant way.

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 the financial years 2018 and 2017 is the following:

(Thousands of euros)

BY ACTIVITIES	2018	2017
Billing of electrical companies (tolls) fee model 681	137	137
Billing of electrical companies (kWh nuclear) fee model 682	374,833	389,771
Billing for manufacturing of nuclear fuel fee model 683	400	414
Billing of radioactive facilities. Rate model 684	248	176
TOTAL INCOME OF ACTIVITIES	**375,618**	**390,498**

All income has been generated within the national territory

12.2 Other Operating Income

The distribution of other operating income corresponding to the ordinary activity of the company in the financial years 2018 and 2017 is the following:

(Thousands of euros)

BY ITEMS	2018	2017
EU Financing for Research and Development (Note 5)	41	41
Provision of services for international technical assistance projects	427	92
Subsidies for operation and repayment of authorities	34	34
Other management income (travel rebates, accident reduction and prevention incentive, magazine advertising, services to Fundación Enresa and others)	42	64
TOTAL OTHER OPERATING INCOME	**544**	**231**

12.3 Social Security Contributions

The balance for the heading “Social contributions”, recorded in the attached profit and loss account for the financial years 2018 and 2017, show the following breakdown:

(Thousands of euros)

BY ITEMS	2018	2017
Social security at the expense of the Company	4,620	4,631
Other social contributions	1,510	1,287
TOTAL SOCIAL CONTRIBUTIONS	**6,130**	**5,918**

12.4 Transactions carried out in currencies other than euro (see note 4.7)

During the 2018 and 2017 financial years, the company carried out transactions in currencies other than euro. The breakdown of the balance and most significant transactions in foreign currency, valued at the closing exchange rate and average exchange rate, respectively, is the following:

BY ITEMS	2018 In foreign currency (thoousands)	2018 Thousands of euros	2017 In foreign currency (thoousands)	2017 Thousands of euros
Accounts receivable				
US Dollars - Treasury	1,651	1,442	5,576	4,650
Accounts payable				
US dollars- Other financial liabilities	335	315	329	274
Pounds Sterling - Suppliers	-	-	17	19
Services received				
US Dollars – Fixed assets in progress and advances, Studies and waste management and other	4,911	4,531	2,800	2,476
Pounds Sterling – Studies and waste management	1,4	1,6	32	36

12.5 Financial income and expenses

The sum for financial income and expenditure recognised in the financial results for 2018 and 2017, by class of financial instrument, is as follows:

FINANCIAL YEAR 2018 (in thousand Euros)

BY ITEMS	Financial income	Financial expenditure	Net Financial Results
Investments maintained to maturity	141,962	-	141,962
Non-derivative financial assets at fair value	4,608	-	4,608
Interest on Derivatives	4,800	(17,267)	(12,467)
Differences through application of fair value to bonds	1,194	(7,877)	(6,683)
Differences through application of fair value to derivatives	7,132	(15,543)	(8,411)
Translation differences	138	(125)	13
Other	247	(3)	244
TOTAL	**160,081**	**(40,815)**	**119,266**

FINANCIAL YEAR 2017 (in thousand Euros)

BY ITEMS	Financial income	Financial expenditure	Net Financial Results
Investments maintained to maturity	138,965	-	138,965
Non-derivative financial assets at fair value	7,020	-	7,020
Interest on Derivatives	11,740	(22,989)	(11,249)
Differences through application of fair value to bonds	13,297	(10,591)	2,706
Differences through application of fair value to derivatives	5,685	(16,764)	(11,079)
Translation differences	1,206	(247)	959
Other	427	(3)	424
TOTAL	**178,340**	**(50,594)**	**127,746**

12.6 Waste management

The major strategic activities and objectives carried out in 2018 for each of the main lines of activity can be summarised in:

a) Low and Medium level Waste and Very Low level Waste (LILW/VLLW).

Throughout 2018, Enresa continued to transport this type of waste, both from nuclear installation and from radioactive facilities to the El Cabril waste disposal facility, which has been operating as standard, having delivered over 265 shipments with a total of 2,489 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 MITECO), 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 Cycle) through which they changed the type and volume of waste that they would return to Spain, and also establishing a new period for its return to Spain. The cost of the agreement was 194,000 thousand euros. As of 31 December 2014, 30% (58,200 thousand euros) remains pending, upgraded from the benchmark reference, which was billed in October 2015 and subsequently paid. It has been recorded as expenditure in the profit and loss account from when the provision of services began during the years 2013 to 2015, except the cost of transporting the waste to Spain which has been recorded under the heading “long-term accruals” on the balance sheet, until the transport is carried out.

In 2013 a new agreement was signed in which the reduction of the definitive volume of waste densification, going from a forecast volume in 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 forecast in the previous agreement.

Furthermore, in 2013, waste production was carried out through the assignment of same in the formats indicated in the previous paragraph and therefore yielded the cost of its manufacture. Additionally, its financial value in 2012 has been completed monthly through the amortised cost method until reaching the debt payable, on 31 October 2015, 28,000 thousand euros of the waste allocation and 7,200 thousand euros of storage of the waste in France. The interest accumulated for these items as of 31 December 2015 was 4,103 thousand euros.

Apart from the costs mentioned above, updated by the reference index, that have been paid to Areva in 2015, the sum of 23,753 thousand euros has been paid for the cost of transport of waste to Spain, transport which is currently expected to be carried out in the year 2023, entered under “long term accruals and deferrals” of non-current assets on the balance sheet.

In accordance with the Protocol of May 2001 and the agreement reached between Enresa and Areva, of 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 as 30 June 2017, from said date and without retrospective character, a daily penalty shall be applied by Areva to Enresa.

The sums paid by Enresa to Areva under this item shall be returned to Enresa at the time of the return of the last shipment of waste, once the storage costs borne by Areva from 1 October 2015 are deducted. The estimated date of return is late 2023.

As of 31 December 2018, the sum registered in the profit and loss account for storage amounts to 1,326 thousand euros, remaining pending upon the closure date and which shall be paid upon completion of transport.

Based on the above, Enresa began to pay Areva, from 1 July 2017, the penalty (guarantee) established in the agreement signed between Hifrensa and Cogema (now Orano) 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 was subrogated to Hifrensa’s obligations in said agreement, has had to pay the sum of €49,545.17 per day from 1 July 2017. As a result of applying certain update indices provided for in the agreement, the sums to pay during 2018 and 2017 were €74,887.03 and €73,044.94 per day respectively. The penalties will cease upon the transport of the final shipment of radioactive waste to Spain. Upon return, all sums paid shall be returned and Enresa shall be billed for the costs of storage of said waste in France from 1 October 2015.

The company Orano Cycle has supplied 4 TN®81 casks (currently stored at The Hague), acquired for transport of high level waste from the reprocessing of spent fuel at Vandellós I. These casks will transport the waste from The Hague to Interim Cask Storage (part of the CTS project) where it will be stored until the main CTS process is operational. A contract has been signed with Orano for the temporary storage of the empty casks on site at The Hague until they are loaded at a cost of 167 thousand euros in 2018.

With regard to the reprocessing of fuel at Santa María de Garoña NPP during the 2004 financial year, a complementary agreement was signed to the contract originally signed between Nuclenor and Enresa on 22 February 1990. This contract established the conditions for the management of radioactive waste generated at the Santa María de Garoña NPP and for its decommissioning.

On 9 November 2003, Royal Decree 1349/2003, of 31 October, on the activities and financing of Enresa (which was repealed and substituted by Royal Decree 102/2014, of 21 February, for the responsible and safe management of spent nuclear fuel and radioactive waste) in which the system of financing of Enresa must cover the costs it incurs, from the entry into force of the Royal Decree, for the management of radioactive waste generated in the production of nuclear-electric energy from the start date of said production.

Previously, Nuclenor had signed a contract with the company British Nuclear Fuel Limited (BNFL) for the reprocessing of at least 500 irradiated fuel elements from the Santa María de Garoña nuclear power plant. This reprocessing has generated costs for Nuclenor charged to the Fund for the Financing of the Activities of the General Radioactive Waste Plan in accordance with the aforementioned Royal Decree.

With the objective of finding a solution to the waste generated from the reprocessing of spent fuel at the Santa María de Garoña NPP, in December 2011, the British Government allowed for transfer of licensee to be accepted for the plutonium generated by the spent fuel reprocessing contracts. In June 2013, the English company International Nuclear Services Ltd., with the approval of the Nuclear Decommissioning Authority (NDA), made a preliminary offer to Nuclenor for the transfer of license of said plutonium. Later, in May 2015, the Board of Directors of Enresa supported Nuclenor to negotiate the transfer of license. Subsequently, in the last quarter of 2016, the agreement between Nuclenor and INS-NDA was sent to EURATOM for validation and the Board of Directors of Enresa considered and deemed acceptable the terms of the agreement for the transfer of license. Finally, in the month of December 2016 the Ministry of Energy, Tourism and the Digital Agenda endorsed the transfer of the license of the plutonium arising from reprocessing of fuel at the Santa María de Garoña NPP to the English company International Nuclear Services, Ltd. The agreement was signed on13 January 2017, making said transfer effective, which, in 2017 represented a cost of 44,219 thousand pounds sterling (50,426 thousand euros).

In relation to the management of spent fuel at Santa María de Garoña NPP, the manufacturing of 5 fuel dual purpose casks for transport and storage has been completed, which are pending transfer to the site. In 2018, construction began on the temporary spent fuel storage facility at this plant. On 1 August 2017, MINETAD issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating authorisation. Work is being completed to assess the capacity of the temporary spent fuel storage facility to evacuate the entire inventory of fuel elements from the plant’s pool.

2018 saw operations continue as normal at the Individualised Temporary Storage facility at Trillo NPP, where 32 casks with 21 fuel elements are located.

Operations continue with the Individualised Temporary Storage facility at Ascó NPP and the loading of new HI-STORM 100 systems. In 2018, 6 casks were loaded, bringing the cumulative total to 19 casks in the storage slabs. There are 2 additional casks completed and delivered to the site, pending loading.

A temporary spent fuel storage facility has been brought into operation on the site of the Almaraz nuclear power plant. As of late 2018, it stores one ENUN32P metallic cask.

With regard to the management of spent fuel at the 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 envelope-packages loaded with spend fuel from the plant, and 4 HI-SAFE systems loaded with the special waste resulting from the internal segmentation of the vessel. In 2018, maintenance works continued on the Individualised Temporary Storage facility.

With regard to the CTS project, in the month of January 2014, MINETUR and the Nuclear Safety Council (CSN) were presented with the documentation required in the Nuclear and Radioactive Facilities Regulation for the request for the Preliminary Authorisation and Construction Authorisation for the facility.

In July 2015 the CSN issued reports that were favourable to the request for Preliminary Authorisation and the Radioactive Impact on the public in normal operation associated with the Environmental Impact Study of the CTS.

Also in July 2015, an agreement of the Regional Government of Castilla-La Mancha was published, initiating the extension of the Natura 2000 Network protected area of Laguna del Hito, a decision which, by virtue of the environmental legislation in force, forced the suspension of any work authorisation for this area. In October of this same year, the Spanish Government filed an administrative appeal before the High Court of Justice of Castilla-La Mancha against said decision. The decision of the Regional Government of Castilla-La Mancha may cause some delay to the project.

In October 2016, the Official Gazette of Castilla-La Mancha published Decree 57/2016, extending the BirdLife Special Protection Area (SPA) of the Laguna del Hito and proposing to the European Commission its declaration as a Site of Community Interest (SCI).

In December 2016, the Supreme Court ruled to provisionally suspend the ruling of the Regional Government of Castilla-La Mancha initiating the procedure to extended the Natura 2000 Network Protected Space of Laguna del Hito and the modification of the Natural Resources Ordinance Plan for the La Laguna del Hito Nature Reserve, published in the Official Gazette of Castilla-La Mancha on 29 July 2015.

Following the line of the Supreme Court, on 8 March 2017, the High Court of Justice of Castilla-La Mancha suspended the application of the aforementioned Decree 57/2016 extending the SPA. The suspension ruling was itself appealed by the Regional Government of Castilla-La Mancha on 20 March 2017.

On 11 December 2017, the High Court of Justice of Castilla-La Mancha rejected the appeal, presented by the Villar de Cañas Council, against the ruling of the Department of Public Works of the Regional Government of Castilla-La Mancha, annulling the Municipal Development Plan. This ruling does not invalidate the capacity to build the CTS on the lands acquired, given that the Government could resort to the Tenth Additional Provision of Royal Legislative Decree 7/2015, of 30 October (Consolidated Text of the Building Code and Urban Regeneration) or the Third Additional Provision the Law on the Concession of Public Works 13/2003 (LCOP, as per the Spanish).

In July 2018, the Contentious-Appeals Chamber of the High Court of Justice of Castilla-La Mancha ruled to grant the appeal lodged by the State Attorney, on behalf of the General State Administration, and annulled the two acts of the Government Council of Castilla-La Mancha; the agreement of July 28 2015 and the decree of 4 October 2016, through which, respectively, it initiated the procedure for the extension of the Special Protection Area for Birds of Laguna de El Hito and extended same.

In October 2018, the chamber of said Court notified the State Attorney of the ruling through which it has prepared the Cassation Appeal lodged by the Regional Government of Castilla-La Mancha against the previous ruling and calling it to appear before the Third Chamber of the Supreme Court. On 25 February 2019, Section One of said Chamber ruled to admit the appeal process.

During the first half of 2018, Enresa continued to prepare the documentation to obtain the Construction Authorisation for the CTS and the works relating to compliance with the Technical Instructions of the Nuclear Safety Council (CSN).

In July 2018, the State Secretary for Energy issued letters to both the Chairman of the CSN and The State Secretary for the Environment, requesting the temporary suspension of both the publication of the report on the favourable declarations on the construction authorisation for the CTS and the processing of the environmental assessment procedure.

Enresa is working to minimise the effects of the difficulties described and to guarantee the adequate management of spent fuel. Also, following the instructions of the Secretary of State for Energy, work is ongoing to prepare the draft of the 7th General Radioactive Waste Plan which will include the definition of the strategy for the storage of high levels waste.

c) Closure of Facilities

Enresa, in accordance with the authorisation granted by the Ministry of Industry and Energy (now the Ministry for Ecological Transition) for the execution of the decommissioning activities at Vandellós I NPP, of which safestore decommissioning took place in the period from 1998-2003, continues with the activities associated with latency phase, the current status of the facility.

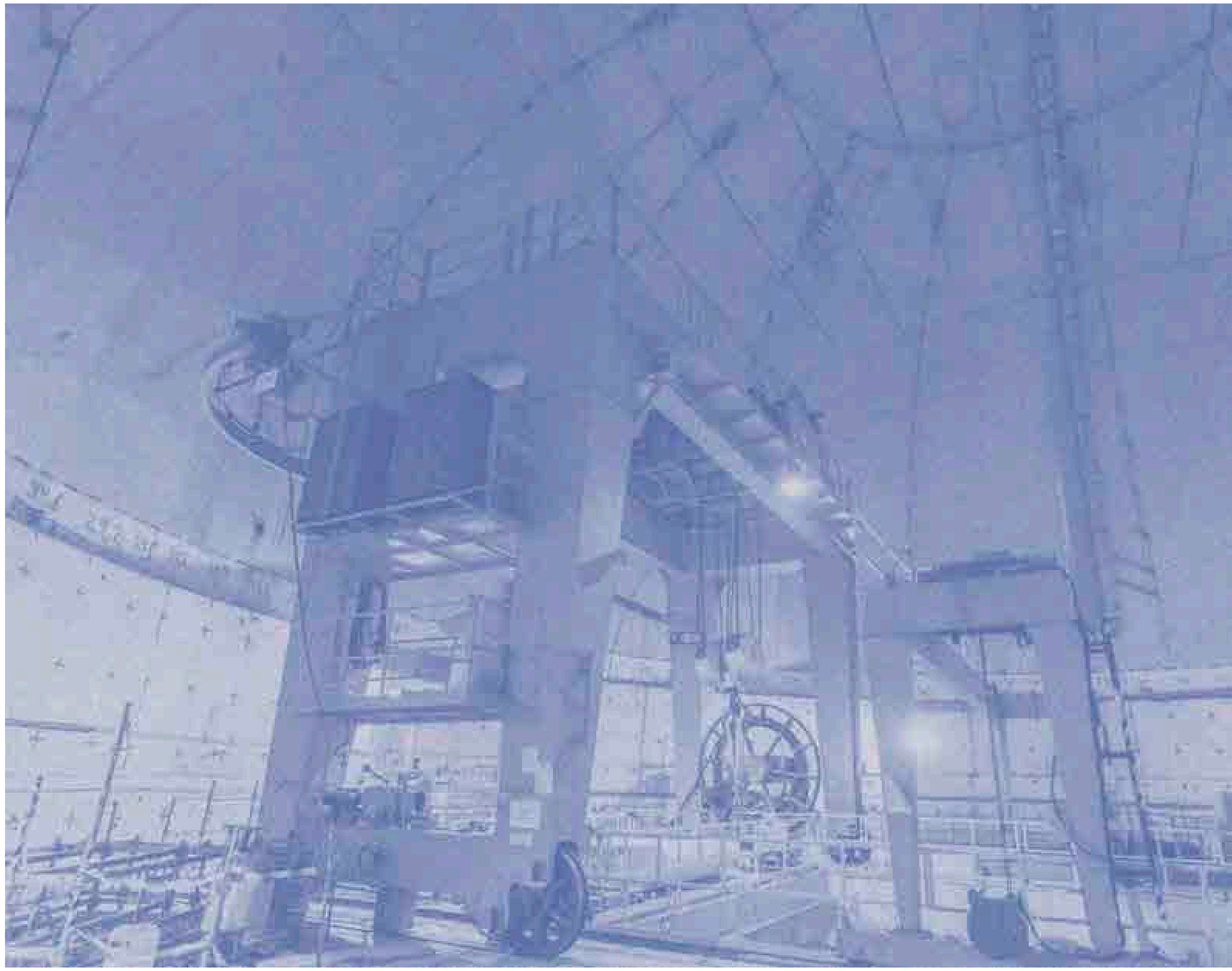
On 11 February 2010, ownership was transferred to Enresa as the body responsible for the José Cabrera NPP. For this project, the full immediate decommissioning alternative was chosen, leaving the full site free for industrial use, subsequent to transfer of the spent fuel from Individualised Temporary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

In 2018, Enresa completed the removal of embedded contaminated elements of the contention building, the dismantling and decontamination of the evaporator buildings, storage facility 1 and other elements of the Effluent Treatment System (tanks and chimney), the operation of the soil washing plant and the new storage facilities for VLLW and declassifiable materials. The work to excavate contaminated soils are ongoing and the demolition of the main buildings (contention and auxiliary) are due to begin.

With regard to the definitive restoration of Saelices el Chico, during 2018, different activities and pilot tests have been carried out to reduce the generation of acidic water at the site, and to reduce the costs of water treatment through alternative systems to the conventional ones.

d) Research and Development

Enresa has continued to work on the 7th Research and Development Plan (2014-2018) which has been structured along four subject areas and one cross-cutting area. These pertain to precise knowledge of waste both in terms of its intrinsic properties and its behaviour over time; treatment and conditioning of waste and the operational techniques thereof, decommissioning¡ of radioactive and nuclear facilities; the study of materials used for their confinement and their relations 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 activity comprises the management of knowledge and scientific-technology assets generated and coordination between the different parties involved.



