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FINANCIAL **STATEMENTS**

2020

DIRECTORS **REPORT**

WORDS FROM THE CHAIRMAN

AUDIT REPORT

FINANCIAL STATEMENTS

DIRECTORS´ REPORT

CONTENTS

CONTENTS

CONTENTS

WORDS FROM THE CHAIRMAN

The report we present in this document is a detailed snapshot of Enresa's activity in 2020, a year that changed the way we work, but during which we have complied with our commission from society – the safe management of radioactive waste and the decommissioning of nuclear power plants in Spain.

With these words, I would like to express my satisfaction at the work carried out by the whole team here at Enresa, who have found how to adapt to the new and exceptional circumstances in a year marked by the pandemic. 2020 was a tough year but at all times the people at Enresa adapted to the demands of the situation, giving the utmost priority to health without abandoning our activity at any time.

In March 2020 when the lockdown caused by the virus began, Enresa was ready to present the Ministry for Ecological Transition and the Demographic Challenge with the draft 7th General Radioactive Waste Plan (GRWP). This Plan traced out our lines of action in accordance with the plan for the orderly closure of nuclear power plants agreed on a year earlier. On 10 March, Enresa presented the draft Plan and a few days later it began to be processed and is now moving forward according to plan.

Another important milestone took place in May, as a result of many months of work. On 21 May 2020, we presented the Ministry for Ecological Transition and the Demographic Challenge with the documentation to request the authorisation for the transfer of ownership and for the first of the two phases scheduled for the decommissioning of Santa María de Garoña nuclear power plant. Until this authorisation becomes effective, Enresa will continue working with the owner – Nuclenor – on preparations for its decommissioning.

Also in regard to decommissionings, in this case of the José Cabrera nuclear power plant, 2020 has seen some major technical milestones, some of which are highly evident. We started the year without its iconic orange dome and ended the year by saying goodbye to the outside of the building that housed the reactor. Although the works had to be temporarily halted for two months due to the pandemic, the project is proceeding at a steady pace and the pro-

gress is clear, having now been 90% executed. The works on latency continued at Vandellós I, and the five-yearly tests to check the state of the reactor were performed in 2020.

During the year, we took some important steps regarding the management of spent fuel. In March, the Council of Ministers authorised us to purchase casks for spent fuel at Trillo, Almaraz and Garoña nuclear power plants for a sum in excess of 212 million euros. In August, the casks were purchased for Cofrentes for more than 30 million euros. Following these operations, Enresa can guarantee the management of the Individualised Temporary Storage (ITS) facilities at the nuclear power plants for the coming years.

As regards very low-level, low-level and Intermediate-level waste, the El Cabril Disposal Centre received a total of 2,374.57 m3 of radioactive waste in 2020, of which 476.26 was low-level and intermediate-level waste (LILW) and 1,898.31 was very low-level waste (VLLW). At the end of the year, the centre was at 79.92% of the total storage capacity of LILW and at 43.05% of the capacity of VLLW.

In this regard, Enresa has been working to comply with the provisions of the prevailing 6th

GRWP, which provided for the El Cabril Disposal Centre to be invested with an additional capacity for LILW between 2025 and 2030. This work was shored up in 2020 with the start of the first public tenders for engineering services for 12 storage vaults in the first phase, with a scheduled start-up of operations around the year 2028, and another 15 vaults – to give a total of 27 – to be built in the following phase.

And while some major strides were taken at a technical level, our organisation also launched certain significant projects with other social, functional and communication implications.

The Master Plan for Corporate Social Responsibility was approved in the early months of the year, followed by the approval of the Ethical Code and the Mission, Vision and Values, which everyone at Enresa is subject to. These are documents and content that endorse our commitment to responsible management, good governance and sustainability.

The changes in the way we work at Enresa in 2020 went beyond mere adaptation to the conditions imposed by the pandemic. Over the course of the year, the company implemented the migration of its accounting and economic management system to the SAP platform, a far-reaching change that has had a major and direct impact on many of the activities that the company engages in, and which has involved a significant collective effort to adapt to this new tool.

In 2020, work was also done on a prudent proposal to diversify the portfolio of the fund to finance the activities under the General Radioactive Waste Plan that was approved by the fund's Committee for Tracking and Control.