13. Transactions and Balances with Related Parties (see note 4.14)

13.1 Transactions with related parties

The breakdown of transaction carried out with related parties during 2018 and 2017, and the balances at 31 December 2018 and 2017 are as follows:

(Thousands of euros)

	2018		2017	
	CIEMAT	SEPI	CIEMAT	SEPI
Asset balances				
Service clients, Long-term credit to third parties and other short-term finance assets	6,255	-	6,254	-
Liability balances				
Suppliers	1	-	376	-
Sundry creditors	-	-	-	1
Transactions				
Provision of services and rates	79	-	24	-
Studies, waste management and external services	1,397	9	949	9
Allocated dividends	94	24	91	23

The balances at the end of each financial year, for services received and provided, can be found under the headings “trade creditors” and “trade debtors” of the attached balance sheet.

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

Enresa and CIEMAT signed a an association agreement, in 1990, for a term of 5 years and which was extended to 31 December 2015, the purpose of which was to resolve the problem of management of Spanish nuclear and radioactive waste through research and development of techniques for its treatment and all the projects under this agreement come within this area of activity. On 22 December 2015, a new framework agreement was signed to enter into force on 1 January 2016 for an initial duration of 4 years.

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 sums are appropriately formulated and supported and have been transferred to the authorities upon which the body in question depends and the need to find a rapid solution that allows for payment of the pending sum.

The Directors have not carried out, during the financial years 2018 and 2017, related transactions beyond ordinary operations or that would not have been carried out in normal market conditions with the company or with companies of the group.

13.2 Remuneration of the Management Committee and Senior Management

At the end of the financial years 2018 and 2017 the number of persons forming part of the Board of Directors was 12, comprised, on 31 December 2018, of 4 women and 8 men (4 women and 8 men on 31 December 2017).

The total sum for remuneration and expenses paid to directors of the Company for the year 2018 and 2017 was as follows:

(Thousands of euros)

BY ITEMS	2018	2017
Wages	195	166
Attendance fees	80	80
Expenses payable through Treasury for Senior Executives	22	19
Expenses to be billed by SEPI	9	9
Total	**306**	**274**

On 31 December 2018 and 2017, there were no advances or credits provided to members of the Board of Directors.

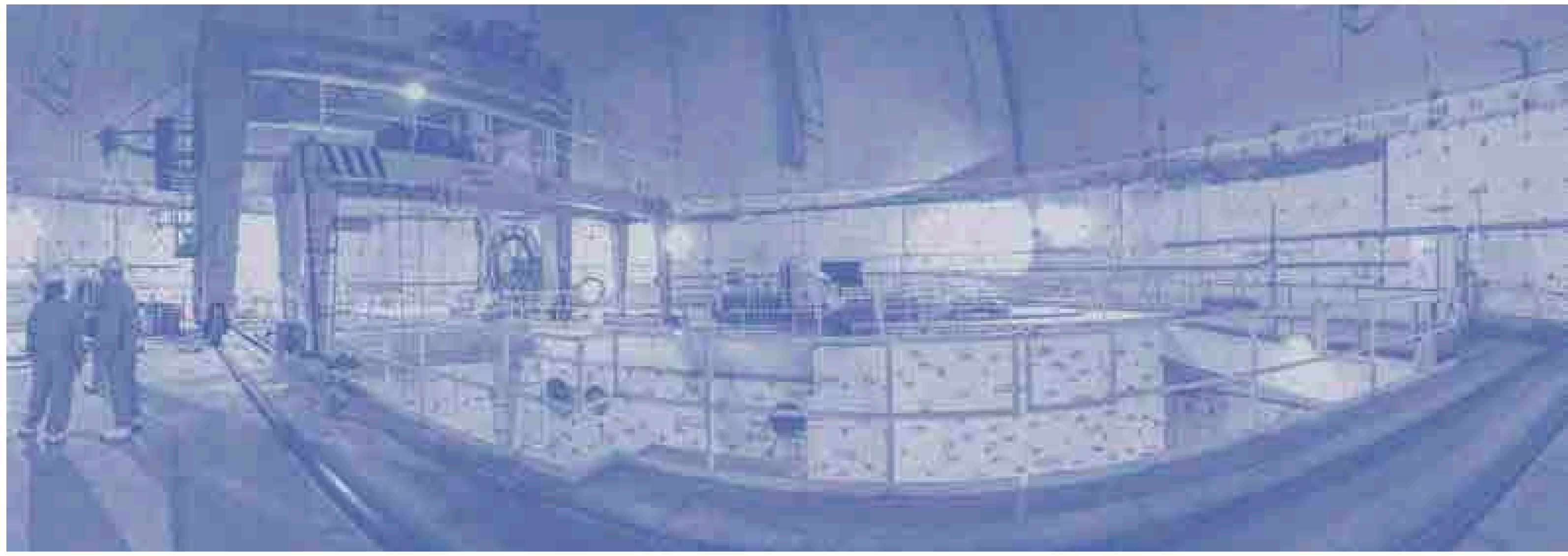
The company has not provided any sum during 2018 and 2017 in the form of life and accident insurance in respect of any of the Company Directors.

The remuneration of Senior Management personnel of the company, excluding those who simultaneously, occupied a position on the Board of Directors of the Company during 2018 was 445 thousand euros (486 thousand euros in 2017).

As of 31 December 2018 and 2017, the Company has not granted any loans to Senior Management.

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

The Company has also contracted a civil liability insurance policy for the Administrative Body for a premium of 9 thousand euros for 2018 (9 thousand euros in 2017).



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

During 2018, 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 Companies Act, have communicated to other members of the Board of Directors any situation of conflict of interest, direct or indirect, with the interests of the Company, other than that declared by a) Ramón Gavela González, who was Vice-chairman until 29 October 2018, as Managing Director of CIEMAT until 18 September 2018, b) Mr. Carlos Alejaldre Losilla (named Vic-chairman on the same Board of Directors) and General Director of CIEMAT and a director of Sociedad Enusa Industrias Avanzadas, S.A., S.M.E.,; c) Mr. José Manuel Pérez Morales as Director as Director of Technology of CIEMAT and d) José Manuel Redondo García as Director of Sociedad Enusa Industrias Avanzadas, S.A., S.M.E. Both CIEMAT and Enusa Industrias Avanzadas, S.A., S.M.E. Carry out activity complementary to that of Enresa.

14. Information on the Environment

Given that the set of activities developed by the Company are aimed at guaranteeing the safety of persons and the protection of the environment, the expenditure and investments to these effects of this section correspond to those entered on the balance sheet and in the profit and loss account of these Financial Statements.

The company has no litigation or contingencies relating to environmental protection or improvements.

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15. Other Information

15.1 Personnel

The average number of employees for 2018 and 2017, distributed by professional categories and the number of employees at the close of the 2018 and 2017 financial years distributed by professional categories and gender, is as follows:

FINANCIAL YEAR 2018		EMPLOYEES ON 31 DECEMBER 2018		
CATEGORY	Number Average of employees	Men	Women	Total
Senior Management (*)	6	3	3	6
Higher degree graduates	120	65	54	119
Graduates	72	60	12	72
Administrative personnel	57	14	42	56
Professionals - Trades	63	61	1	62
TOTAL	**318**	**203**	**112**	**315**

(*) Includes the Chairman, who is also included in the Board of Directors.

FINANCIAL YEAR 2017		EMPLOYEES ON 31 DECEMBER 2017		
CATEGORY	Number Average of employees	Men	Women	Total
Senior Management (*)	6	3	3	6
Higher degree graduates	120	66	55	121
Graduates	71	60	11	71
Administrative personnel	60	16	43	59
Professionals - Trades	68	66	1	67
TOTAL	**325**	**211**	**113**	**324**

(*) Includes the Chairman, who is also included in the Board of Directors.

In compliance with the quota established in the General law protecting the rights of persons with disabilities and their social inclusion and as an alternative exceptional measure, in 17 November 2017, for the 2018 financial year, Enresa made a donation for the sum of 39 thousand euros (50 thousand euros in 2017) to a foundation included among those regulated in Chapter II, Title III of Law 49/2002, of 23 December, on the tax regime non-profit organisations and tax incentives for philanthropy.

15.2
Audit fees

The external auditor of the 2018 and 2017 Financial Statements and Management Report of Enresa was Mazars Auditores S.L.P.

The sum of the fees paid for these services in 2018 and 2017 was 27 thousand euros for each financial year.

16.
Financial Guarantees

The item "Guarantees for financial operations" includes, primarily, those guarantees provided by Enresa, for sums of 745 and 134 thousand euros for 2018 and 2017 respectively to ensure its commitments to third parties. The Directors of the Company consider that, as a result of these guarantees, no liabilities shall be payable for provisions must be made at the close of 2018.

17.
Events after the Closing

Subsequent to the end of the financial year ending 31 December 2018, and up to the preparation of these financial statements, no events have occurred that may significantly affect these financial statements.

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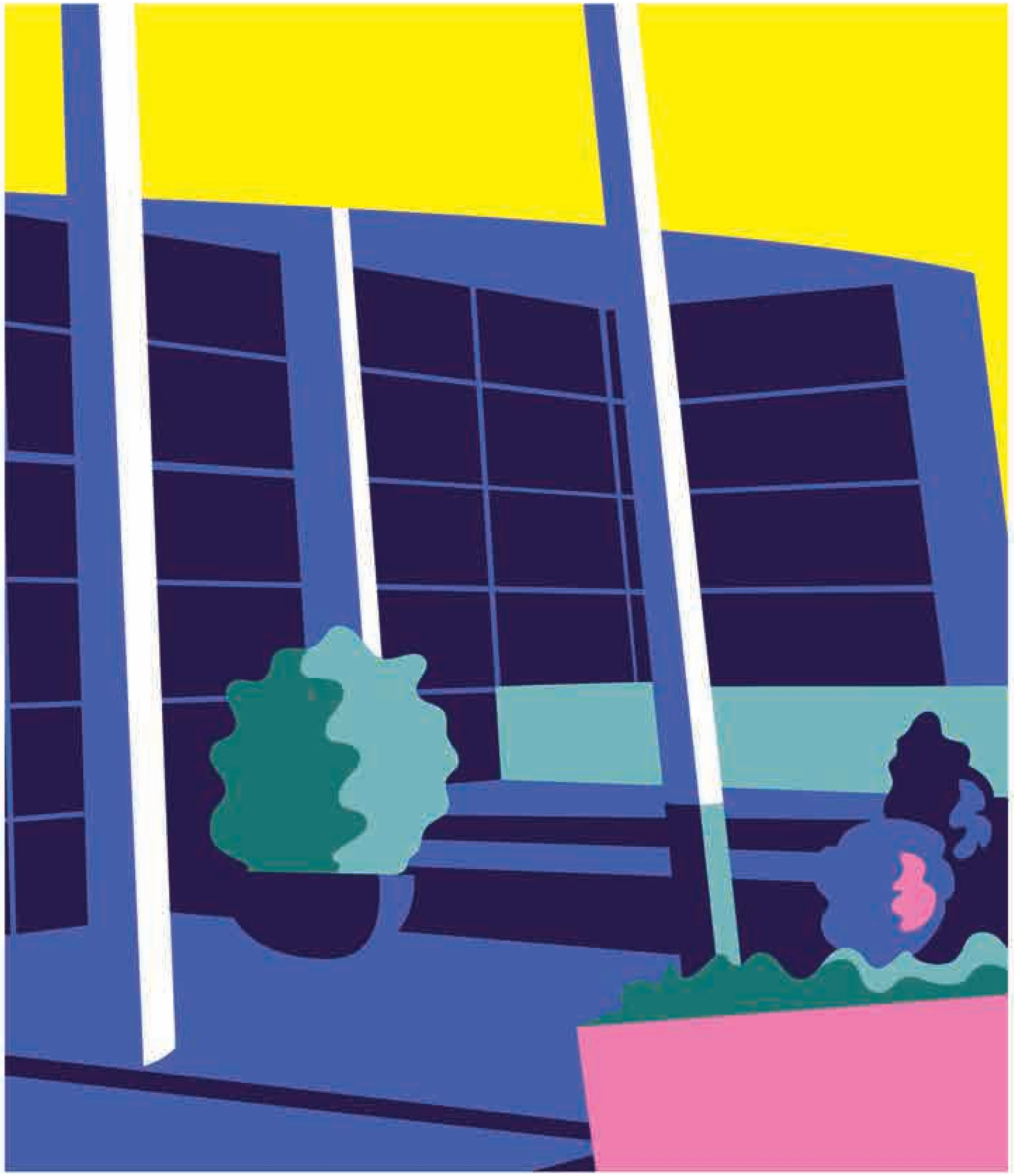
6

MANAGEMENT REPORT

_ Introduction and management summary
_ Major strategic actions and objectives of 2018
_ Enresa's mission
_ Our values
_ Technical activities
_ Research and development
_ Other activities
_ Economic and financial aspects
_ Staff
_ Own shares
_ Events after closing



Introduction and management summary

Enresa's activities during the 2018 financial year were based on the framework of the Sixth General Radioactive Waste Plan (6th GRWP) approved by the Government in June 2006, and the latest update, sent by the Ministry of Energy, Tourism and the Digital Agenda (now MITECO), of the "Updated Economic Financial Study of the Cost of the Activities Covered in the Sixth General Radioactive Waste Plan", in accordance with Article 10.a) of Royal Decree 102/2014, of 21 February on the responsible and safe management of spent nuclear fuel and radioactive waste.

The company has complied with the mission entrusted to it, in accordance with the applicable legislation, including the following:

- Law 25/1964, on Nuclear Energy and Law 54/1997, on the Electricity Sector, were 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 Ministry of Industry, Tourism and Trade, Enresa being the instrumental company through which 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.

- Royal Decree 102/2014, of 21 February for the responsible and safe management of spent nuclear fuel and radioactive waste, regulating the management of radioactive waste arising from civil activities, in all their phases, from generation to disposal, for the purposes of avoiding the imposition on future generations of undue burdens, 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 establishes, in Chapter III 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 repository (imposing a tax of € 2,000/ m^3 in the case of VLLW and € 10,000 /m^3 in the case of LILW) and on the future CTS (€ 70 per kilo on heavy metal and € 30,000 €/m^3 on radioactive waste other than SNF).

- Order IET/458/2015, of 11 March, regulating the allocations to municipalities in the vicinity of nuclear power plants, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.

The different activities carried out by Enresa have been channelled through a series of projects and technical activities corresponding to each of the major lines along which management is divided: low and medium level waste, spent fuel and high level waste, closure of facilities, research and development and other activities, to which the structure must be added, as described elsewhere in this report.

Over the course of 2018, both the Ministry responsible (now MITECO) and SEPI have continued to carry out budgetary monitoring of the Annual Operating Programme and Long-Term Plan 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 shareholders CIEMAT and SEPI, are the Secretary of State for the Environment, autonomous communities, local authorities, universities and other support bodies, along with international organisations and similar agencies from other countries.

On 12 March 2019, this culminated with the signing of the Memorandum of Understanding between ENRESA and the owners of Spanish nuclear power plants, based on the horizon of 2025/2035, for the ordered closure provided for in the draft of the National Integrated Energy and Climate Plan.

For its part, ENRESA, in accordance with the instructions of the Secretary of State for Energy, continues to prepare the draft of the 7th General Radioactive Waste Plan which will include the strategy for the storage of high level waste.

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

In order to comply with said missions and in order to meet the objectives established in the corresponding strategic and operating plans, the Company has had an average workforce throughout the year of 318 employees. The number of employees as of 31 December 2018 was 315, of which 179 were based at company headquarters in Madrid, 116 at the El Cabril disposal facility (Córdoba), 7 at the Vandellós I plant (Tarragona), 11 at the José Cabrera nuclear power plant (Guadalajara) and 2 at the Centralised Temporary Storage facility at Villar de Cañas (Cuenca).

Summarised below are the technical activities and principal economic-financial aspects of such management, along with the most important figures from the year.

Major strategic actions and objectives of 2018

- Collection and transport of very low level waste (VLLW) and low and intermediate level waste (LILW) from production centres – nuclear facilities (NFs) and radioactive facilities (RFs) - to the El Cabril disposal facility.
- Actions in relation to minimising the generation VLLW/LILW and their volume, in order to optimise occupation of disposal cells.
- Operation of El Cabril disposal facility (characterisation, treatment, conditioning and storage of waste) and improvement of the capacities and systems of the facility.
- Operation of the complementary facility for the disposal of very low level waste (VLLW) at the El Cabril disposal facility.
- Continuation, during the first half of the year, with the licensing process before the Nuclear Safety Council (CSN) for the CTS at Villar de Cañas (Cuenca) until the procedure was temporarily halted in July.
- Analysis of the needs for casks for the management of spent fuel at the 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).
- Signing of the agreement for the design, construction, testing, operation and maintenance of the on-site ITS at Cofrentes NPP (Valencia).
- Operation of ITS for spent fuel at Almaraz NPP (Cáceres).
- Completion of construction of the ITS for spent fuel at Sta. María de Garoña NPP (Burgos).
- Signing of the agreement to increase the storage capacity for spent fuel at Vandellós II NPP (Tarragona).
- Monitoring and maintenance of latency at the Vandellós I nuclear power plant (Tarragona).
- Programmed activities in the Decommissioning Plan for the José Cabrera nuclear power plant at Guadalajara.
- Prior studies for decommissioning and SF management at Sta. María de Garoña NPP.
- Studies for the optimising of decommissioning in collaboration with the NPPs to prepare initial decommissioning plans for each of them in accordance with the instructions of the CSN.
- Monitoring of old uranium mine sites in the province of Salamanca.
- Monitoring, control and maintenance of old concentrated uranium Mill Factory at Andújar (Jaén) 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 arising from the application of the Protocol for the Radiological Surveillance of Metallic Materials.
- Support for the National System for Civil Protection and the security forces.

- Projects relating to the R&D Plan for the period 2014-2018.

- 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 security, profitability and liquidity.

Enresa's mission

Enresa is a public company created by the Parliamentary mandate of 1984 to provide an essential service for the country: the safe management of radioactive waste.

Its mission is to collect, condition and manage all radioactive waste produced in Spain. Enresa also assumes responsibility for the dismantling of nuclear power plants whose activity has ceased and the environmental restoration of mines and facilities relating to uranium mining when required by authorities.

Enresa's mission is to ensure that radioactive waste has no consequences for people or for the environment.

The framework of reference in which the strategies and activities to be carried out in the area of management of radioactive waste are clearly and concisely set out is the General Radioactive Waste Plan (GRWP). The sixth General Radioactive Waste Plan, approved by the Government on 23 June 2006 assigns Enresa a well-defined set of responsibilities, strategies and activities to be carried out in Spain in the different areas of management of radioactive waste and decommissioning of facilities.

Enresa, as a provider of a public service, is at the service of citizens and must be accountable to society for its activities and generate social trust. For this reason, a consistent, clear and open positioning, transparency and communication of its role in society are pillars of this policy and a strategic need.

Our values

The values that identify each one of these activities are internationally recognised technical capacity and the solidity of our management systems, ensuring the solvency of the projects.

Enresa is a company at the cutting edge of technology and is committed to innovation and development. Its R&D commitment is currently set out in the five-year plan (2014-2018).

Our environmental contribution is also fundamental. Enresa contributes its knowledge and technical skill to prevent risks to the environment and recover landscapes affected by radiological activities.

Enresa manages the radioactive waste generated by nuclear power plants, hospitals, research centres and industries in Spain in order to protect people and the environment.

The public service mission is central to all of Enresa's activities and is the response to the public responsibility and confidence placed in Enresa by the Institutions.

The company's record in meeting the objectives and responsibilities it is commissioned with is the basis of its credibility and the trust.

Technical activities

Described below are the main projects and technical activities in which Enresa was involved in the year 2018, for each of the main areas along which its management is divided, in accordance with that 6th GRWP approved by the Government in June 2006.

Management of low and medium level waste

During 2018, all stages of the management of this type of waste were carried out without any incident: characterisation, collection, transport, treatment, conditioning and disposal, with the installation of the solid radioactive waste disposal facility at Sierra Alabarrana (El Cabril), Córdoba a fundamental element.

A total of 265 shipments with a volume of more than 2,483 m^3 of waste, most corresponding to very low level waste (around 71%), proceeding mostly from nuclear power plants and the decommissioning of José Cabrera NPP and the PIMIC facilities. The rest corresponds to low and intermediate level waste generated primarily by nuclear power plants and the decommissioning of José Cabrera NPP.

Furthermore, approximately 10% of the total issued corresponds to the removal of waste form radioactive facilities (hospitals, industrial facilities, research centres, etc.) and other facilitates not regulated with the frameworks established by the "MEGAPORT" protocols and "on radiation monitoring of metallic materials".

The total volume of waste delivered to El Cabril amounts to 20 m^3.

Within the scope of non-nuclear facilities, in the year 2018, in accordance with the provisions of Article 11 of Royal Decree 102/2014, of 21 February, 47 waste producers signed up to the "technical administrative specifications for acceptance of waste" required in same as a preliminary measure prior to requesting the services of Enresa. As of 31 December 2018, the total number of active subscribers of these specifications was 934.

El Cabril operated normally throughout the year, occupying 101 positions in disposal vaults (CE-2a concrete casks with 1,029 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 15,491 m^3 (2,238 m^3 stored in 2018).

Spent fuel and high level waste management

LThe activities in this area of management 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, the construction of the ITS at the Santa María de Garoña nuclear power plant and the development of the project for an ITS and the Cofrentes nuclear power plant. Work has continued towards reaching the priority objective of providing Spain with a Centralised Temporary Storage facility (CTS) for spent fuel and high level waste.

In relation to the CTS, the Official State Gazette published, on 20 January 2012, the Resolution of 18 January 2012 of the State Secretariat for Energy awarding the Centralised Temporary Storage to the locality of Villar de Cañas, in

accordance with the agreement adopted by the Council of Ministers on 30 December 2011.

In the month of January 2014, MINETUR (now MITECO) and the CSN were presented with the documentation required in the Nuclear and Radioactive Facilities Regulation for the request for the Preliminary Authorisation and Construction Authorisation for the facility.

In July 2015 the CSN issued reports that were favourable to the request for Preliminary Authorisation and the Radioactive Impact on the public in normal operation associated with the Environmental Impact Study of the CTS.

Until mid-2018, design and documentation preparation activities have been ongoing to obtain the Construction Authorisation, as have the works relating to compliance with the Technical Instructions of the CSN.

In July 2018, the State Secretary for Energy issued letters to both the Chairman of the CSN and The State Secretary for the Environment, requesting the temporary suspension of both the publication of the report on the favourable declarations on the construction authorisation for the CTS and the processing of the environmental assessment procedure.

For its part, ENRESA, as already mentioned, is working on the draft of the 7th General Radioactive Waste Plan which will include the definition of the strategy for the storage of high level waste.

Continuing the efforts made in previous years in relation to the management of spent fuel and high level waste, the highlights are the manufacture of storage casks and systems and transport to allow for the regular operation of nuclear power plants, providing them with additional dry storage capacity for spent fuel where the pools are at high risk of saturation.

The activities carried out at each power plant, in order of entry into operation of their CTS are the following:

Trillo NPP: The supply of metal casks has continued for the operation of the ITS. A review was commissioned on the contents of same to accept an additional type of cask, the ENUN32P. The Individualised Temporary Storage facility at the Trillo nuclear power plant has been operating normally and at year end there were 32 DPT casks and 2 ENUN32P casks on site.

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

Ascó NPP: Operations continue at the temporary Individualised Temporary Storage facility at Ascó NPP with the loading of new HI-STORM 100 casks. 2018 ended with a total of 19 casks in the storage slabs. There are also 2 additional tasks completed and delivered on site and awaiting loading.

Almaraz NPP: A temporary spent fuel storage facility has been brought into operation on the site of the Almaraz nuclear power plant. As of late 2018, it stores one ENUN32P metallic cask.

In relation to the management of spent fuel at Santa María de Garoña NPP, there are 5 ENUN52B metallic containers pending transfer to the site. In 2018 construction consulted on the ITS. On 1 August 2017, MINETAD issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating authorisation. Work is being completed to assess the capacity of the temporary spent fuel storage facility to evacuate the entire inventory of fuel elements from the plant's pool.

The manufacture of 10 ENUN32P storage and transport containers for spent fuel at Spanish PWR power plants continued throughout 2018. Three of those have been loaded at the ITS facilities at Trillo (2) and Almaraz (1), as mentioned above.

The contract relating to the manufacture of 5 HI-STAR 150 metallic casks for storage and transport for the Cofrentes nuclear power plant remains in place. Also, 2018 saw an additional 10 HI-STORM 100 systems contracted for the Ascó nuclear power plant.

The company Orano Cycle has supplied 4 TN®81 casks (currently at The Hague), acquired for transport of high level waste from the reprocessing of spent fuel at Vandellós I. These casks will transport the waste from La Hague to Interim Cask Storage (part of the CTS project) where it will be stored until the main CTS process is operational. A contract has been signed with ORANO for the temporary storage of the empty casks on site at The Hague until they are loaded.

Closure of facilities

Decommissioning and closure works carried out by Enresa in 2018 included the project concerning the José Cabrera, Vandellós I and Santa María de Garoña nuclear power plants and the monitoring and maintenance of the definitive restoration project at Saelices el Chico (Salamanca) and other nuclear fuel cycle facilities.

In terms of decommissioning, In 2018, Enresa completed the removal of embedded contaminated elements of the contention building, the decommissioning and decontamination of the evaporator buildings, storage facility 1 and other elements of the Effluent Treatment System (tanks and chimney), the startup of operation of the soil washing plant and the new storage facilities for VLLW and declassifiable materials. The work to excavate contaminated soils is ongoing and the demolition of the main buildings (contention and auxiliary) is due to begin.

With respect to Vandellós I, the reconditioning of the waste from the dismantling of the storage facilities at the site, which are undergoing characterisation in preparation for shipment to El Cabril, is ongoing. The Basic Plan for level 3 decommissioning continues, as does the monitoring and maintenance of the reactor pile.

In terms of the decommissioning of Santa María de Garoña, the Basic Study of Decommissioning Strategies was presented to MITECO and the tender process for the award of the contract for Engineering Services for its decommissioning has been initiated.

With regard to the definitive restoration of Saelices el Chico, during 2018, different activities and pilot tests have been carried out to reduce the generation of acidic water at the site, and to reduce the costs of water treatment through alternative systems to the conventional ones. The production of "technosols" is also underway and throughout the year, 12,000 t were manufactured, which have been extended across an area of 7 Ha of the total of 50 planned, for the purpose of assessing the suitability for acid water on a large scale.

Surveillance and maintenance activities have also been carried out on all restored concentrated uranium mining/manufacturing sites found in the compliance phase (Elefante plant and restored mining sites at Saelices El Chico, the Casillas de Flores Mine and the old Uranium Mill at Andújar) or in long-term monitoring subsequent to a Declaration of Decommissioning (Lobo-G plant).

Environmental monitoring

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

- Preparation of the Environmental Impact Studies necessary for the operation of the facilities.
- Environmental Radiation Monitoring, 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 communities and local authorities.

Research and development

R&D activities at Enresa are organised in five-year R&D plans. At present the seventh such plan is in force, covering the period from 2014 to 2018. A draft of the 8th R&D Plan for the period 2019-2023 has been prepared.

The plan (and the draft of the new plan) is structured across four separate thematic areas and a fifth cross-cutting area.

The four technical area pertain, respectively, to precise knowledge of waste both in terms of its intrinsic properties and its behaviour over time; treatment and conditioning of waste and the operational techniques thereof and decommissioning of radioactive and nuclear facilities; the study of materials used for their confinement and their relations with radioactive waste; and, finally, 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 activity pertains to the management and dissemination of knowledge and the scientific-technology assets generated and coordination between the different parties involved.

In terms of international activities, the CAST project, part of the Seventh Euratom Framework Program, has concluded. Within the 8th Framework Programme, known as Horizon 2020 (H2020), Enresa participates in the Modern2020 and BEACON projects, as a partner, and in the CEBAMA, CHANCE, INSIDER and DISCO projects as a member of the assessment body of the each project called the "End Users Group". Participation in these projects, on the one hand, allows Enresa to access front-line knowledge at a reduced cost and, on the other, is actively part of developing technologies and knowledge necessary for the management of radioactive waste.

Enresa was involved in preparing the European Joint Programme (EJP1) through its collaboration on the EURATOM project (JOPRAD). The first EJP was prepared and presented for assessment under the acronym EURAD in September 2018. The EURAD will begin in mid-2019. In 2019, new proposals for Euratom project, the last of H2020.

Enresa is a member of the three R&D platforms, two of national scope; CEIDEN, the platform for nuclear energy fission, and PEPRI, the platform for R&D on radiological protection; and the European platform IGD-TP, on R&D for implementing deep geological disposal or radioactive waste. Enresa, along with another 10 National Agencies / Ministries, is part of the Executive Group, which is the platform's decision-making body.

Other activities

In addition to the above, Enresa has carried out more specific, ad-hoc technical activities, which included the following highlights:

- Management of radioactive lightning arresters. During 2018, 12 new requests for the removal of lightning arrester heads were received. 5 lightning arrester heads were removed.
- Two soil density and humidity measurement instruments were removed, seized by the administration.
- Enresa had participated in a range of different courses on radioactive waste management, necessary for obtaining the license for supervisor of radioactive facilities or radiological protection officer. All of those courses were organised by other institutions such as CIEMAT or the Higher School of Industrial Engineering of the Universidad Politécnica de Madrid, and were intended at the general public or, specifically, incoming staff of the Nuclear Safety Council.
- The 19th edition of the Symposium on Radioactive Waste and Radioactive Facilities, with the participation of over one hundred professionals from areas such as the hospital sector, industry and research and teaching.
- A cobalt therapy unit was escorted from Ramón y Cajal Hospital to the Cabril disposal facility in accordance with the conditions of the authorisation for transport under special arrangement.
- Within the framework of the MEGAPORT protocol, the Radiological Protection Technical Unit participated in a course in Algeciras for operators of the radiological port control system.
- Within the framework of the Radiological Surveillance of Metallic Materials, the Radiological Protection Technical Unit participated in four basic courses with a total of 105 attendees.
- Enresa maintained operational support to the Competent Authorities (Civil Protection and CSN), for the response in the event of radiation emergency and participated in training for the activities of the State Security Forces in the event of radiation emergency and accident in the transport of radioactive material.
- Enresa has participated in a range of theoretical and practical exercises from the Emergency Response Centre at Enresa headquarters.

Economic and financial aspects

Principal economic-financial parameters

The net turnover figure for the 2018 financial year was 375,618 thousand euros (390,498 thousand euros in 2017). Meanwhile, the net financial result of the management of the Fund Portfolio for this financial year was 119,266 thousand euros. Within these results is the part corresponding to the fair value of certain financial instruments that, even though Enresa has the intention and the capacity to maintain them to maturity, the General Accounting Plan does not allow for them to be so classified and obliges them to be accounted at fair value, with the result that they the volatility of the markets must be registered. Furthermore, during 2018, Enresa obtained an operating profit of 229,374 thousand euros (180,746 thousand euros in 2017) and total investment of 13,742 thousand euros without considering investment in R&D.

The average payment period to suppliers in 2018 was 29.13 days. The maximum legal payment period applicable to the Company according to Law 3/2004, of 29 December, establishing measures to combat the accumulation of arrears in commercial operations, is 30 days, except where there is an agreement between the parties to extend that period up to a maximum of 60 days (see Note 10 of the Report on the Financial Statements). These terms were applied by the Company in 2017 and up to 9 March 2018, the date of the entry into force of Law 9/2017, of 8 November, on Public Sector Contracts, establishing a single payment term of 30 days, *"The Administration shall be obliged to pay the price within thirty days following the approval of the site certifications or the documents that accredit compliance with the provisions of the contract of goods delivered and services provided".*

The Fund for financing the activities of the GRWP reached 5,674,360 thousand euros by the end of 2018.

Accumulated performance of the total portfolio for the year 2018 stood at 3.07% on 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.

Management of financial investments

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

a) Investments maintained up to maturity: debt securities, with fixed maturity date and collections of a determinable sum, negotiated 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 or and variable rate bonds (referenced to an inflation or interest rate) that do not have embedded derivatives and hybrid financial assets in which embedded derivatives must not be segregated.

b) Other financial instruments at fair value through profit or loss: this category, in accordance with 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.

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, 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.

The company, in accordance with that established in the General Accounting Plan, has designated some assets as “other assets at fair value through profit and loss” despite the fact that all its asset purchases are carried out with the intention of maintaining same to maturity.

Financial assets at fair value with changes in the profit and loss account are valued at fair value, with the result of the variations in said fair value registered in the profit and loss account. Derivatives are valued at fair value, with those that, at 31 December 2018, hold a positive fair valued, 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 valuation techniques based on discount of future cash flows and options. Interest rate and inflation curves, volatility implicit in all interest rate types and financial markets, have been included 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 types 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 susceptible to being designated as accounting hedges, in accordance with the applicable accounting standards. For this reason, these derivative financial instruments have been booked at fair value as financial assets or liabilities, and the variations in same are entered in the profit and loss account.

For 2018, the company has estimated that there is no impairment to any financial instrument, valued at neither amortised cost nor at fair value, 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.

With regard to the categorisation of the Investment Portfolio, the Company classifies assets into different classes of assets:

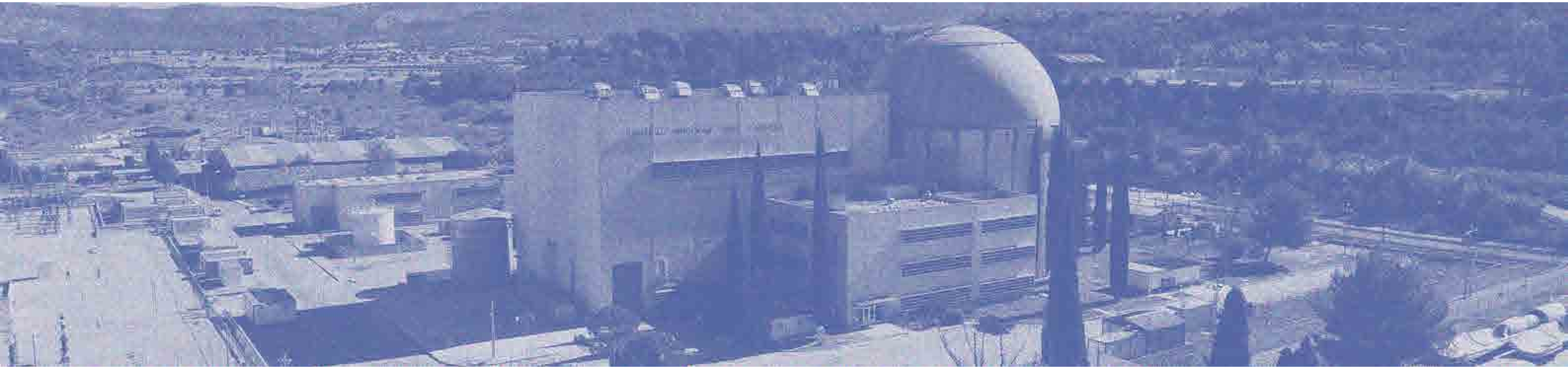
a) State debt: includes Spanish public debt, specifically, Spanish Treasury bond, coupon and principal strips from the Spanish Treasury, Treasury bills and short-term repos, whose underlying element is Spanish public debt. The carrying value and face value of this class are 1,724,368 and 2,059,193 thousand euros, respectively, in 2018.

b) Other public debt: includes financial assets issued by government agencies, the supranational bodies, the autonomous communities and the public debt of other countries. The carrying value and face value of this class are 1,944,639 and 1,886,111 thousand euros, respectively, in 2018.

c) Other obligations and bonds: includes a diverse range of financial assets from different issuers from different sectors, national as well as international and of different typologies. The carrying value and face value of this class of assets were 624,305 and 577,253 thousand euros in 2018.

d) Other short-term assets: covers financial assets, deposits and others, issued by financial institutions. The carrying value and face value of this class of assets were 274,631 and 274,668 thousand euros, respectively, in 2018.

Enresa’s management of financial risk is adapted to the needs and requirements of the applicable legal regulations which state 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. 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 in accordance with development capacities of the general investment criteria granted to said body by the applicable legislation.

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

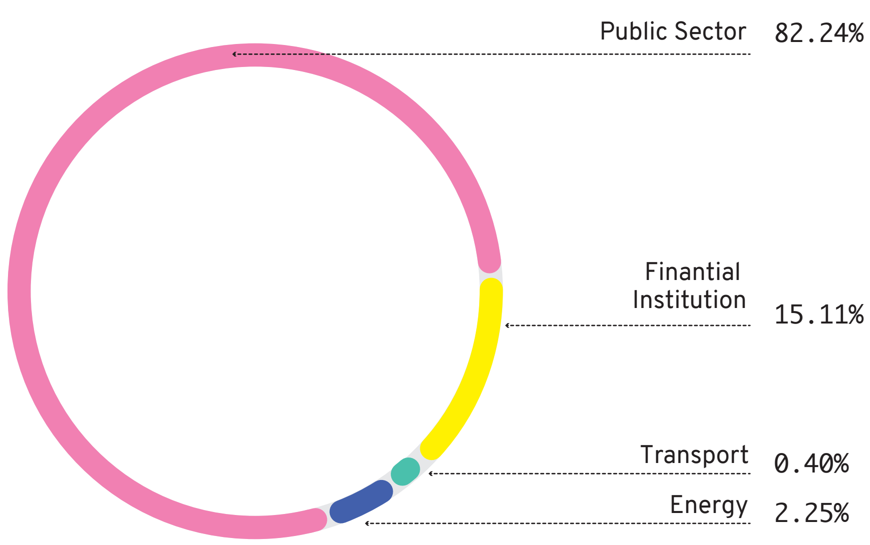
b) Profitability:

The short term portfolio managed by Enresa must reach a specific minimum real interest rate through the model for the financing of 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 on fixed-income financial instruments linked to Spanish inflation and with a margin above the aforementioned real interest rate. It diversifies its other investments among fixed income alternatives offered on financial markets and always with the expectation of exceeding the established real interest rate as an objective.