BY 2020, ENRESA HAD BEEN ACTIVE FOR **35 YEARS** – A PERIOD MARKED BY PROFESSIONAL **RIGOUR** AND CONSTANT **TECHNOLOGICAL INNOVATION**

Lastly, we took advantage of this atypical year to convey our messages to society. To this end, we created our profiles on such social media as Twitter, Youtube and Flickr, configuring certain informative and communication channels that provide society with direct and accurate information on our activity through quality content and continuous updates. Internal communication was another of the goals of 2020. Over the course of the year, the informative channels were improved which seek to improve the flow of information with the organisation's employees, forging a corporate identity and fostering the idea of belonging.

I do not want to end without referring to the milestone Enresa commemorated as a company in 2020 – 35 years of activity. A period marked by professional rigour and constant technological innovation, which has led to the company occupying a leading position on the main international forums, ensuring that our projects and installations are considered a benchmark in good practices.

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AUDIT REPORT

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Independent Auditor's Report on the Financial Statements

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

Report on the financial statements

Opinion

We have audited the financial statements of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., (hereinafter the Entity) which include the balance sheet as at 31 December 2020, the profit and loss statement, the statement of changes in net equity, the statement of recognised income and expense, the cash flow statement and the notes to the financial statements corresponding to the financial year ending on said date.

In our opinion, the attached financial statements express, in all significant aspects, a fair and accurate picture of the equity and of the financial situation of the Entity at 31 December 2020, along with the results and cash flows corresponding to the financial year ending on said date, in accordance with the applicable regulatory framework (identified in Note 2.1 of the notes to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the regulations of account audit activities in Spain. Our responsibilities under these regulations are described hereinbelow in the section on 'Responsibility of the Auditor' regarding the auditing of the financial statements of our report.

We are independent from the Entity, in accordance with ethical requirements, including those of independence, which are applicable to our audit of financial statements in Spain, according to the requirements of the regulations on account auditing activity. In this regard, we have not provided any services other than account auditing, nor have situations or circumstances arisen that, in accordance with the aforesaid regulations, have affected the necessary independence such that it has become compromised.

We consider that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Relevant aspects of the audit

The most relevant aspects of the audit are those which, in our professional opinion, have been considered to exist as the most important risks of material misstatement in our audit of the financial statements of the current year. These risks have been addressed in the context of our audit of the financial statements as a whole and in the formation of our opinion on these risks, and we express no opinion on these risks individually.

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Contribution Fund for the financing of the activities of the General Radioactive Waste Plan

The entity develops its public activity in accordance with the objectives established in Royal Decree 102/2014 and other applicable legislation for the responsible and safe management of spent nuclear fuel and radioactive waste, and hence its actions are geared to this end and in accordance with the provisions contained in Note 1 of the notes to the financial statements.

The management of radioactive waste, the decommissioning and closure of nuclear power plants as referred to in Article 38 bis of Act 25/1964, of 29 April, which commissioned the Entity, is carried out charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.

The Fund for the financing of the activities of the General Radioactive Waste Plan is financed in the terms established by the Ministry of Energy, Tourism and Digital Agenda through the taxes collected by the State Tax Administration Agency (AEAT). These taxes are paid in by taxpayers under the reverse charge mechanism through its collaborating entities and finally, when the State Secretary for Energy releases the funds, are sent to the Entity from the Spanish Treasury. The Fund also comprises the returns from its short-term financial investments. The amounts are financed by the owners of the nuclear power plants in the terms established by the aforesaid ministerial department. Future financing needs due to possible deviations in the assumptions of the GRWP are fully guaranteed through the possibility of modifying the tax rates that the aforesaid Act provides for to be carried through by royal decree.

The purpose of this Fund is thus to hedge the costs and expenses that arise and will arise in relation to the development of the activities and projects that constitute the corporate purpose of the Entity and which, as at 31 December 2020, amount to a total of 6,596,098 thousand euros.

The annual change in the Fund is determined from an accounting perspective by the difference between the allocation to the Fund from revenue, to address future expenses, deducting the profit that the Entity records and the application of the Fund to its purpose.