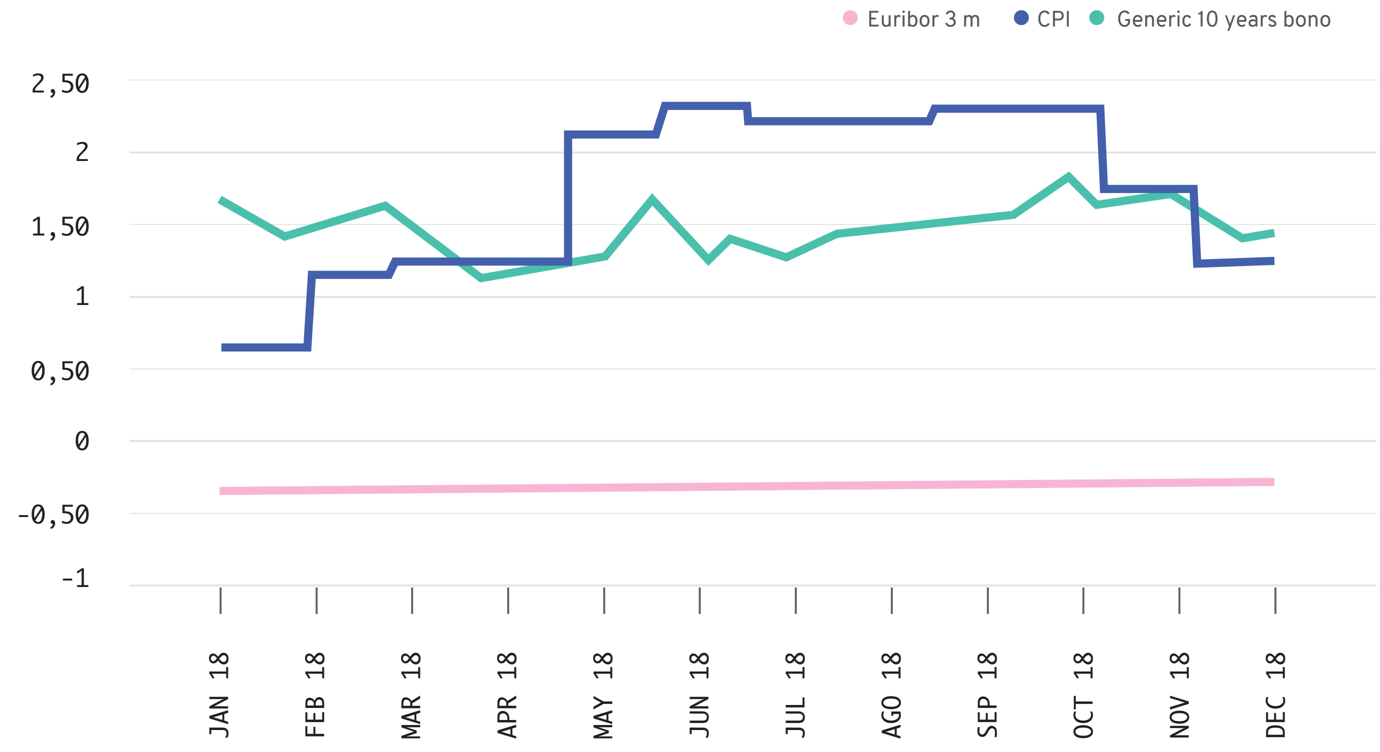
c) Liquidity :

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 enable it and ensure it is advisable, and where there are no special liquidity requirements in the short or medium term. Nevertheless, the financial investments of the Portfolio in the long-term are mainly in entirely liquid financial products.

Structure of portfolio by sector



Generic 10A-3 months type-IPC



Staff

The average number of employees for 2018, distributed by professional categories and the number of employees at the close of the financial year distributed by professional categories and genders, is as follows:

EMPLOYEES ON 31 DECEMBER 2018

CATEGORY	Number Average of employees	Men	Women	Total
Senior Management (*)	6	3	3	6
Higher degree graduates	120	65	54	119
Graduates	72	60	12	72
Clerical staff	57	14	42	56
Professionals - Trades	63	61	1	62
TOTAL	**318**	**203**	**112**	**315**

(*) Incluye al presidente que también está incluido en el Consejo de Administración.

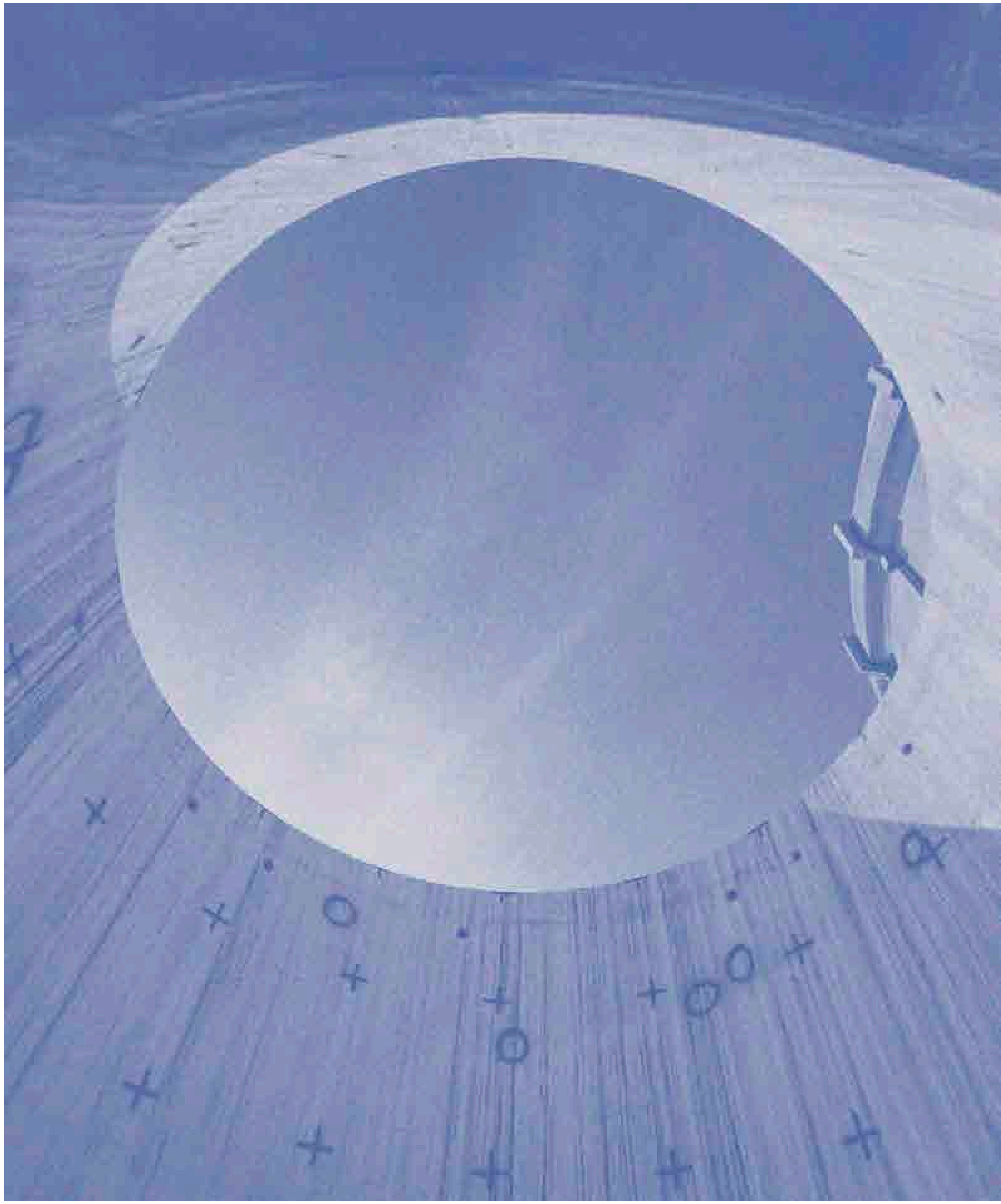
In compliance with the quota established in the General law protecting the rights of persons with disabilities and their social inclusion and as an alternative exceptional measure, in 17 November 2017, for the 2018 financial year, Enresa made a donation for the sum of 39 thousand euros (50 thousand euros in 2017) to a foundation included among those regulated in Chapter II, Title III of Law 49/2002, of 23 December, on the tax regime non-profit organisations and tax incentives for philanthropy.

Own shares

In accordance with Law 19/1989, of 25 July, covering this matter, as of 31 December 2018, Enresa does not possess, nor has it completed any acquisition or sale transaction related to its own shares, neither directly nor indirectly through subsidiaries.

Events after closing

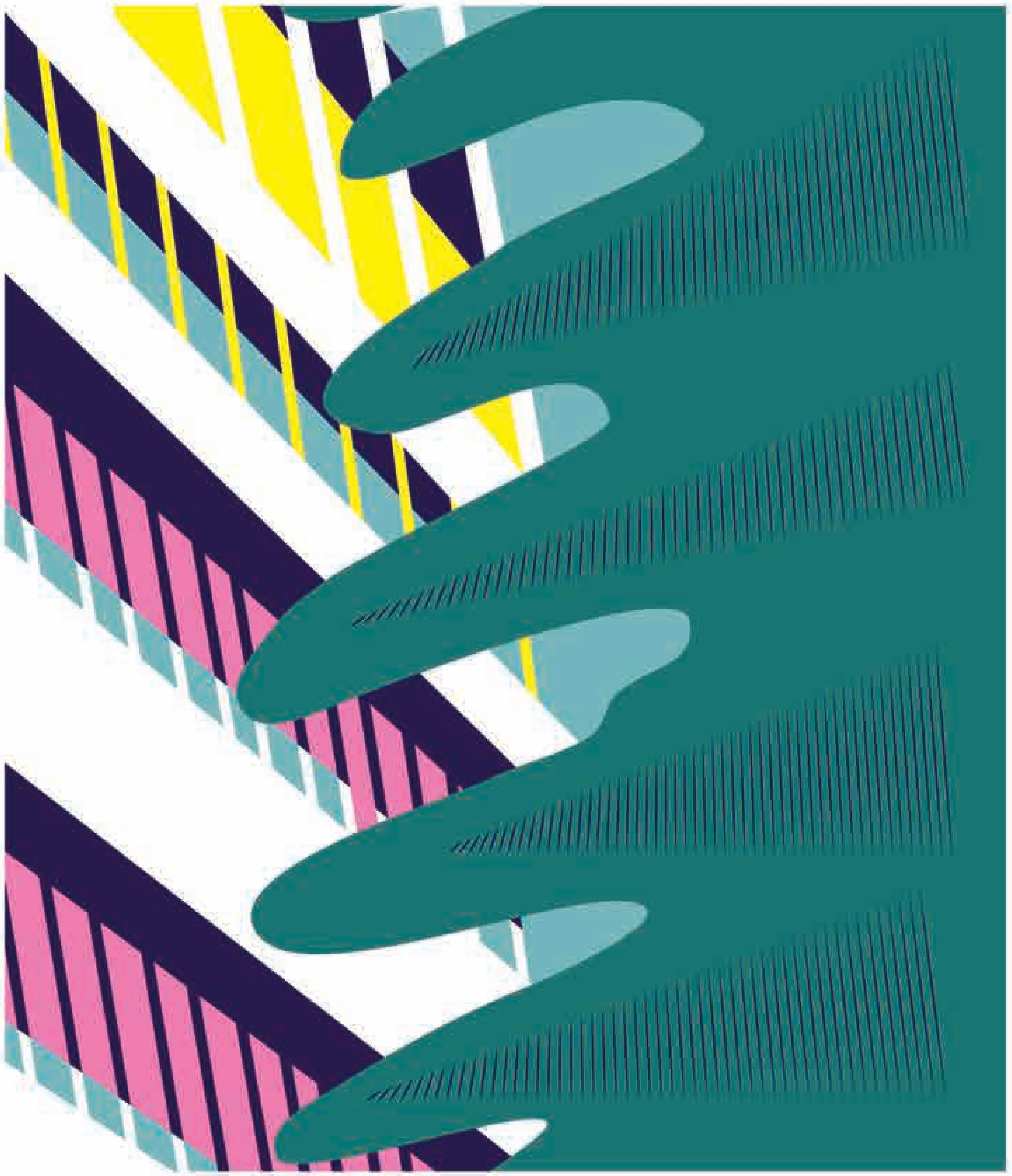
Subsequent to the end of the financial year ending 31 December 2018, and up to the preparation of these financial statements, no events have occurred that may significantly affect these financial statements.



7

COMMITTED

_ Committed to Management
_ Committed to Safety and the Environment
_ Committed to People
_ Committed to Society



7_ Committed

7.1. Committed to Management

For Enresa, quality is a strategic factor in the management of any of the company's activities. Enresa's purpose is to guarantee the quality required in all the activities it carries out, providing an efficient and safe service for society.

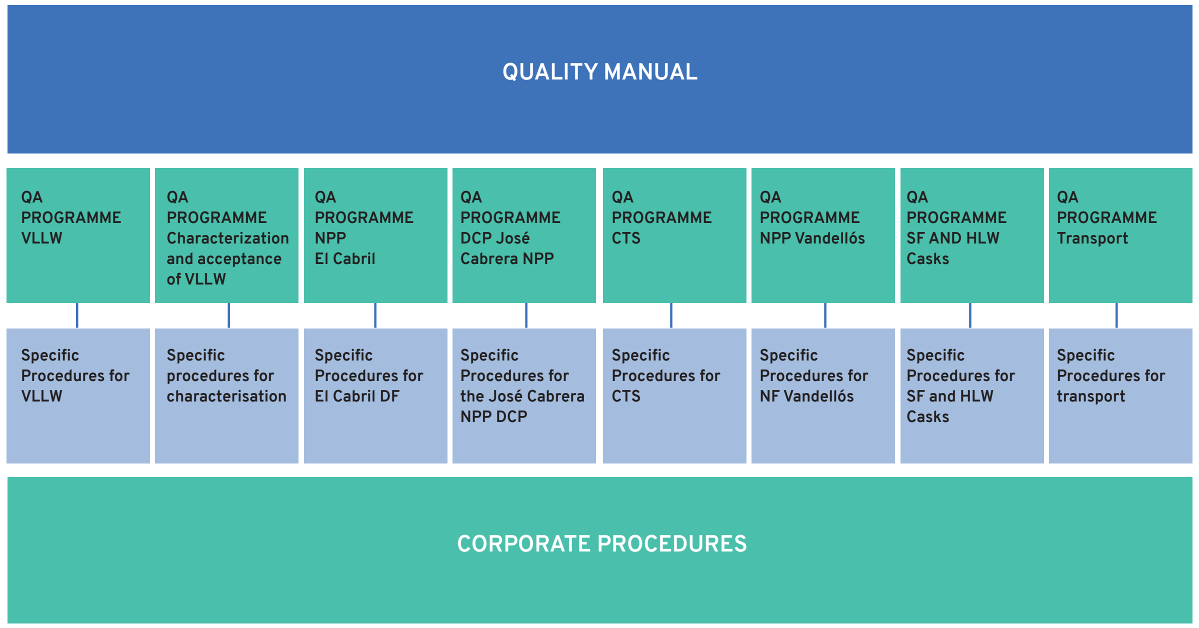
Quality

Quality System

Enresa has had a quality system in place for more than 30 years, which it has adapted as it has embarked on new projects. In spite of the diversity of its activities, Enresa has one, integrated quality system that covers the whole organisation. That's why it has developed a single Quality Manual, rolled out in a series of corporate procedures applicable to all Enresa's activities.

The Quality Manual complements the different Quality Assurance Programmes in place for the different projects and facilities. These Quality Assurance Programmes include the guidelines and specific requirements for each facility, adapted to the specific working methods with unique procedures for each facility.

The chart below shows the documentary structure of this quality system.



QA: Quality Assurance
VLLW: Very Low Level Waste
LILW: Low and Intermediate Level Waste
DF: Disposal Facility
DCP: Decommissioning and Closure Plan
NPP: Nuclear Power Plant
NF: Nuclear Facility
CTS: Centralised Temporary Storage
SF: Spent Fuel
HLW: High Level Waste

Audits

The satisfactory application of the different Quality Assurance Programmes is confirmed by means of internal audits carried out by the Quality Management Department every year. Over the course of 2018, a total of 22 internal audits of the different activities were performed, as shown in the attached table.

External audits are one of the tools used to assess the capacity of suppliers to provide elements and services that meet the requirements established by Enresa. In 2018, a total of 18 audits were performed on different suppliers.

As well as these audits carried out by Enresa, in 2018 AENOR INTERNACIONAL S.A.U. performed on the organisation the follow-up certification audit by means of which compliance by Enresa's Quality Management System with the requirements of UNE-EN ISO 9001 were verified.

AUDITS 2018

	Audits scheduled	Audits completed	Audits cancelled
INTERNAL AUDITS			
System	2	2	-
LILW Management	10	9	1 (1)
HLW Management	2	2	-
Decommissioning	10	9	1 (2)
EXTERNAL AUDITS			
Enresa suppliers	13	12	1 (3)
SAG suppliers	6	6	-
AUDIT BY CERTIFYING BODY			
Quality	1	1	-
TOTAL	**44**	**41**	**3**

(1) Audit on the management of incidental waste cancelled due to lack of activity in the activity from February 2013.
(2) Audit on the release of land of the DCP of José Cabrera NPP, cancelled and postponed until 2020 due to lack of actions thereof.
(3) Audit on the supplier AREVA PROJECTS, cancelled due to discontinuation of the CTS project.

Inspections

For the manufacture of equipment or system components, assembly and verification of the functioning of facilities, the quality tool used to verify compliance with specific requirements is inspection. The following table shows the number of inspections carried out during the year 2018 in the different facilities and/or projects.

2018 INSPECTIONS

EL CABRIL DF	440
José Cabrera NPP DCP	345
Transport activities of LILW	2
Manufacturing of HLW and SF casks	1,300

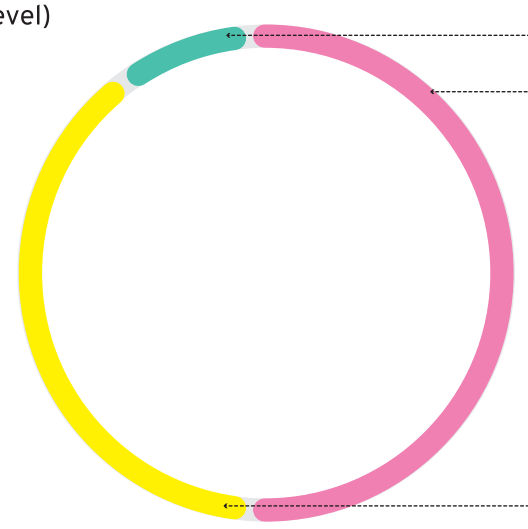
Assessment of Suppliers

The assessment of the capability of suppliers for the provision of goods and services complying with the appropriate requirements is another relevant activity regarding quality management. Enresa has 148 specific suppliers and other 201 suppliers shared with the Suppliers Assessment Group of Spanish nuclear power plants (data updated as of 21/02/2019).

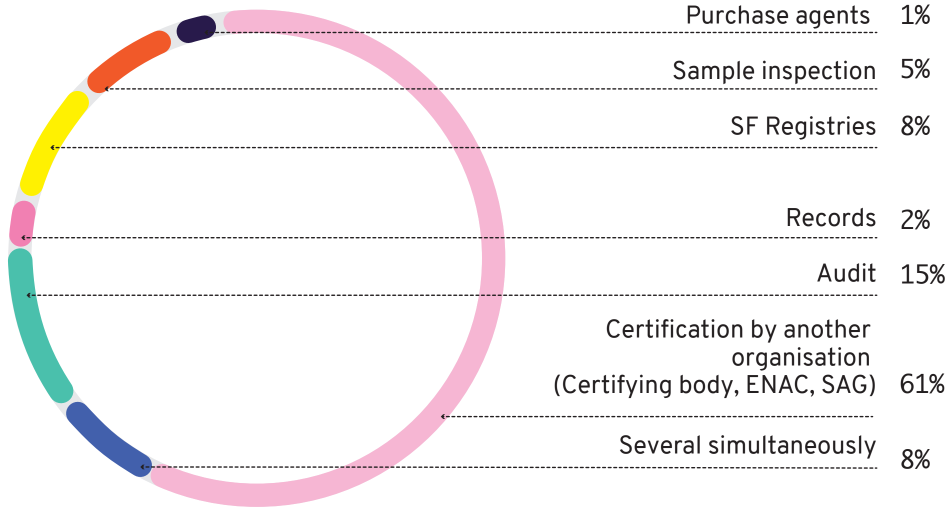
These assessments are carried out by means of audits, inspections or different monitoring/follow-up activities on an annual basis for suppliers of level I components, structures, activities, systems, equipment (those related to nuclear safety the operation of which is significant to prevent or mitigate accidents that may pose a risk for the health of workers or the health of the general public) and every three years for level II suppliers (those whose failures may pose a pollution or radiation risk) and level III (which may entail radiation or pollution risks but which are necessary to guarantee the management quality of the project).

During 2018, 76 assessment reports were prepared, broken down as shown in the following charts:

No. of supplier assessments in 2018 (by quality level)



Assessment methods used in 2018

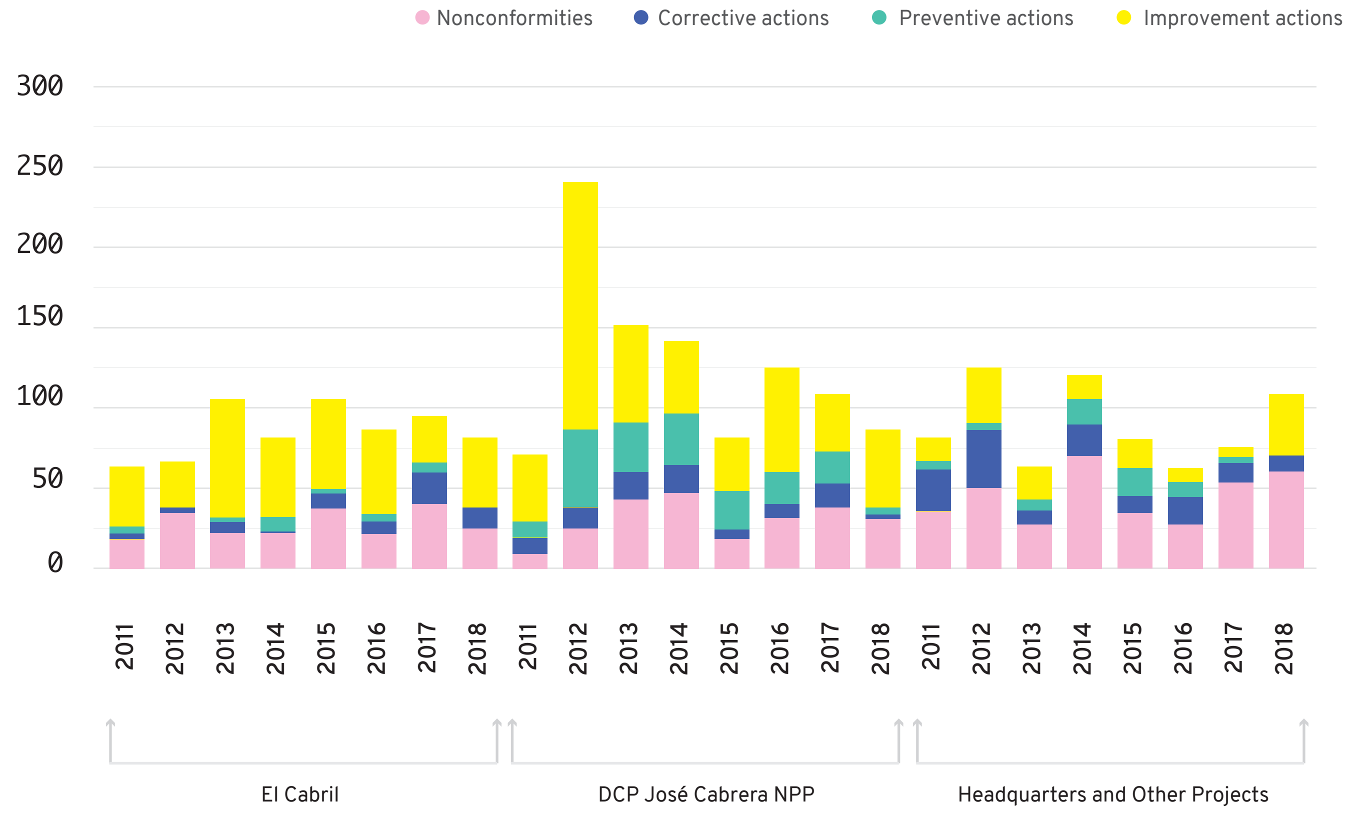


Comprehensive Improvement System

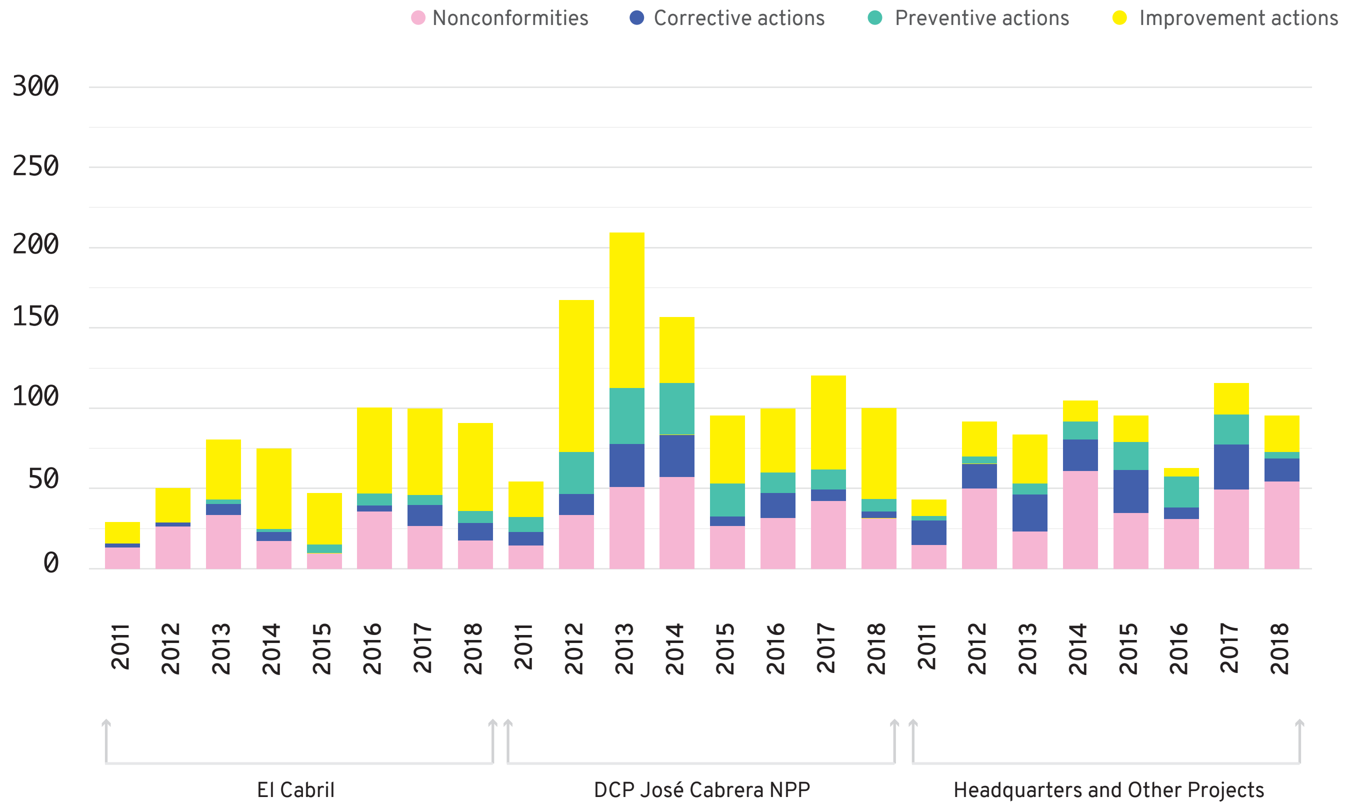
In order to continuously improve and correct the quality system, we use an application called Comprehensive Improvement System (CIM) through which we can manage nonconformities, preventive actions and improvement areas detected.

The following charts show the number of CIM actions initiated and the number of actions completed each year over the last seven years, classified by type of action: Nonconformities, corrective, preventive and improvement actions.

CIM actions initiated annually



CIM actions completed annually



Contracting

The coming into force of the new Act 9/2017, of 8 November, on Public Sector Contracts on 8 March 2018 means that the drafting and awarding of contracts by contracting authorities not having the status of Public Administration is governed by the general provisions regarding the drafting of contracts established in Chapter I of Title I of Book II of the aforementioned Act.

Such provisions resulted in Enresa being subject to a double regime in 2018: until 8 March 2018, Enresa was subject to the Recast Text of the Act on Public Contracts and to the Procurement Instruction for Contracts not subject to harmonised regulation; and, from such date onwards, to the new Act on Public Sector Contracts.

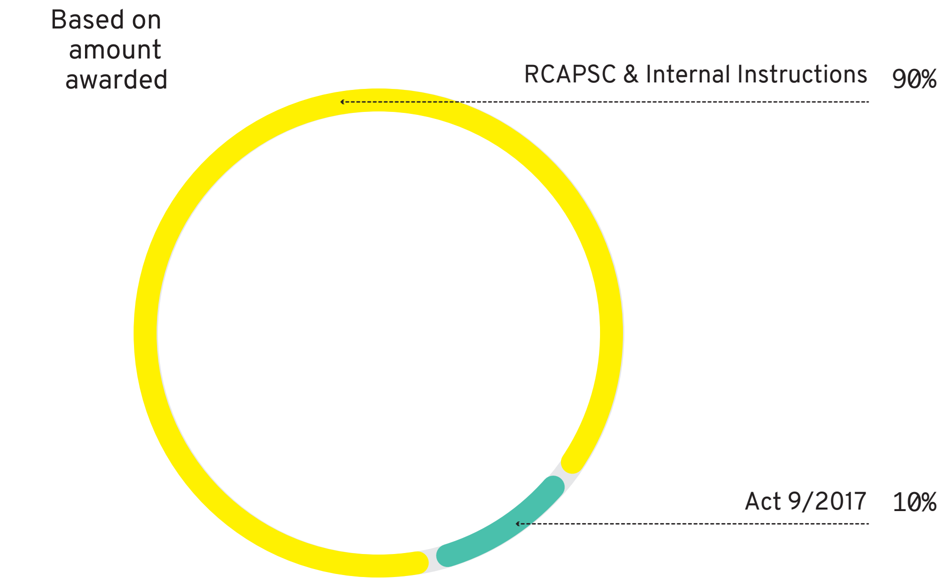
As a consequence, on the 25 April 2018, the Board of Directors agreed on the need to assign to the Procurement Committee all competences regarding contracting with the exception of those related to the approval of expenditure and the approval of the classification of proposals pursuant to article 150 of the Act on Public Sector Contracts (APSC) for contracts the estimated value of which is or exceeds one million euros; and to assign to the Administration Director all those competences regarding the contracting of contracts the estimated value of which is less than one million euros.

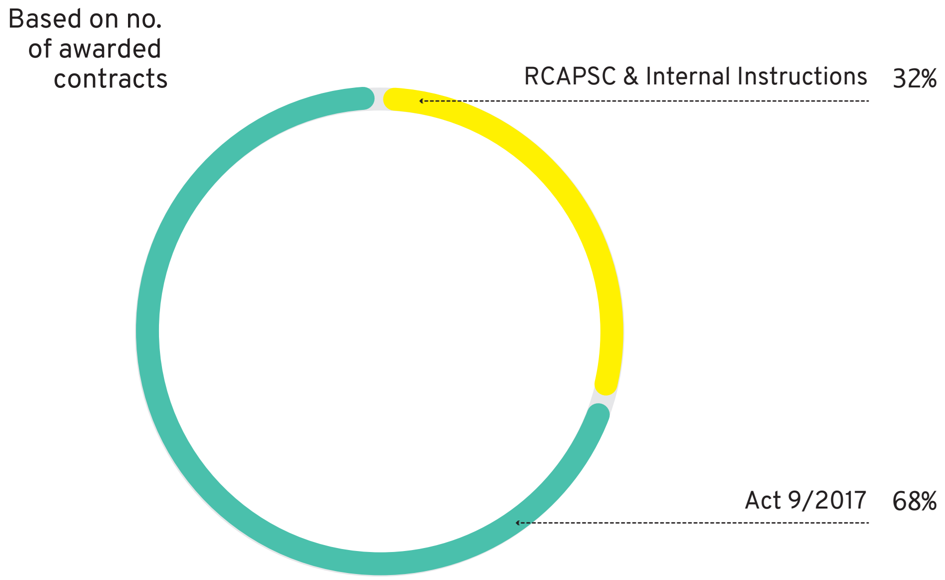
Likewise, the Board of Directors agreed on the creation of the Technical Assistance Committee for the execution of the tasks established in article 326 of the APSC as the technical assistance body to the contracting bodies.

During 2018, a total of 161 contracts governed by the Recast Text of the Act on Public Contracts and the Procurement Instructions were awarded as well as a total of 336 contracts governed by Act 9/2017:

	Number of Contracts	Percentage	Amount awarded	Percentage
RCAPSC	**15**	**3.02%**	**28,284,199.89**	**84.62%**
SARA	15	3.02%	28,284,199.89	84.62%
Abierto	12	2.41%	15,437,215.89	46.18%
Negociado	3	0.60%	12,846,984.00	38.43%
INTERNAL INSTRUCTIONS	**146**	**29.38%**	**1,797,909.89**	**5.38%**
NON SARA	26	5.23%	1,418,622.31	4.24%
Ordinario	14	2.82%	978,921.24	2.93%
Abreviado	11	2.21%	368,413.07	1.10%
Negociado	1	0.20%	71,288.00	0.21%
MINOR CONTRACT	120	24.14%	379,287.58	1.13%
TOTAL CONTRACTS AWARDED 2018 (RCAPSC+ Procurement Instructions)	**161**	**32.39%**	**30,082,109.78**	**89.99%**
NON SARA	17	3.42%	977,829.25	2.93%
Abierto	1	0.20%	182,280.00	0.55%
Abierto Simplificado	14	2.82%	583,917.25	1.75%
Abierto Simplificado (Art. 159.6)	1	0.20%	19,440.00	0.06%
Negociado	1	0.20%	192,92.00	0.57%
SARA	3	0.60%	1,178,336.70	3.53%
Abierto	3	0.60%	1,178,336.70	3.53%
Negociado	0	0	0	0
MINOR CONTRACTS	316	63.58%	1,188,542.63	3.56%
TOTAL AWARDED CONTRACTS 2018 (ACT 9/2017)	**336**	**67.61%**	**3,344,708.58**	**10.01%**
TOTAL AWARDED CONTRACTS 2018	**497**	**100%**	**33,426,818.36**	**100%**

67.61% of contracts awarded are governed by Act 9/2017 on Public Sector Contracts; however, they just represent 10.01% of the total sum of the contracts awarded. This is due to the fact that most of them are minor contracts, which is has a logical explanation since new regulations came into force in March 2018.

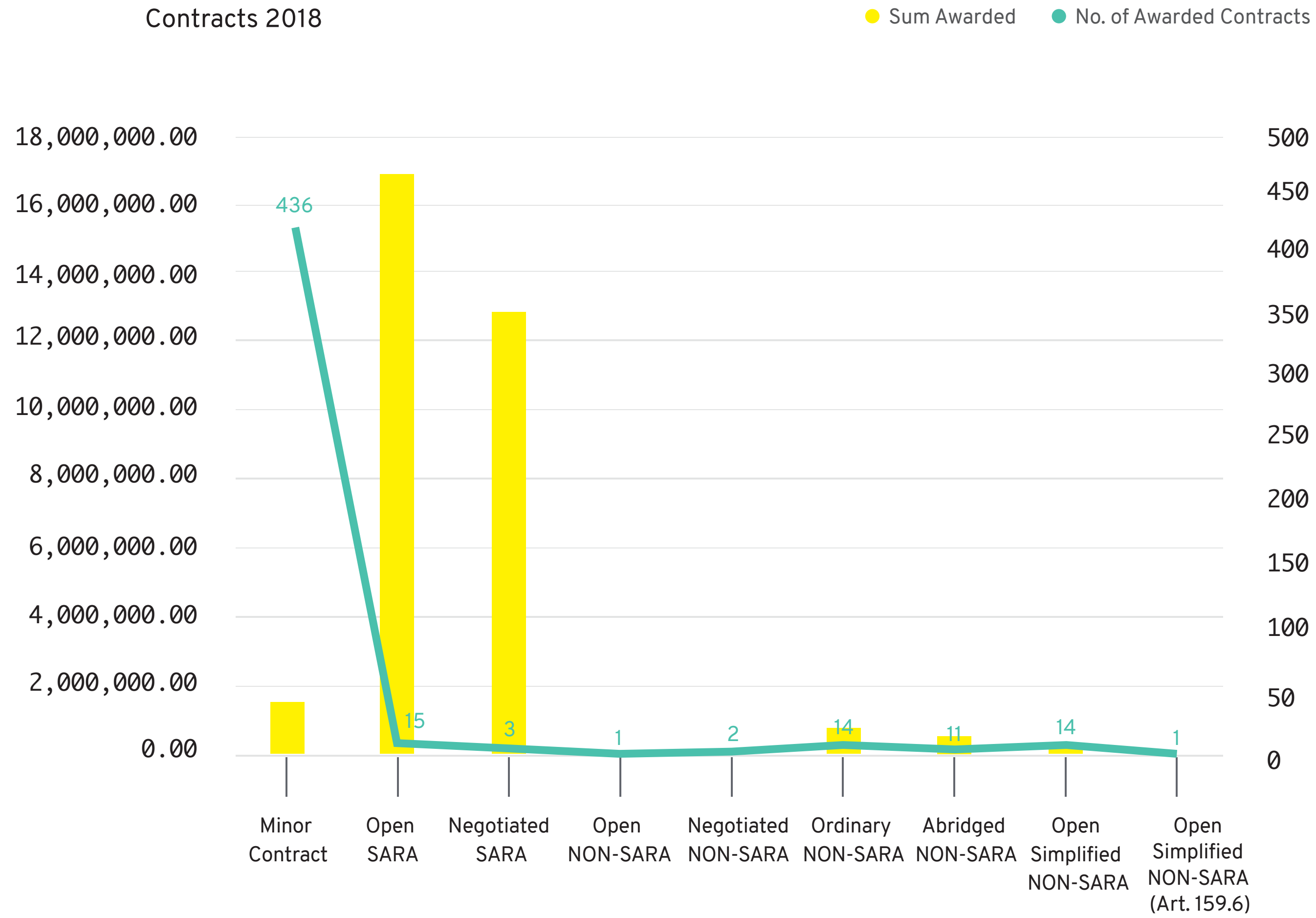




During 2018, a total number of 436 minor contracts were awarded amounting to a total of € 1,567,730.21, which represents 87.73% of the number contracts but only 4.69% of the total sum awarded.

If we exclude minor contracts, the most common procedure used was open procedure with a total of 16 contracts (SARA -Subject to Harmonised Regulation, as per the Spanish acronym- and NON-SARA) amounting to € 16,797,832.59, representing 50.25% of the sums awarded.

Annual Report 2018. Enresa. Committed to management. Contracting.