Our audit focus has thus included the evaluation of the most relevant controls made by the Entity and the performance of detailed and substantive tests. The main procedures carried out consisted, inter alia, of the following:

- Revision of the correct imputation of the revenue obtained during the financial year as the allocation to the Fund and the imputation of the expenses incurred through its application.
- Revision of the process and of the controls carried out on the billing by the owners of the nuclear power plants, which constitutes most of the recorded turnover. Our work has also included detailed tests of the calculation procedure established
- As regards the expenses incurred, we have performed detailed tests primarily consisting of verifying their correct accrual through the corresponding support documentation, which mainly consists of contractual awards – the most significant being those relating to the study and management of waste.

The measurement criteria used and the breakdown of information in relation to the Fund are included in Notes 1 and 9 of the attached notes to the financial statements.

Classification and measurement of financial instruments

As at 31 December 2020, the financial instrument portfolio represented a very significant percentage of the Entity's assets. The classification and measurement criteria of the financial instruments, for the purpose of their measurement, may require a high assessment and complex estimations, which determine the criteria to be applied in their subsequent measurement.

In those cases in which no listed price exists in an active market (level two financial instruments), the determination of the fair value of the financial instruments requires complex estimations made through measurement techniques that may take into account a degree of subjectivity or not directly observable market data.

Our audit focus has included both the evaluation of the most relevant controls related to the classification and measurements of the financial instruments and the performance of detailed and substantive tests. The main procedures carried out consisted, *inter alia*, of the following:

- A suitable understanding of the operations and the Entity's procurement and investment strategy through meetings held and the reading of the Investment Minutes.
- Verification and revision of the accounting criteria and of the procedures established for the registration and measurement of the financial instrument portfolio, checking that they are adapted to the criteria established in regulations.
- Revision of the correct classification of the securities representing debt according to the purpose they were acquired for, verifying compliance with the requirements established in the regulations (proven financial capacity of the holder, intention to maintain to maturity, no cancellation option in favour of the issuer that causes a loss for the holder, market listing, profitability), and the correct measurement and evaluation of the need for possible impairment.
- Bookkeepers' table that lists the inventory of the operations of the different financial instruments with the respective accounting balances.
- For the detailed tests on the classification and measurement of the financial instruments, we have selected a sample of operations with the aim of verifying the reasonableness of the recognised fair value and/or the correction for impairment, as the case may be. For this sample and depending on the type of instruments contracted in the applicable cases, the contrast method was applied to obtain evidence of the fair values assigned thereby to the different assets.
    - ◊ For the financial instruments measured at amortised cost, verification of the non-existence of defaults or other facts that may lead, in a joint analysis, to an impairment.
    - ◊ Global reasonableness of the variables considered by the independent expert designated for the measurements made and the proposed inputs.
    - ◊ Measurement sample for certain financial instruments measured at fair value (bonds and derivatives).

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

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Other information: Directors' Report

The other information exclusively comprises the Directors' Report for financial year 2020, which it is the responsibility of the Directors of the Entity to draw up and which does not form an integral part of the Financial Statements.

Our audit opinion on the Financial Statements does not cover the Directors' Report. Our responsibility regarding the Directors' Report, pursuant to the requirements of the regulations on account auditing activity, consists of evaluating and reporting on the concordance of the Directors' Report with the Financial Statements based on knowledge of the Entity gathered in the performance of the audit of these Financial Statements and without including information other than that obtained as evidence during said audit. Our responsibility also consists of evaluating and reporting on whether the content and presentation of the Directors' Report are in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are under an obligation to report this.

Based on the work carried out, according to the description in the foregoing paragraph, the information contained in the Directors' Report is consistent with the information contained in the Financial Statement for financial year 2020 and its content and presentation are in accordance with the applicable regulations.

Responsibility of the Directors in relation to the financial statements

The Directors are responsible for preparing the attached financial statements so that they provide a fair and accurate picture of the equity, of the financial situation and of the results of the Entity, in accordance with the regulatory framework on financial information applicable to the company in Spain, which is identified in Note 2.1 of the attached report and for ensuring the internal control considered necessary to allow for the preparation of financial statements free of material misstatement due to fraud or error.