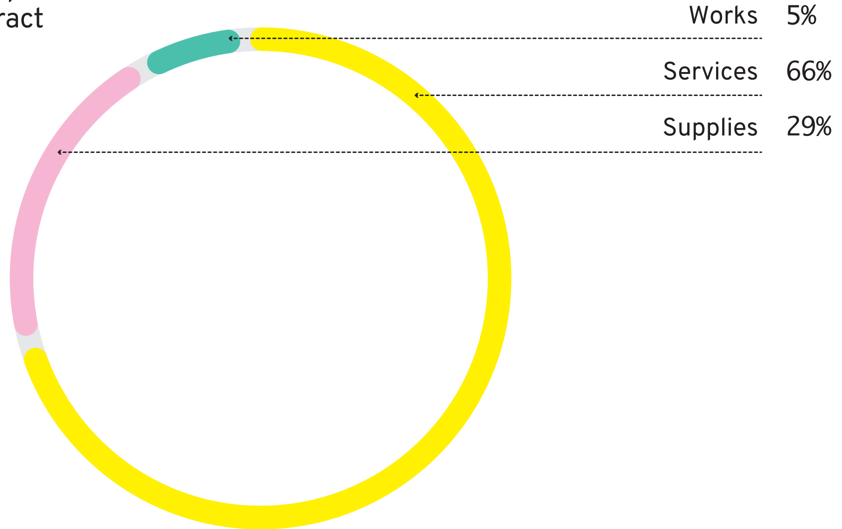


Based on type of contract, contracting was the following:

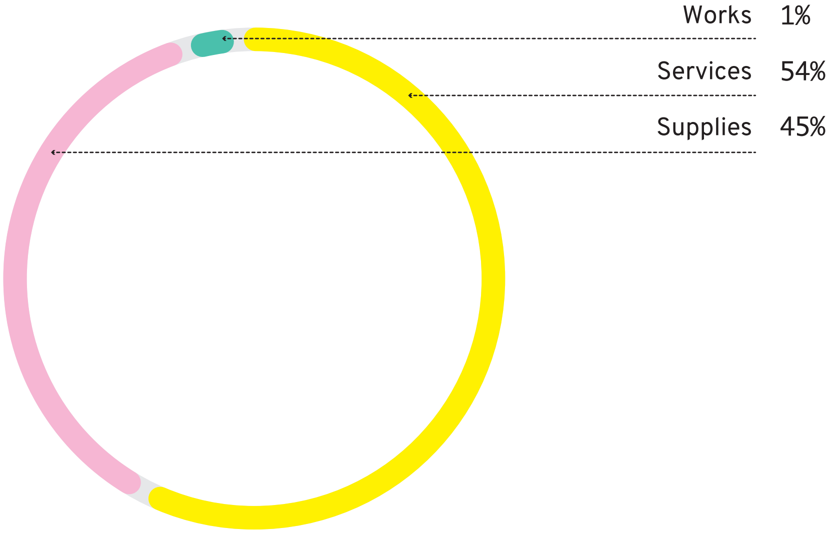
Type of Contract	Number of Contracts	Tender Budget	Awarded Amount
Works	**25**	**163,493.28**	**443,621.61**
Abierto Simplificado	2	163,493.28	126,948.22
Contrato Menor	23	0,00	316,673.39
Services	**328**	**22,251,215.11**	**17,901,754.18**
Abierto	14	19,358,975.15	14,578,753.83
Abierto Simplificado	10	451,892.62	424,928.03
Abierto Simplificado (Art. 159.6)	1	28,970.00	19,440.00
Abreviado	8	313,071.24	271,775.14
Ordinario	12	1,030,351.50	800,321.24
Negociado	3	1,067,954.60	870,712.00
Contrato Menor	280	0.00	935,823.94
Supplies	**144**	**15,237,687.00**	**15,081,442.57**
Abierto	2	2,406,100.00	2,219,078.76
Abierto Simplificado	2	32,182.00	32,041.00
Abreviado	3	98,605.00	96,637.93
Ordinario	2	210,000.00	178,600.00
Negociado	2	12,490,800.00	12,239,752.00
Contrato Menor	133	0.00	315,332.88
TOTAL AWARDED CONTRACTS 2018	**497**	**37,652,395.39**	**33,426,818.36**

66% of contracts correspond to services, thus representing 54% of the sum awarded (€ 17,901,754.18), 29% correspond to supply contracts representing 45% of the sum awarded (€ 15,081,442.57), whereas 5% of contracts correspond to works, representing 1% of the total sum awarded (€ 443,621.61).

No. of awarded contracts per type of contract



Awarded contracts per sum awarded



Information Technologies and Systems

During 2018, within the framework of the 8th Systems and Information Technology Plan (2016-2019), projects aimed at the electronic management of administrative processes have been developed, particularly in economic and financial fields and public tendering, such as, for example:

• Implementation of the electronic tendering service and records management in March in compliance with Act 9/2017 on Public Sector Contracts.

• Tendering of the project for the implementation of a new state-of-the-art economic and financial platform for the future improvement of the processes. Implementation of a new maintenance management system replacing the current one.

• Implementation of a management system for the Documentation Centre (Library) replacing the former one due to technological obsolescence, which will improve the consultation of documents and loan management options.

• Implementation of a certified digitalisation service for printing, scanning and photocopying that includes the option of obtaining digital copies, whose origin is paper format, with certification guarantee of the copy.

• Preparation of a dashboard with financial, procurement and human resources indicators for the company's management.

• Enresa has more than 40 corporate work environments for different hierarchical organisational levels (Management of objectives, Procurement, "Newsletter", Publication of Enresa's Contents, etc.).

Within the scope of operational processes:

• Operational improvements and technology migrations have been performed both on the Decommissioning Management System (DMS) for the adaptation of future projects related to the decommissioning of plants, as well as on the Radioactive Waste Management System (RWMS), where the lightning rod management module has been transferred.

• A new module for the management of facilities has been developed within the scope of the Environmental Radiological Surveillance Plans (ERSPs).

Regarding the infrastructure of the Information and Communications Technologies (ICT):

• The User Services Centre answered more than 10,000 information requests, launching a new service portal. At present, a fleet of some 650 computers is under management.

• Migrations and updates of the ICT infrastructure supporting different business processes have been carried out.

• Within the security and regulatory compliance framework, the Information Security Policy and the Corporate Information Security Plan have been prepared and approved.

• Standardised communications services, with comprehensive integration of voice and data between work centres are fully operational and available, including exchange functionalities and service quality levels with high redundant availability.

• The storage and contingency infrastructure of the data processing centre, the services associated with virtualisation of servers and the corporate model for pay-per-use printing, scanning and photocopying and security authentication have all been consolidated.

Technological Infrastructure Managed in 2018

100% Virtualisation
- Servers administration
- Technological solutions

+28 Business solutions
- Tools
- Database Administration
- Business Solutions
- Communications

+33 thous. Development Hours
- Recovery in case of disaster
- Storage and Backup

103 Terabytes managed
- Security
- CPD management

64 Network devices

7.8 thous. Backup jobs

633 Fixed and mobile lines

451 Positions

6 thous. Alarms managed

+10 New processes computerised

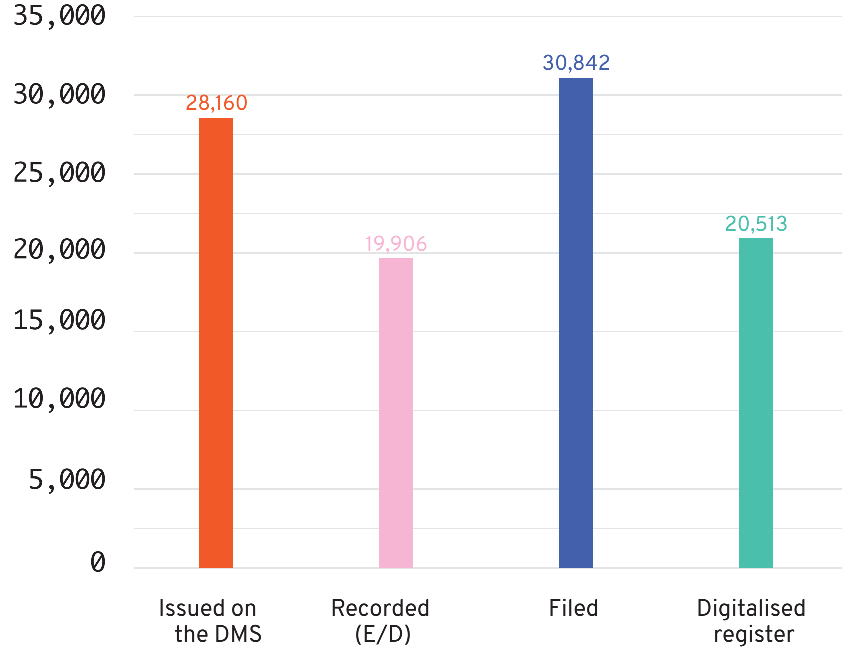
NEW

Documentation

Enresa manages its corporate documentation through its Document Management System (DMS), which allows to perform the recording, distribution and filing options in a centralized manner, and represents a single repository for the company's electronic documents.

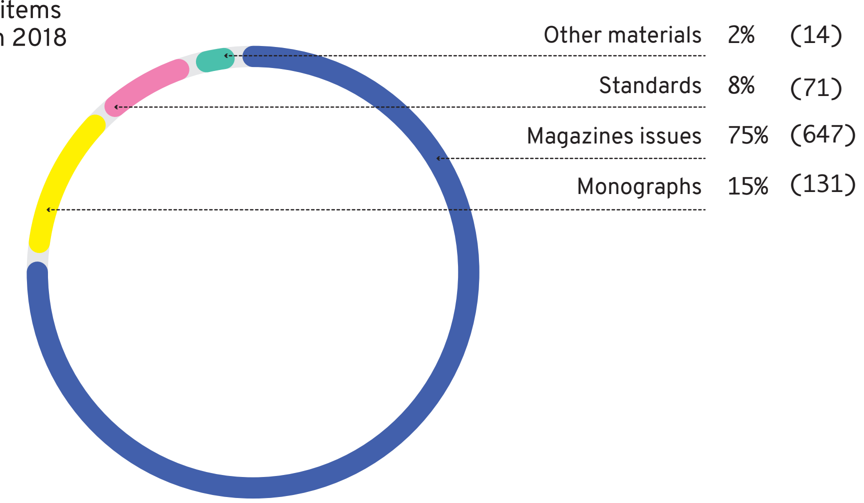
As well as managing the documents generated or received by the company during 2018, throughout the year, the tasks of digitizing the permanent paper documents of the hard-copy register have continued, and they have been associated with their existing metadata in the DMS, so that they can be stored in the Register electronically.

Documents managed in 2018:
53,789



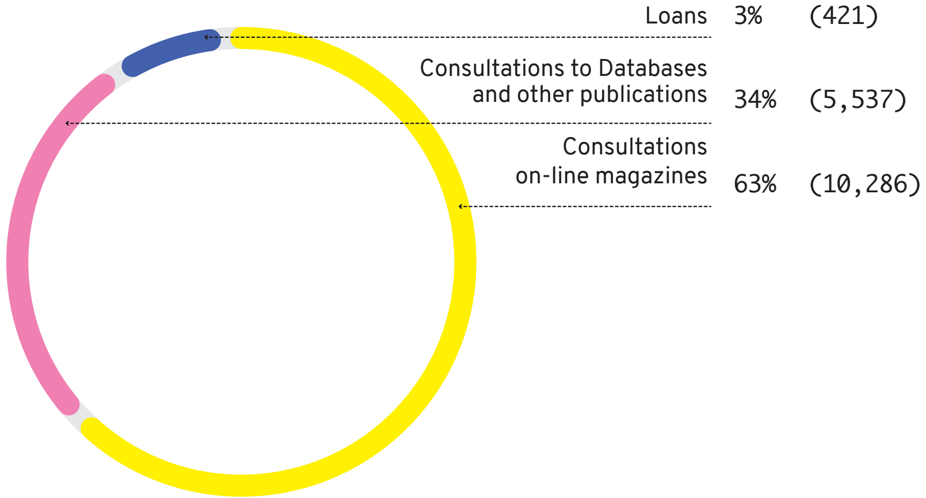
The Documentation Centre has a specialised Library providing documentary support to internal users. On the other hand, the Library manages consultations and requests from external researchers and professionals.

Bibliographic items added in 2018



In 2018, 16,244 document consultations and loans were managed, distributed as follows:

Consultations and loans during 2018



Audit

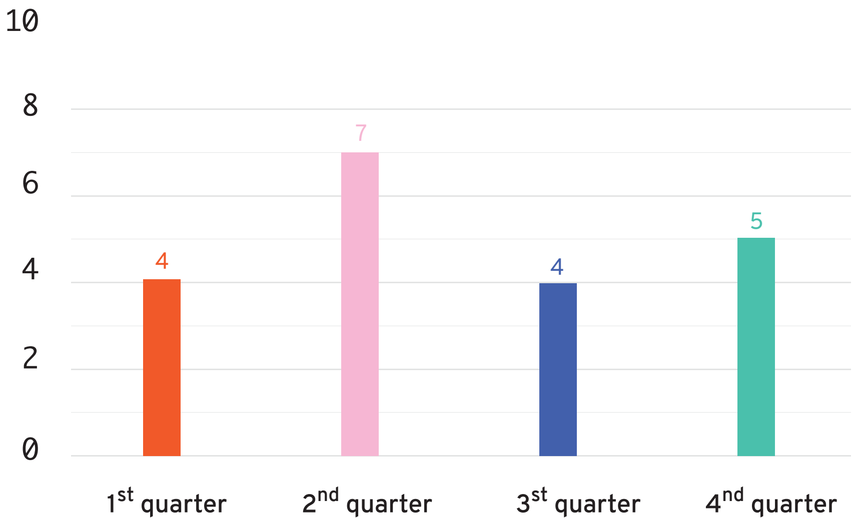
As part of its role of supporting the Chairman, the Audit Division analyses, evaluates and supervises the efficacy of internal control and risk management systems relevant to the company and, throughout the year, also undertakes the actions provided for in the Annual Audit Plan, as approved by the Board of Directors.

Compliance with the 2018 Audit Plan was 100%. During the year 2018, a total of 20 actions were carried out.

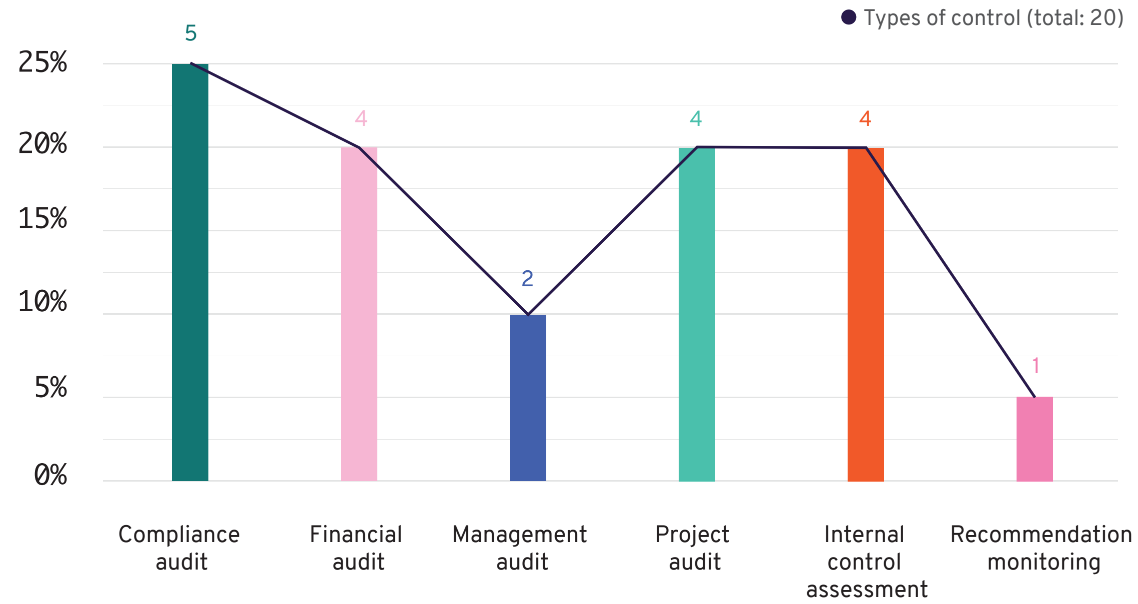
The members of the Audit Division work in accordance with the Code of Ethics which constitutes a professional best practice model for the exercise of their professional responsibilities and serves as a guide in the performance of their activity.

Provided below are some graphs breaking down the audit actions undertaken by quarter and by audit type.

Audit actions undertaken in 2018



Types of Audit



7.2 Committed to Safety and the Environment

The safety of people and the environment is a fundamental cornerstone upon which all of Enresa's activities are based. In addition to complying with the specific legislation in force in relation to the environment, Enresa has established its own commitments with regard to the environmental improvement of all its activities and the protection of the environment.

Radiation Protection

Enresa ensures the application of the procedures and requirements established by the relevant authorities in the area of safety and radiation protection to protect workers, the public and the environment from ionising radiations when managing the company's commissioned activities.

The fundamental lines of action are:

Training

- Monitoring of the Safety Culture Improvement Plan.
- Participation in training for personnel professionally exposed to radiation and on stand-by for emergency situations.
- Organisation of and participation in courses regarding the Protocol on Collaboration in the Radiological Surveillance of metallic materials and the Protocol in case of detection of unintentional movement or illicit traffic of radioactive materials in ports of general interest (Megaport Protocol).
- Training in collaboration with the Spanish Civil Protection and National Security Forces on the response to radiological emergencies and accidents during the transport of radioactive materials.

Optimisation

- Action plan to improve the National Safety Council (NSC) licensing documentation.
- Compliance with Instruction IS-19: promoting the application of its principles for a solid Safety Culture in Enresa.
- The application of protocols on radiation monitoring of metallic materials and detecting unnotified movements and the illegal trade of radioactive materials at maritime ports.
- Activities related to sources, other radioactive materials appearing outside the regulatory control system and materials with a low radioactive content.
- Participation in the National R&D Platform on Radiation Protection (PEPRI, as per the Spanish acronym).

Monitoring

- Coordination and supervision of the results of inspections performed by the NSC at Enresa's facilities and EURATOM/ IAEA's facilities in the safeguards area.
- Supervision of compliance with NSC instructions and requirements.
- Dosimetric control of the Radiological Protection Technical Unit (RPTU) personnel: very low values.
- Supervision of the Environmental Radiation Monitoring Programme (ERMPs) and Environmental Monitoring Programmes (EMPs) within Enresa's facilities.

Environmental Radiation Monitoring Programmes (ERMPs) and Environmental Monitoring Programmes (EMPs)

By means of the Environmental Radiation Monitoring Programmes (ERMPs) and Environmental Monitoring Programmes (EMPs) we can verify that Enresa's activities do not alter the natural radiation levels of the sites or the environmental values of the area.

At present, the ERMP is being carried out at the El Cabril Disposal Facility, the Vandellós I Nuclear Facility and the José Cabrera NPP Decommissioning and Closure Project in addition to the radiation monitoring of the waters and food products from the surrounding area of the old uranium factory at Andújar (FUA, as per the Spanish acronym). Likewise, the pre-operational ERMP of the Centralised Temporary Storage facility (CTS) has also been continued.

As part of these programmes, more than 1,900 water, air, vegetation and food samples are taken, and more than 7,400 radiological analyses are of natural and artificial radioactive isotopes are carried out. Additionally, for the monitoring of environmental gamma radiation, 492 samplings and analysis have been carried out.

All the results obtained showed values below the limits established in the regulations. The results of the analysis showing the presence of natural and artificial isotope activity are typical of the fall out and similar to those obtained in pre-operational programmes and in different areas of the country.

Environmental Monitoring Programmes consist of taking measurements on-site that verify that the impact of activities on the environment are found within the established limits. At present, these are being carried out at the El Cabril Disposal Facility and at the José Cabrera NPP Decommissioning and Closure Project.

In terms of the Environmental Monitoring Programme at El Cabril DF, a sampling and analysis programme has been established to determine the chemical qualities of the waters and the air and to control discharges in non-radiological aspects. The 2018 campaign saw around 100 samples taken, upon which approximately 1,500 analyses were carried out. The result of the parameters determined during the campaigns have remained within the established limits.

As part of the José Cabrera NPP Decommissioning and Closure Project, a sampling and analysis programme has been established, taking on-site measurements of suspended particles and noise emissions. Given that the Individualised Temporary Storage (ITS) facility is part of the facility to be decommissioned, the Environmental Monitoring Programme of its operation continues, ensuring compliance with the conditions established in the Environmental Impact Declaration (EID) approved in October 2006.

Out of the more than 180 results of the 2018 campaign, the ones obtained regarding the concentration of suspended particles comply with the daily limit values for all sample points. In terms of campaigns monitoring environmental noise, all operational values remained within the permitted limit values.

Environmental Management

Enresa is aware of the importance its activity entails for the safety of people and the protection of the environment. That is why, as part of its strategic vision, it has established commitments for the environmental improvement of all of its activities, the saving of resources, prevention of pollution and protection of the environment.