In the preparation of the financial statements, the Directors are responsible for measuring the capacity of the Entity to continue as a going concern, disclosing, as the case may be, the questions related to the going concern and using the accounting principles of going concern unless the Directors intend to liquidate the Entity or halt operation, or because no other realistic alternative exists.

Responsibilities of the auditor in relation to auditing the financial statements

Our goals are to obtain reasonable certainty that the financial statements as a whole are free of any material misstatement due to fraud or error and to issue an audit report that contains our opinion. Reasonable certainty is a high degree of certainty but does not guarantee that an audit performed in accordance with the prevailing regulations on account auditing activity in Spain always detects a material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or on an aggregate basis, they can reasonably be considered to influence the economic decisions that users take based on the financial statements.

As part of the audit in accordance with the prevailing regulations on account auditing activity in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. We also:

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- Identify and measure the risks of material misstatement in the financial statements due to fraud or error, we design and apply audit procedures to respond to these risks and we obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error since fraud may imply collusion, falsification, deliberate omissions, intentionally erroneous declarations or the evasion of internal control.
- We obtain knowledge of the relevant internal control for the audit when the aim of designing audit procedures that are adequate depending on the circumstances and not with the aim of expressing an opinion on the efficacy of the internal control of the Entity.
- We evaluate whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information disclosed by the Directors.
- We conclude whether the use by the Directors of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude whether material uncertainty exists or not related to the facts and the conditions that may generate significant doubts regarding the Entity's capacity to continue as a going concern. If we conclude that material uncertainty exists, this requires that we draw attention in our audit report as to the corresponding information disclosed in the financial statements or, if these disclosures are not adequate, that we express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future facts and conditions may be grounds for the Entity to cease to be considered a going concern.
- We evaluate the global presentation, the structure and the content of the financial statements, including the information disclosed, and whether the financial statements represent the underlying transactions and facts such that they express the true and fair image.

We communicate with the Directors of the Entity in relation, inter alia, to the scope and the time to perform the scheduled audit and the significant discoveries of the audit, as well as any significant deficiency in the internal control that we identify in the course of the audit.

Among the significant risks that have been communicated to the Directors of the Entity, we determine those that have been the most important in the audit of the financial statements for the current year and which are thus considered to be the most significant risks.

We describe these risks in our audit report unless the legal or regulatory provisions prohibit the public disclosure of the matter in question.

Madrid, 20 April 20

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

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

MAZARS AUDITORES, S.L.P

2021 · Núm. 01/21/09827

SELLO CORPORATIVO: 96,00 EUR

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

Carlos

Carlos Marcos Corral
ROAC Nº 17577


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CO-32872
UN 2912


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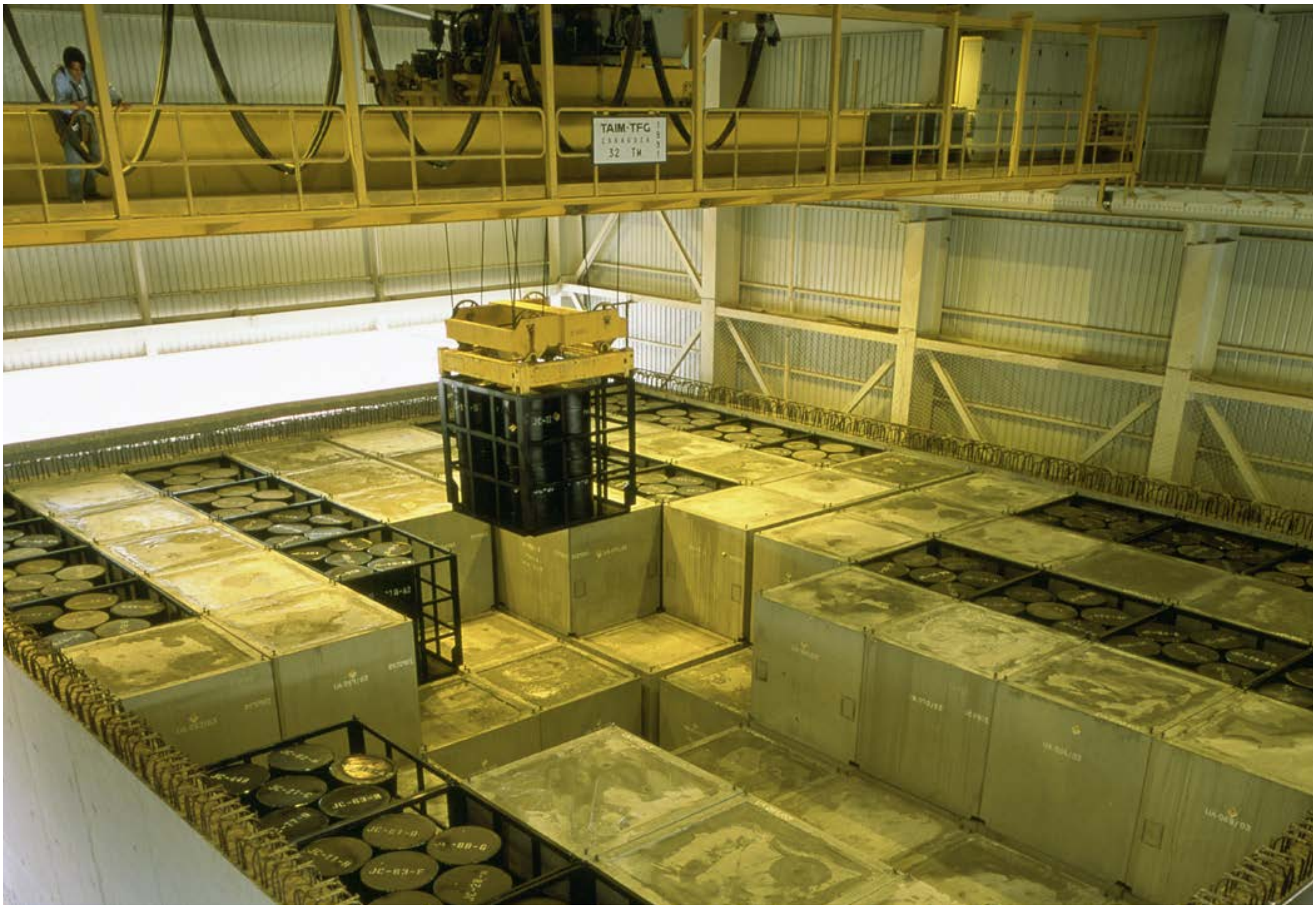
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FINANCIAL STATEMENTS