The implementation of environmental management systems ensures we can achieve the objectives of our company's mission within the margins of security and reliability for the environment required by applicable regulations and best practices, both now and into the future.

At present, the El Cabril DF and the Vandellós I Nuclear Facility have both implemented environmental management systems based on Standard UNE-EN ISO 14001:2015. During 2018, the corresponding internal and external audits have been carried out (by AENOR) in which the successful adaptation of both management systems to the new 2015 version of the standard has been verified.

El Cabril Disposal Facility

The planning of environmental objectives is a key element of the adequate implementation of an Environmental Management System that allows for progress to be made in complying with the principles of the Environmental Policy of the El Cabril Disposal Facility, managing key environmental aspects that may cause an environmental impact and thus ensuring the commitment to continuous improvement.

At the El Cabril Disposal Facility, the following objectives have been planned for the period 2017-2019:

	Objectives	Status at the end of the programme 2017-2019
1	Reduction of average water consumption at the facility for the period 2017-2019, at 2% with respect to average consumption for the 2014-2016 period.	Consumption of water for irrigation has been limited, adjusting the times; an awareness campaign has been carried out. Consumption has decreased by 19%.
2	Reduction of average electricity consumption at the facility for the period 2017-2019 by 2% with respect to average consumption for the 2014-2016 period.	25 outdoor sodium vapour lamps were replaced by LED technology lamps and an awareness campaign has been carried out. The total number of lamps replaced during the period 2017-2018 amounted to 105.
3	Implementation of three improvement actions at the facility, in the following areas: residential facilities, gauging station, and Arroyo del Madroño Platform Rainwater Ponds.	100% of the actions foreseen in 2018 were completed.

Vandellós Nuclear Facility

The Vandellós I Nuclear Facility is currently in the Latency Phase since 2005, which is why the volume of activity and the number of persons based at the facility is very low compared to that of a conventional decommissioning process.

In 2018, we must highlight the update of the Environmental Management Manual to adapt it to the new requirements of the Standard UNE-EN IS014001:2015, as well as the update of the environmental policy which was also released to the general public on Enresa's website and communicated to the main contractors of the facility via e-mail.

One of the commitments adopted as part of the establishment of an Environmental Management System is to tackle environmental objectives and targets. During 2018, the following objectives were undertaken, as part of the programme of objectives and targets 2015-2018:

	Objectives	Status at the end of the programme 2015-2018
1	Management of the materials rejected in the declassification process carried out during the decommissioning process between the years 2000 and 2004 and which are located in the mechanical workshop.	Completed Environmental benefits obtained: • Reduction of the storage capacity needed at El Cabril DF to store such waste (210 m³). • Reduction of the air pollution due to emissions thanks to the comprehensive management of waste with local Catalan managers thus avoiding their transfer to another Autonomous Community (Andalucía).
2	Reconfiguration and new characterisation of heterogeneous solid materials stored in DMCs located at the ATOC temporary storage facility for casks.	Completed Environmental benefits obtained: • Optimisation of the storage capacity necessary at the El Cabril DF from 413 DMCs to 314 DMCs (99 DMCs fewer). • Reduction of the air pollution due to emissions as a consequence of the decrease in the shipments necessary for the transfer of waste from Vallendós to El Cabril DF.
3	Rationalisation of the wastewater treatment system at the facility in accordance with current demand within the decommissioning project.	Not Completed Environmental benefits obtained: • Improvements have been made to the operation of the treatment plant to enhance its efficiency: forced ventilation in one of the tanks and monitoring of the flow of sanitary water that reaches the tanks.

José Cabrera I Nuclear Power Plant Decommissioning Project

Given the temporary nature of the José Cabrera Nuclear Power Plant Decommissioning Project, it does not have an environmental management system in compliance with the Standard UNE-EN ISO 14001. However, one of the priorities of the project is to complete the activities taking the environmental aspects into account:

- Monitoring and surveillance of the Individualised Temporary Storage (ITS): on a monthly basis, visual inspection of the ITS and surrounding areas conducted for the purpose of verifying that all activities developed comply with the protection of the environment: access, embankments, vegetation and replanting, inspections of the contamination of soils, integrity of the landscape, level of lighting, etc.
- Monitoring of legal requirements: the applicability of and degree of compliance with environmental regulation is monitored.
- Discharge control, close monitoring of the compliance with the discharge authorisation (sampling, flows, compliance with the parameters) for each of the programmed discharges.
- Conventional and hazardous waste management. Control of both storage and the segregation and dispatch of hazardous and conventional waste is carried out.

In addition, a panel of indicators has been designed which includes the following environmental indicators: monitoring of the physico-chemical parameters for discharge and control of discharge volumes.

Company Headquarters in Madrid

As part of the commitment to the environment and sustainability, in the Enresa headquarters building, 320 conventional lamps and light bulbs were replaced by low-consumption LED lamps in different areas of the building in 2018.

In accordance with our policy for the reduction of waste, selective recycling of paper, batteries, containers and solid waste has been carried out, maintaining the annual data and indications for such waste.

Moreover, a panel of indicators for the annual monitoring and control of electricity and water consumption is maintained.

7.3 Committed to People

Our Team

The evolution and consolidation of Enresa is the fruit of the hard work and commitment of our professionals. We are committed to the personal and professional growth of our employees, training and health.

BASIC WORKFORCE DATA BY WORKSITE AND SEX

	Total Men	Total Women	Total Employees
Madrid	90	89	179
El Cabril DF	97	19	116
Vallendós I Nuclear Facility	4	3	7
José Cabrera NPP	11	0	11
Villar de Cañas Worksite	1	1	2
TOTAL	**203**	**112**	**315**

Workforce data by professional category

6 Managers

62 Professionals /Trades

191 Technicians

56 Administrative personnel

Workforce data by age groups

42	86	85	32	55	16
+60 years old	From 56 to 60	From 51 to 55	From 46 to 50	From 36 to 45	- 36 years years old

Training

For a company like Enresa, training is an essential double-sided strategic element: a way to improve workers' skills as well as a tool for disseminating and spreading awareness among society and the public of the activities and projects carried out in relation to radioactive waste management on a day-to-day basis.

98.41% of all company employees received training last year with an average number of hours of training per employee totalling 39. The total sum of training hours received by company personnel in 2018 came up to 12,034 hours. The number of hours devoted to specific training totalled 5,163; the number devoted to corporate training totalled 2,257. The number of hours of congress attendance was around 853 and the number of hours devoted to language training was 3,761.

In terms of the different worksites, the El Cabril DF received 4,861 hours of training; the headquarters in Madrid, 6,523 hours; the José Cabrera Nuclear Power Plant, 372; the Vandellós I Nuclear Facility, 263 hours, and the Villar de Cañas Work Centre, 15 hours.

2018 saw a total of 232 training courses for the workforce of the entire company, in which 310 employees participated.

The company applied for the relevant rebates through the National Foundation for Job Training, receiving a sum of € 20,443, given that the attendance was above 75% of the number of training hours.

With regard to external training, it is worth mentioning that company technicians participated in nearly one hundred courses, seminars and master's degrees last year, delivering more than 500 classroom hours on radioactive waste management and the decommissioning and closure of nuclear and radioactive facilities.

Enresa Workforce Training

98.41%
Persons trained

197
Men

113
Women

Total training of the workforce

12,034
Hours

157,477€
Total cost

5,163
Corresponding to specific training

2,257
Corresponding to corporate training

853
Corresponding to attendance at congresses

3,761
Corresponding to language training

Training at the Madrid HQ

6,523
Hours

1,874
Hours corresponding to specific training

1,729
Hours corresponding to corporate training

696
Hours corresponding to attendance at congresses

2,224
Hours corresponding to language training

Training at the José Cabrera NPP

372
Hours

133
Hours corresponding to specific training

34
Hours corresponding to corporate training

96
Hours corresponding to attendance at congresses

109
Hours corresponding to language training

Training at the El Cabril Disposal Facility

4,861
Hours

2,976
Hours corresponding to specific training

442
Hours corresponding to corporate training

61
Hours corresponding to attendance at congresses

1,382
Hours corresponding to language training

Training at the Vandellós I Facility

263
Hours

180
Hours corresponding to specific training

37
Hours corresponding to corporate training

46
Hours corresponding to language training

Training at the Villar de Cañas Worksite

15
Hours corresponding to corporate training

232
Training Courses

€20,443€
Subsidies from the Fundación Tripartita Foundation

100% Efficiency assessment

External Training

+500 Teaching hours by our technicians

Health and Prevention

Health monitoring activities continued in 2018 by means of the health activities carried out by Enresa's own Basic Health Unit (BHU).

During 2018, 252 medical assessments specific to the risks of every particular position were carried out within the employee Health Monitoring Programme. In addition, 841 medical controls and checks of medical fitness reports issued by the prevention services of contractors were also performed.

WORKFORCE PERSONNEL MEDICAL CHECK-UPS

	Number of Check-ups
Ordinary medical check-ups	216
Special medical check-ups	2
New hire medical check-ups	3
Sought by workers	0
Sought by the BHU	0
Medical check-ups on return to work	31
TOTAL CHECK-UPS	**252**

MEDICAL CHECK-UPS TO COLLABORATORS

	Number of Check-ups
Ordinary medical check-ups	624
Special medical check-ups	0
New hire medical check-ups	194
Sought by workers	14
Sought by the BHU	0
Medical check-ups on return to work	9
TOTAL CHECK-UPS	**841**

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Enresa.

Committed to People.
Health and Prevention.

In addition, the "Seasonal Anti-Flu Vaccination Campaign (for Influenza A, B and C)" was carried out, with 29.8% of personnel participating, a percentage slightly higher than in 2017 (26.7%); likewise, the relevant follow-up and the tetanus vaccination was received by all personnel under preventive coverage (2 external revaccinations).

During 2018, 12,045 medical tests were performed on staff and 3,080 on contractors' staff (the high number of contractors' staff working on the José Cabrera NPP Decommissioning and Closure Project making up a large part of that number).

There were 5 minor occupational accidents: 1 required leave and 4 did not require leave. There were 25 occupational accidents affecting contractors' staff: 10 required leave and 15 did not require leave.

Within the reviews of the prevention plans of the different worksites, an ergonomic assessment of all positions has been performed to ensure the correct maintenance of working conditions, and the adequate psychosocial integration of same.

Preventive Medicine

In 2018, the Basic Health Unit also performed several preventive and health promotion actions (Healthy Companies) at all worksites:

Health Monitoring:

- Cardiovascular risk prevention campaign.
- Metabolic risk prevention campaign (excess weight and obesity).
- Oncological risk prevention campaign (colon, breast, cervical and prostate cancer).
- First aid and CPR training campaign.
- Gynaecological pathology prevention campaign.
- Osteoporosis prevention campaign.

Health Monitoring:

- "Diet and Nutrition" Workshop.
- Personalised Calculation of the Body Mass Index / Metabolic Age.

Occupational Risk Prevention. Accident rates

INCIDENT INDEX (II)

	2014	2015	2016	2017	2018
Staff	6.04	9.3	12.29	9.22	0
Contractor	21.69	7.91	15.67	21.34	25.21
Construction	73	63.14	67.91	72.17	77.39
Services	33.21	25.13	25.91	26.77	25.47
National	37.15	31.11	32.52	33.64	33.26

INCIDENT INDEX (II)

	2014	2015	2016	2017	2018
Staff	6.04	9.3	12.29	9.22	0
Contractor	21.69	7.91	15.67	21.34	25.21
Construction	73	63.14	67.91	72.17	77.39
Services	33.21	25.13	25.91	26.77	25.47
National	37.15	31.11	32.52	33.64	33.26

WITH LEAVE FREQUENCY INDEX (WLFI)

	2014	2015	2016	2017	2018
Staff	3.82	5.95	7.9	6.1	0
Contractor	11.72	5.03	9.99	14.38	18.21
Construction	35.2	37.7	39.3	41.8	41.8 *
Services	16.1	16.7	17.3	17.9	17.9 *
National	19.3	20	21	21.7	21.7 *

*data from 2017

SEVERITY INDEX (SI)

	2014	2015	2016	2017	2018
Staff	0.15	0.08	0.06	0.29	0
Contractor	0.34	0.12	0.14	0.34	0.46
Construction	1.14	1.19	1.31	1.37	1.37 *
Services	0.47	0.49	0.52	0.54	0.54 *
National	0.57	0.6	0.65	0.66	0.66 *

*data from 2017

7.4 Committed to Society

Communication has always been one of Enresa's biggest commitments. Publicising our activities, projects and our way of working forms part of Enresa's responsibility with society.

Institutional Relations

Open Door Policy at Enresa's Facilities

Among the commitments of the Empresa Nacional de Residuos Radiactivos (Enresa), we can find a commitment to transparency towards Spanish society. That is why each one of our activity centres keeps its doors open to all those organisations, professional associations and social agents interested in getting to know our facilities and our working methods.

El Cabril Disposal Facility

Throughout 2018, the El Cabril DF received many institutional representatives who visited the Disposal Facility located in Sierra Albarrana, Córdoba, to find out how very low, low and intermediate level waste is managed in Spain.

The chairman of the livestock cooperative of Valle de los Pedroches (Covap) and the members of the Board of Trustees of the cooperative were the first to visit the facility in January. In February, the El Cabril DF welcomed the regional director and the marketing director of Onda Cero Córdoba Radio Station. In April, the facility received a large group of representatives from different Spanish nuclear power plants, from Enusa and from the Centre for Energy-Related, Environmental and Technological Research (Ciemat), within the framework of a technical workshop during which, together with Enresa, good practices for the optimisation of the management of low and intermediate level radioactive waste were shared.

University students often visit this facility located in Córdoba. In aggregate, more than 450 students from approximately twenty Spanish universities visited the El Cabril DF in 2018, which shows that this demographic is very interested in getting to know first-hand the different processes that are carried out in the facility.

José Cabrera Nuclear Power Plant

The Decommissioning of the José Cabrera Nuclear Power Plant in Almonacid de Zorita (Guadalajara) generates great interest as well. Among the information campaigns carried out throughout the year, we must highlight the traditional meeting of the Information Committee of the José Cabrera Nuclear Power Plant, held in April. This statutory annual meeting reached its nineteenth edition and was attended by the Ministry of Energy, Tourism and the Digital Agenda (Minetad), the local representatives of Almonacid de Zorita and the Nuclear Safety Council (NSC).

Also, in April, the plant held a meeting of the Communication Committee of the Nuclear Forum, in which different companies within the industry, as well as Enresa, are represented. In June, an anniversary brought together in the facility a group of former workers of the plant: 50 years had elapsed since the first criticality of the reactor took place on 30 June 1968.

Once again, universities are one of the groups that pay frequent visits to Enresa's facilities. In April, the students of the twenty-seventh edition of the Course on Radioactive Waste Management organised by the Universidad Politécnica de Madrid and the students of the School of Industrial Engineering of Málaga visited the plant to complement their academic programmes with technical visits.

In June, the José Cabrera NPP hosted the visit of 70 experts from companies within the industry who took part in a monographic course organised by the "Juan Manuel Kindelán" Chair of the NSC, which is part of the Higher Technical School of Mining and Energy Engineers of the Universidad Politécnica de Madrid (UPM).

At the beginning of the summer, the students of the Master's Degree in Radiological Protection of the Universidad Politécnica de Valencia (UPV) travelled to Guadalajara to get to know the works Enresa carries out in Zorita. In September, Energy and Chemistry university students found in the José Cabrera NPP the perfect setting to complement their academic training.

Vandellós I Nuclear Facility

The old power plant in Tarragona, currently in a latency period, has maintained throughout 2018 its informative and training activity. As well as frequently opening its doors to welcome high school students, the plant also receives students from higher education levels.

In February, the Higher Technical School of Industrial Engineers (ETSII, as per the Spanish acronym) of the Universidad Politécnica de Valencia (UPV) paid the plant a visit; specifically, the students taking the Degree in Energy Engineering and the Master's Degree in Industrial Engineering. In June, it was the turn of the students taking the Master's Degree in Industrial Engineering specialising in Energy from the Universidad Politécnica de Cataluña, whose syllabus includes a visit to Vandellós I. In July, the plant received 25 teachers from Catalan high schools, a visit framed within the 2nd National Conference on Nuclear Energy and Education in Catalonia organised by the Nuclear Forum.

The last academic visit was paid by a group of students taking the Degree in Electrical Engineering of the Universidad Jaume I de Castellón, who visited the plant at the beginning of November.

Among the professional associations that visited the plant, we must mention the fire brigade of the Blayais nuclear power plant. They visited the facility last May since they were taking part in a fire-fighting conference organised by ANAV (Ascó-Vandellós II Nuclear Association) at the Vandellós II NPP. We must also highlight the visit of the fire brigade of l'Hospitalet de l'Infant, which comes to the facility periodically.

Regarding institutions, Vandellós welcomed at the end of May a delegation of Hungarian mayors escorted by the Association of Municipalities in Nuclear Power Plant Areas (AMAC, as per the Spanish acronym). In June, the technical commission of the Spanish Nuclear Society held its annual meeting on the premises of the plant, where they had the opportunity to receive a lecture on the Spanish experience in the decommissioning of nuclear power plants.

Participation in Joint Meetings and Debate Forums

As well as the open door policy, the maintenance of good relationships with institutions, companies and other related stakeholders is another of the company's ongoing objectives.

Within this framework, Enresa organised in February a visit to the facilities of the Dutch radioactive waste management agency, Covra, for a delegation of deputies of the Committee in charge of the relationships with the Nuclear Safety Council, which was part of the former Energy, Tourism and Digital Agenda Committee of the Congress of Deputies. At the same time, in June, a delegation from the Board of Directors of Covra visited the Enresa headquarters in Madrid and the José Cabrera Nuclear Power Plant in order to become familiar with Enresa's policy and practices in the field of decommissioning. In November, Enresa's chairman appeared in the Congress of Deputies before the same Committee in charge of relationships with the Nuclear Safety Council to go over the activities of the company during the financial year 2017.

That same month, Enresa took part in a conference celebrating the 30th anniversary of the Association of Municipalities in Nuclear Power Plant Areas (AMAC). Before that, a delegation comprised of fifteen AMAC representatives had visited Enresa's HQ in Madrid.

As usual, Enresa participated in the 44th Annual Meeting of the Spanish Nuclear Society (SNE, as per the Spanish acronym), held in September in Ávila. During this edition, the company gave three lectures, organised six workshops on radioactive waste management and chaired and coordinated different technical sessions. Previously, in May, we also took part in the Technical Workshop on Radioactive Waste Management of the SNE.

Sharing knowledge and experiences is another of Enresa's commitments. Throughout 2018, we organised and/or participated in several work meetings and workshops. For instance, in October, Enresa took part in the "Special Operational Conference on Actions during Nuclear Drills/Emergencies. Contacts between Levels I and II", a meeting for the coordination and implementation of action protocols for the attention to irradiated or contaminated personnel held at the Hospital General Gregorio Marañón in Madrid, a national Level II reference facility. Enresa currently has two Level I healthcare centres located at the El Cabril Disposal Facility and at the José Cabrera Nuclear Power Plant.

The company's R&D efforts were recognised at the end of the year by means of the "Secretary's Honor - Achievement Award", an award given by the United States Department of Energy (DOE) to an international project in which Enresa collaborates with Equipos Nucleares (Ensa), Empresa Nacional de Uranio (Enusa) and several international organisations and which tests the behaviour of spent fuel during the transport of the ENUN32P cask designed by the company from Cantabria.

Likewise, we must also highlight another recognition: the one received by the Safety and Radiation Protection Service of the José Cabrera Nuclear Power Plant; an award given to its lecture "Decontamination of the Walls at the José Cabrera Nuclear Power Plant", presented at the 43rd meeting held by the SNE in Málaga in 2017. This lecture was considered the best within the Decommissioning category; the award was giving during the 29th Conference on "Nuclear Power Plants in 2017. Experiences and Outlooks" of the SNE, held in March 2018.