I - BALANCE **SHEET**

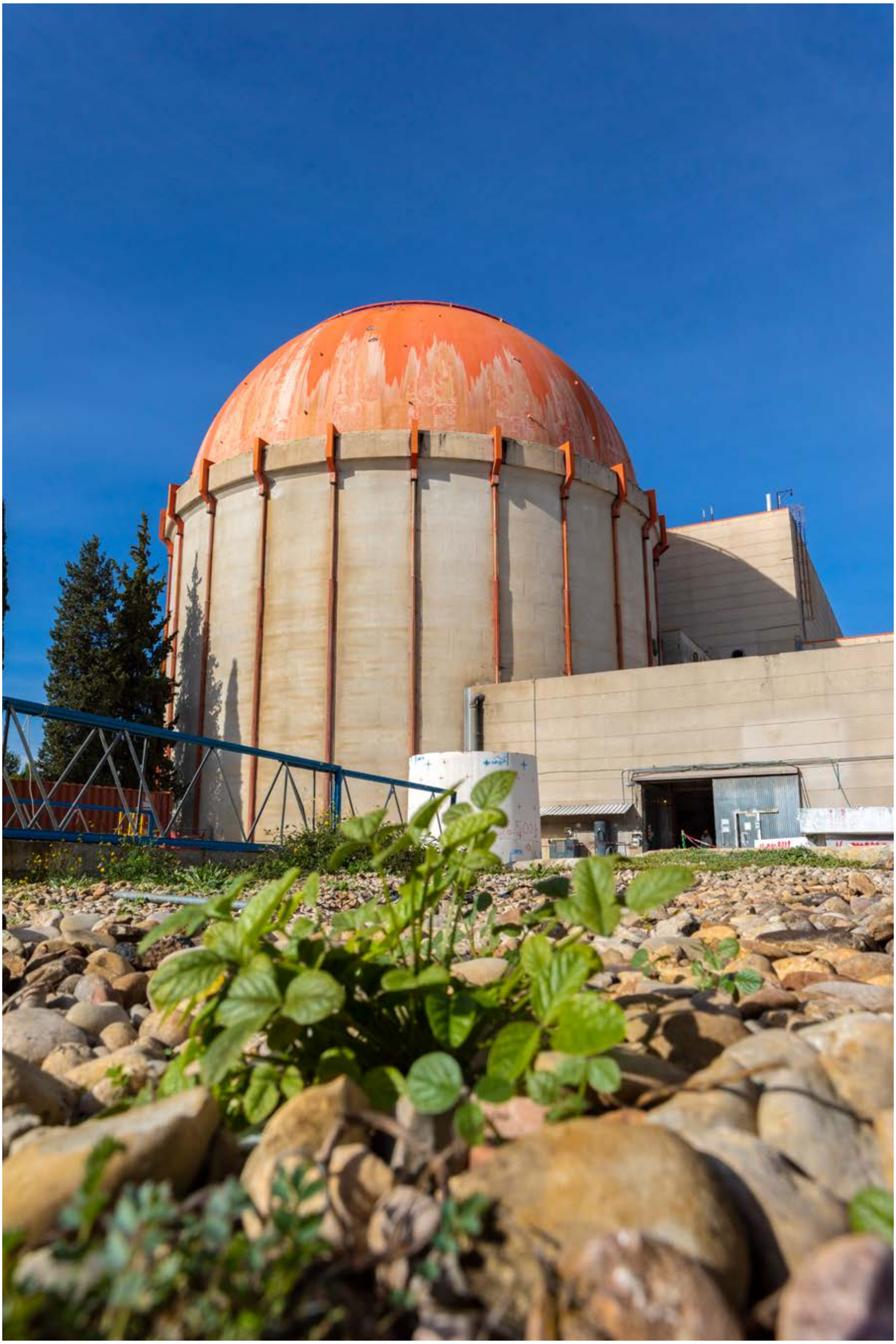
II - **PROFIT** AND **LOSS** ACCOUNT

III - **STATEMENT** OF **CHANGES** IN NET EQUITY

IV - **CASH FLOW** STATEMENT

V - **NOTES** TO THE FINANCIAL STATEMENTS

I. BALANCE **SHEET**



Balance sheet at 31st december 2020 (in thousand euro).

ASSETS			
	Notes to the 2020 statements	Financial year 2020	Financial year 2019 (*)
NON-CURRENT ASSETS		**4,999,768**	**5,192,674**
Property, plant and equipment	Note 5	**3,281**	**1,573**
Computer software		3,281	1,573
Property, plant and equipment	Note 6	**267,996**	**266,163**
Land and buildings		15,687	16,141
Technical installations and other property, plant and equipment		128,440	127,063
Assets under construction and advance payments		123,869	122,959
Long-term financial investments		**4,702,971**	**4,899,830**
Loans to third parties		6,056	6,921
Investment portfolio	Note 7.1	4,558,683	4,785,212
Derivatives	Note 7.2	41,814	41,688
Other financial assets	Note 12.6	96,418	66,009
Deferred tax assets	Note 11.4	**1,767**	**1,355**
Long-term accruals	Note 12.6	**23,753**	**23,753**
CURRENT ASSETS		**1,720,871**	**1,044,630**
Inventory		**1,159**	**1,117**
Raw materials and other supplies		1,159	1,117
Trade debtors and other receivables		**315,282**	**202,630**
Clients: Trade and service provision	Note 7.3	313,955	201,220
Miscellaneous debtors		82	35
Personnel		1,245	1,356
Other loans with public authorities	Note 11.1	-	19
Short-term financial investments		**679,563**	**413,648**
Investment portfolio	Note 7.1	666,264	411,681
Derivatives	Note 7.2	11,045	-
Other financial assets		2,254	1,967
Short-term accruals		**401**	**351**
Cash and other cash assets		**724,466**	**426,884**
Treasury		724,466	426,884
TOTAL ASSETS		**6,720,639**	**6,237,304**

(*) Only included for comparative purposes.
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the balance sheet as of 31st December 2020.

Balance sheet at 31st december 2020 (in thousand euro).

NET EQUITY AND LIABILITIES			
	Notes to the 2020 statements	Financial year 2020	Financial year 2019 (*)
NET EQUITY	Note 8	**4,421**	**4,439**
OWN FUNDS		**4,421**	**4,439**
Capital		**3,606**	**3,606**
Registered capital		3,606	3,606
Reserves		**721**	**721**
Legal and statutory reserves		721	721
End-of-year profit (loss)	Note 3	**94**	**112**
NON-CURRENT LIABILITIES		**6,654,496**	**6,163,224**
Long-term provisions		**6,596,098**	**6,096,241**
Fund for the financing of the activities of the General Radioactive Waste Plan	Note 9	6,596,098	6,096,241
Long-term debts		**58,398**	**66,983**
Derivatives	Note 7.2	58,398	66,983
CURRENT LIABILITIES		**61,722**	**69,641**
Short-term debts		**17,235**	**22,907**
Other financial liabilities		17,235	22,907
Trade and other payables		**44,487**	**46,734**
Suppliers		26,936	26,457
Sundry creditors		9,609	13,655
Personnel (payments pending)		1,765	1,671
Other debts with public authorities	Note 11.1	6,177	4,951
TOTAL NET EQUITY AND LIABILITIES		**6,720,639**	**6,237,304**

(*) Only included for comparative purposes.
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the balance sheet as of 31st December 2020.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II. PROFIT AND LOSS ACCOUNT

Profit and loss account for year ended 31st december 2020 (in thousand euro).

	Notes to the 2020 statements	Financial year 2020	Financial year 2019 (*)
CONTINUING OPERATIONS			
Net turnover	Note 12.1	**468,626**	**393,040**
Untaxed public services		468,626	393,040
Work performed by the Company for assets	Notes 4.1 y 4.2	**2,755**	**1,859**
Studies and waste management		**(85,772)**	**(94,473)**
Studies and waste management	Note 12.6	(59,982)	(67,813)
Allocations by Ministerial Order IET/458/2015 MINETUR	Note 4.13	(25,790)	(26,660)
Other operating income	Note 12.2	**303**	**1,048**
Ancillary income and other current operating income		65	883
Operating subsidies included in the profit (loss) for the year		238	165
Personnel costs		**(29,554)**	**(27,823)**
Wages, salaries and similar payments		(21,377)	(20,844)
Social contributions	Note 12.3	(8,177)	(6,979)
Other operating costs		**(17,313)**	**(19,002)**
External services		(15,880)	(17,614)
Taxes		(1,427)	(1,404)
Losses, impairments and changes in provisions for trade operations		(6)	16
Other current operating costs		-	-
Depreciation of fixed assets	Notes 5 y 6	**(16,258)**	**(14,705)**
Impairment and profit (loss) on disposal of fixed assets	Note 6	**(152)**	**(1)**
Impairment and losses		(152)	-
Profit (loss) on disposals and others		-	(1)
Other profits (losses)		**31**	**-**
OPERATING PROFIT (LOSS)		**322,666**	**239,943**

	Notes to the 2020 statements	Financial year 2020	Financial year 2019 (*)
Finance income	Note 12.5	**145,186**	**149,390**
From marketable securities and other financial instruments		145,186	149,390
- Third parties		145,186	149,390
Finance costs	Note 12.5	**(14,682)**	**(17,416)**
For debts with third parties		(14,682)	(17,416)
Change in fair value of financial instruments	Note 12.5	**46,390**	**50,273**
Trading book and others		46,390	50,273
Exchange rate differences	Note 12.5	**(13)**	**31**
FINANCIAL PROFIT (LOSS)		**176,881**	**182,278**
PRE-TAX PROFIT (LOSS)		**499,547**	**422,221**
Tax on profit	Note 11.3	404	(228)
Change in provision for Fund for financing activities of GRWP	Note 9	(499,857)	(421,881)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**94**	**112**
ENF-OF-YEAR PROFIT (LOSS)	Note 3	**94**	**112**

(*) Only included for comparative purposes.
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the profit and loss account as of 31st December 2020.