Furthermore, Enresa's Health Unit was given the award to the best lecture at the 44th annual meeting of the SNE. The award-winning lecture, entitled "Muévete, activa tu vida (Get Moving for an active life)" was the summary of an Occupational Risk Prevention Campaign for the promotion of good health practices (Healthy Company) carried out by Enresa at its worksites in order to reduce morbidity and occupational risks.

Finally, we would like to mention the award Enresa was given by the Escuela de Organización Industrial (Industrial Organisation School or EOI, as per the Spanish) in Seville during the alumni party held by the institution last November. Enresa received such award together with the other companies and institutions with which it signed an Agreement for the establishment of the school in Andalusia 25 years ago.

Committed to the Dissemination of Our Knowledge

Enresa is a key stakeholder in the management of radioactive waste and the decommissioning of nuclear facilities and actively contributes to the to the transfer of knowledge within this field. A good example of this is the participation of 16 Enresa professionals in the 27th Edition of the "Course on Radioactive Waste Management", which started last February at the Higher Technical School of Industrial Engineers and which is jointly organised by the Universidad Politécnica de Madrid (UPM) and the Centre for Energy-Related, Environmental and Technological Research (Ciemat) with the collaboration of Enresa.

Likewise, Enresa took part in the last edition of the university course on "Ionising Radiation: Applications and Safety", which ended last April and which was organised by the Professional Association of Physicists in collaboration with the Universidad Autónoma de Madrid (UAM), with the participation of WiN España, the Nuclear Safety Council (NSC), the Puerta de Hierro Majadahonda Hospital and Enresa. The company also collaborates in the "Master's Degree in Waste Management and Treatment", a degree from the UAM that has already trained approximately 200 professionals since 2003 and began its sixteenth class in October.

In October, Enresa brought together in Córdoba more than fifty technicians and managers specialising in the management of radioactive waste generated in Spanish hospitals, industries and research centres for the "19th Congress on Radioactive Waste from Radioactive Facilities".

On the other hand, Enresa's Technical Unit for Radiation Protection (SEPR) collaborated in the organisation and teaching of the course "Sampling for the Determination of Environmental Radioactivity" organised by the Spanish Society for Radiation Protection (SEPR) in cooperation with the Universidad del País Vasco (UPV/EHU), the Ascó-Vandellós II Nuclear Association (ANAV) and the Nuclear Safety Council (NSC). The course was held at the beginning of October at the Tecnatom premises in Tarragona.

In November, the SERP organised in Córdoba the "5th Refresher Course on the Radiological Surveillance Protocol for Metallic Materials" with the participation of some thirty workers, trade unions and recovery workers within the metal industry interested in updating their knowledge of the Protocol and learning about the latest developments of the last two years.

Regarding the university sector, Enresa collaborated on various postgraduate courses related to the company's activities. In particular, we must highlight the beginning, last November, of the third edition of the "Expert Course on Management and Treatment of Radioactive Waste" run through the Enresa Chair at the Universidad de Córdoba (UCO).

Committed to Transparency

On the other hand, Enresa has continued to comply with the obligations arising from Act 19/2013, of 9 December, on transparency, access to public information and good governance. Through the "Transparency Portal" of the company's website (www.enresa.es) Enresa regularly publishes information related to the company's activities. The information is organized into four sections: institutional and organisational information, regulatory information, economic information and a transparency reporting mailbox. Over the course of 2018, 12 requests for information were dealt with through this channel.

Enresa's CSR programme takes into account any potential impact its activities may have on different demographics as well as on society as a whole. This implies not only mandatory compliance with national and international regulations within different areas, but any other type of voluntary action that the company may adopt in order to improve the quality of life of its employees, of the communities in which it operates and of society as a whole.

In Enresa this translates not only into compulsory compliance with national regulations -such as Order IET/458/2015, of 11 March, regulating allocations to municipalities in the vicinity of nuclear facilities, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan- and international regulations in the social, labour, environmental and Human Rights domains, but also into other types of voluntary actions undertaken by the company, such us, for instance, raising awareness of the need to promote entrepreneurial initiative in projects that benefit its target audiences.

Therefore, the strategic lines followed by Enresa are directly related to the dissemination of its activities, the improvement of its workers' well-being, its contributions to the development of the municipalities within the influence areas of the nuclear facilities, an outstanding waste management and the promotion of good governance and transparency.

COFINANCING PROJECTS 2018 (in euros)

City Councils	Cofinancing awarded
ALMARAZ AREA	
Almaraz	74,994.15
Belvis de Monroy	56,061.90
Saucedilla	85,792.15
ASCÓ AREA	
Ascó	111,900
El Molar	4,755.77
Flix	22,089.76
Flix	27,103.42
Garcia	48,452.85
La Figuera	3,021.30
Mora d´Ebre	21,932.47
Palma d´Ebre	13,946.31
Mora la Nova	7,441.35
Vinebre	67,363.80
COFRENTES AREA	
Cofrentes	100,000
Cortes de Pallás	111,900
Jarafuel	111,900
EL CABRIL AREA	
Fuenteobejuna	123,172
Hornachuelos	241,704
Navas de la Concepción	117,661.51
GAROÑA AREA	
Bozoó	30,825
Frías	57,127.29
Jurisdicción de San Zadornil	19,798.62
Lantarón	34,633.5
Miraveche	2,402.08
Oña	30,000
Pancorbo	22,015.68
Valdegovía	82,134.86
Valle de Tobalina	111,900
JOSÉ CABRERA AREA	
Almoguera	48,508.65
Buendía	35,136.60
Illana	3,133.20
Pastrana	98,304.15
Valdeconcha	4,252.20
Valle de Altomira	10,910.25
Yebra	15,000
Zorita de los Canes	45,711.15
TRILLO AREA	
Mantiel	35,024.70
Pareja	37,542.56
Trillo	111,900
VANDELLÓS AREA	
Mont-Roig del Camp	138,959.08
Pratdip	25,438.15
Tivissa	122,489.87
Vandellós i l´Hospitalet de´l Infant	190,450
TOTAL	**2,404,449.47**

COLLABORATION AGREEMENTS 2018 - MINISTERIAL ORDER/458/2015	(in euros)
Cervera del Llano City Council	6,150
Montalbanejo City Council	18,570
Montalbo City Council	18,570
La Hinojosa City Council	900
Olivares de Júcar City Council	987
San Lorenzo de la Parrilla City Council	3,270
Villar de Cañas City Council	150,000
Villarejo de Fuentes City Council	26,500
Villares de Saz City Council	39,200
Zafra de Zéncara City Council	11,910
TOTAL	**276,057**

OTHER COLLABORATION AGREEMENTS 2018	(in euros)
Universidad de Córdoba (UCO)	100,000
Centre for Energy-Related, Environmental and Technological Research (Ciemat), Universidad Politécnica (UPM ETSII - Master's Mining)	25,200
Ciemat 2017-2019 (year 2018)	25,000
Fundación de la Universidad Autónoma de Madrid (FUAM)	1,200
Spanish Nuclear Society (SNE)	9,000
TOTAL	**161,200**

SPONSORSHIP CONTRACTS 2018	(in euros)
Sociedad Española de Protección Radiológica (SEPR)	9,500
Colegio Oficial de Físicos (COFIS)	1,000
TOTAL	**10,500**

Annual Report 2018. Enresa. Committed to Society. RSC.

CSR actions carried out during 2018. Interest groups:

List of actions regarding Corporate Social Responsibility undertaken during 2018.

Society at large:

• Maintenance and adaptation of web channels and other information sources to bring our activities closer to society.

• Permanent attention service through our information centres ("Enresa Spaces") to promote dissemination at all of the company's work centres.

• Management of planned visits to our facilities: more than 6,000 visitors during 2018.

• Continuation of the collaboration with the Regional Department of the Environment and Urban Development of Andalusia for the defence against forest fires at the El Cabril Disposal Facility during the period 2017-2021.

• Volunteer Programme to foster job integration for groups which encounter barriers to entering the ordinary job market.

Enresa's Staff:

• Maintenance and update of Enresa's Corporate Code of Conduct.

• Monitoring of the activities carried out by the Compliance and Crime Prevention Committee appointed for this purpose and implementation of an external communication channel with it where any potential reports on such matter may be communicated.

• Follow-up of the *Health Monitoring Programme* for all Enresa staff, including specific preventive tests for the early detection of breast, prostate and colon cancer.

• Monitoring and dissemination of the *Health Company Programme,* with prevention activities for the company's staff.

• *Training programme* for Enresa employees with a participation of more than 95% of the personnel: corporate, specific and language training as well as attendance at congresses.

• Awareness-raising actions and actions to promote donation of blood addressed to employees.

• Organisation of 5 of *Training through Information* sessions for the dissemination of Enresa's activities and the training of its personnel.

Clients and Suppliers:

• Voluntary maintenance of the ISO-9001 standard for the company's overall management.

• Voluntary maintenance of ISO-14001 standard for Vandellós and El Cabril DF.

• Refresher course on the Radiological Surveillance Protocol for Metallic Materials.

• 19th Congress on Radioactive Waste from Radioactive Facilities.

• Training to suppliers for the implementation of Electronic Procurement Systems.

Universities, Training and Research Centres:

• Enresa's collaboration agreement 2018-2021 with the Universidad de Córdoba (UCO) for the development of the Enresa Chair.

• Collaboration agreement with Ciemat for the development of the staff training programme regarding energy and the environment.

• Collaboration agreement with CIEMAT-Higher School for Industrial Engineering of the Universidad Politécnica de Madrid for the development of the "Radioactive Waste Management" course.

• Collaboration agreement with the Fundación Universidad Autónoma de Madrid for the qualification course for Radioactive Facility operators.

• Annual summer internship plan 2018.

• Training internships at the El Cabril Disposal Facility for second level and intermediate and advanced vocational education students.

• 114 activities were carried out at educational centres in the surroundings of the El Cabril Disposal Facility, which enabled 2,674 students to get to know the company's activity.

• Collaboration, over 500 hours, of Enresa's technicians in programmes and courses related to radioactive waste management and decommissioning and closure of radioactive and nuclear facilities.

International Bodies and Equivalent Organisations

Enresa collaborates with international organisations, among which we must mention the International Atomic Energy Agency (IAEA), international institutions such as those of the European Union (EU), as well as with equivalent organisations in the area of radioactive waste management, spent fuel, decommissioning and environmental restoration, in order to perform the different training, visits and missions that Enresa carries so as to provide assistance to third countries with radioactive waste management systems under development, as well as the exchange of information between experts.

During 2018, Enresa carried out a mission specially tailored to advise the Chilean authorities on the management of waste from the smelting of a radioactive source and received a scientific visit from Argentine technicians interested in various aspects of the decommissioning of nuclear power plants. Both activities have been proposed and coordinated by the IAEA.

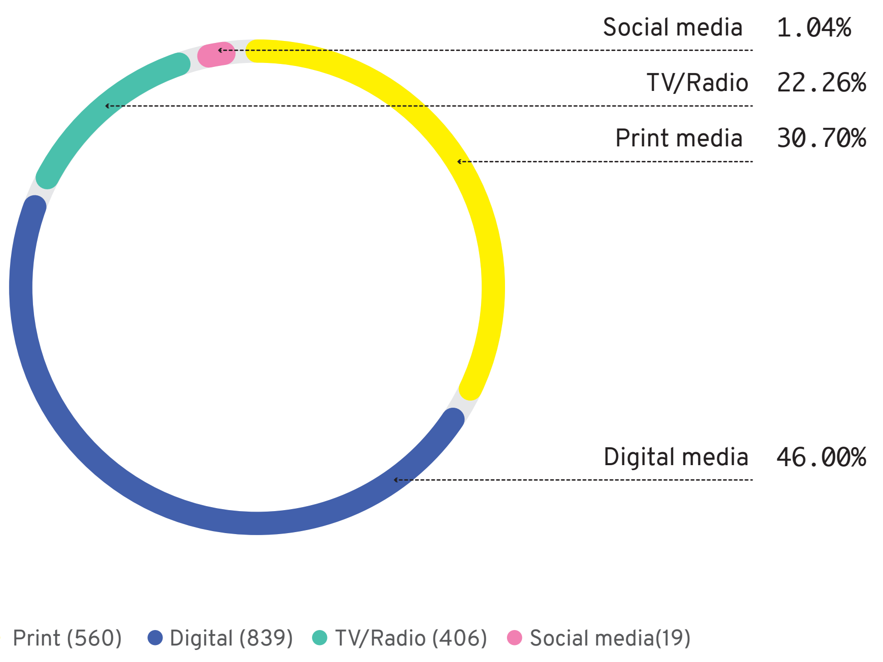
Communication

Both the management of radioactive waste as well as the decommissioning of nuclear facilities must combine technological and engineering solutions with communication strategies so that society as a whole may get to know and be familiar with the activities developed by Enresa.

Throughout 2018, Enresa maintained a constant relationship with the media, fulfilling their information requests. Last year, almost one hundred (96) information requests were managed, 65 of which addressed decommissioning issues; 10 of them the El Cabril Disposal Facility; 12, the CTS and 9 of them addressed other Enresa-related topics (transport, management of radioactive waste, environmental restoration or corporate information, etc.). In addition, six media outlets visited the José Cabrera Nuclear Power Plant to carry out different types of information coverages.

Over the course of the year, 1,824 news stories were published regarding Enresa's activities, most of them on digital media.

News



Other Activities

Throughout the year, Enresa took part in different dissemination forums, as well as in the activities leading to the annual meeting of the Spanish Nuclear Society consisting of the holding, together with the Universidad Politécnica de Madrid and the Nuclear Forum, of eight STEM (*Science, Technology, Engineering and Mathematics*) workshops regarding radioactive waste management. Enresa also took part in the communication committees of the nuclear sector. 114 activities were carried out at educational centres in the surroundings of the El Cabril Disposal Facility, which enabled 2,674 high-school students to get to know the company's activities.

During 2018, more than 6,000 visitors came to learn first-hand about Enresa's projects.

VISITS CHART. 2018

	Visits	Visitors
El Cabril DF	130	3,543
Decommissioning of the José Cabrera Nuclear Power Plant	47	613
Vallendós I Nuclear Facility	81	2,030
TOTAL	**258**	**6,186**

Information Media

Enresa has different information channels in place to make its public service known.

Publications

Magazines:

Estratos: the first of Enresa's corporate publications which has served as a vehicle for the dissemination of the company's activities two years after the company was funded. Created with the aim of broadening the knowledge of its subscribers on Science, Estratos combines general topics in this field with technical articles on radioactive waste management, decommissioning processes and the R&D projects undertaken by Enresa.

This magazine has evolved over time, adapting to the times and needs of the company. In 2018, Enresa decided to edit this magazine internally and to redesign it so that such change could be noticed and also in order to update it and to adapt it to the new visual languages.

Magazine
Estratos

Dinamo: with a more informative profile, this magazine brings the reality of Enresa closer to citizens from a didactic perspective. Up-to-date news on the company's activities are combined with issues of cultural interest, combining dissemination with entertainment. After the publication of the 16th issue of this magazine in 2018, this stage of Dinamo comes to an end. This magazine has acted as a bridge towards the people in Castilla-La Mancha since 2014. Once its objective has been achieved, the magazine is transformed to merge its contents to those of Estratos.

Magazine
Dinamo

2014
Year of the first edition

3
Published quarterly

4,500
print run copies

3
issue published in 2018

Audiovisual Content:

On the occasion of the 20th anniversary of the beginning of the decommissioning works of the Vandellós I Nuclear Power Plant (Tarragona), in 2018 we prepared a video about the facility entitled: "Vandellós I, after 20 years", which narrates the past, present and future of the facility from a historical, humane and informative perspective.

Likewise, in 2018 we prepared a video summarising the main activities carried out by the company during the previous year. This audiovisual annual report describes in general terms the main figures and business lines corresponding to Enresa throughout 2017.

Corporate Website:

The total number of website views by 48,094 website users came up to 213,617 in 2018 and the visitor's average time spent in the website was 01:51 minutes, a pretty high figure for digital environments which proves that there is an interest in the contents offered. In fact, if we compare these figures to those corresponding to the previous year, we can see that all figures are higher.

The most visited content of the entire Enresa website was the specific section in which job offers are published, followed, in this order, by the sites related to the "Contractor Profile", the section devoted to the "El Cabril Disposal Facility", the section corresponding to the "Centralised Temporary Storage" project, the chapter devoted to corporate information "About Enresa", and the specific section on "Management of Radioactive Waste Facilities".

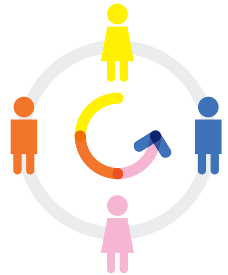
One of the most attractive features of the website during last year were the dossiers and magazines. The most frequently downloaded item was "Vandellós: Decommissioning Dossier", followed by the magazines Estratos and Dinamo.
Audiovisual content was also in high demand by visitors. In fact, the video describing the management processes for very low, low and intermediate level waste from its reception at the El Cabril Disposal Facility until its disposal was the most viewed, with 1,091 visits.

Regarding accesses by type of device, users who visit Enresa's corporate website usually do so from a desktop computer -73% of cases- although it is worth mentioning the increase in visits from mobile devices, which reached 22% in 2018. Finally, just 5% of users visit the website from a tablet.

Regarding the geographical location from which Internet users access our site, Spain leads the visits once again; however, there is a significant increase in visits from the United States. The analysis of the number of sessions by Spanish cities shows that Madrid is on top, followed by Barcelona and Seville.

International Participation and Cooperation

The purpose of the international participation and cooperation developed by Enresa is to disseminate and exchange knowledge, to influence new strategies and technical developments and to provide support and advice to the Government.



Main Lines of Collaboration

- Active participation in international organisations: the International Atomic Energy Agency (IAEA), the Nuclear Energy Agency (NEA/OECD) and the European Commission (EC).
- Coordination and management of bilateral collaboration agreements with foreign institutions.
- Technical assistance and cooperation from equivalent bodies in other countries.

Development of Activities

International Bodies

European Union (EU)

- Participation in the *European Nuclear Safety Regulators Group* (ENSREG), by virtue of delegation of the Ministry for the Ecological Transition for the application of Directive 2011/70.
- Participation in the Expert Group of the European Commission *Decommissioning Funding Group* (DFG) by virtue of delegation of the Ministry for the Ecological Transition.

Nuclear Energy Agency (NEA/OECD)

- Participation in the *Radioactive Waste Management Committee* (RWMC) and associated working and expert groups.
- Participation in other committees on economic aspects, nuclear regulations and radiation protection.

International Atomic Energy Agency (IAEA)

- Participation in committees on the Fuel Cycle and Spent Fuel Management Options as well as on Waste Technology.
- Participation in international networks of the IAEA: Disponet, on the disposal of low and intermediate level waste and the International Decommissioning Network (IDN) on decommissioning.
- Holding of an event in Madrid of the Disponet network on low level waste storage facilities.
- Participation in different missions and meetings of the IAEA (mission to Chile, ARTEMIS mission, different Consultancy Meetings, S&T Project).
- Collaboration with the Ministry for the Ecological Transition and the Nuclear Safety Council in the Spanish participation at the Review Meeting of the Joint Convention.
- Execution of the Cooperation Agreement with the International Atomic Energy Agency (IAEA).

Bilateral Relations

- Renewal of the framework agreement with Covra, the Spanish agency for waste management.
- Follow-up and development of the existing agreements with other thirteen foreign companies and institutions devoted to waste management and decommissioning of nuclear power plants.

Edited by Enresa,
Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., M.P.
Emilio Vargas, 7
28043 Madrid
www.enresa.es
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