III. ESTATEMENT OF CHANGES IN **NET EQUITYS**

Statement of changes in net equity for financial year 2020 (in thousand euro).

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE

	Financial year 2020	Financial year 2019 (*)
RESULT OF THE PROFIT AND LOSS ACCOUNT	**94**	**112**
Income and expenses directly attributed to net equity:	-	-
TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO NET EQUITY	**-**	**-**
Transfers to profit and loss account:	-	-
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE	**94**	**112**

(*) Only included for comparative purposes
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the statement of changes in net equity as of 31st December 2020.

B) TOTAL STATEMENT OF CHANGES IN NET EQUITY

	Capital	Reserves	Profit (loss) from previous years	Profit (loss) from year	Total
ADJUSTED BALANCE AT START OF FINANCIAL YEAR 2019 (*)	**3,606**	**721**	**-**	**111**	**4,438**
Total recognised income and expenditure	-	-	-	112	112
Operations with shareholders:	-	-	-	(111)	(111)
FINAL BALANCE FOR FINANCIAL YEAR 2019 (*)	**3,606**	**721**	**-**	**112**	**4,439**
Adjustment for changes to criteria or errors	-	-	-	-	-
ADJUSTED BALANCE AT START OF FINANCIAL YEAR 2020	**3,606**	**721**	**-**	**112**	**4,439**
Total recognised income and expenditure	-	-	-	94	94
Operations with shareholders:	-	-	-	(112)	(112)
FINAL BALANCE FOR FINANCIAL YEAR 2020	**3,606**	**721**	**-**	**94**	**4,421**

(*) Only included for comparative purposes
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the statement of changes in net equity as of 31st December 2020.

IV. **CASH FLOW** STATEMENT

Cash flow statement for financial year 2020 (in thousand euro).

	Ejercicio 2020	Ejercicio 2019 (*)
OPERATING CASH FLOW (I)	**339,394**	**372,322**
Pre-tax profit (loss) for the year	**499,547**	**422,221**
Adjustments to profit (loss):		
- Depreciation of fixed assets	16,258	14,705
- Write-downs for impairment	152	-
- Provision variation	6	(16)
- Income from write-offs and disposals of fixed assets	-	1
- Finance income	(145,186)	(149,390)
- Finance costs	14,682	17,416
- Exchange rate differences	13	(31)
- Change in fair value of financial instruments	(46,390)	(50,273)
Changes in working capital		
- Inventory	(42)	(14)
- Trade and other accounts receivable	(112,784)	3,475
- Other current assets	(54)	(62)
- Creditors and other accounts payable	(2,255)	(858)
- Other current liabilities	(5,682)	(2,909)
- Other non-current assets and liabilities	-	(85)
Other operating cash flows from operating activities		
- Interest paid	(14,682)	(20,417)
- Interest received	135,792	138,499
- Proceeds (payments) deriving from tax on profits	19	60
CASH FLOW FROM NVESTMENT ACTIVITIES (II)	**(41,687)**	**(638,788)**
Investment payments		
- Intangible fixed assets	(4,647)	(3,030)
- Property, plant and equipment	(15,304)	(9,355)
- Other financial assets (investment portfolio)	(390,000)	(1,229,522)
- Other assets (third-party creditors and others)	(29,083)	(28,962)
Proceeds from divestments		
- Other financial assets (investment portfolio)	395,570	629,867
- Other assets (third-party creditors)	1,777	2,214
CASH FLOW FROM FINANCING ACTIVITIES (III)	**(112)**	**(111)**
Dividends paid and income from other equity instruments		
- Dividends	(112)	(111)
EFFECT OF EXCHANGE RATE CHANGES (IV)	**(13)**	**31**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III+IV)	**297,582**	**(266,546)**
Cash or cash equivalents at start of financial year	426,884	693,430
Cash or cash equivalents at close of financial year	724,466	426,884

(*) Only included for comparative purposes
Notes 1 to 17 included in the attached notes to the financial statements are an integral part of the cash flow statement as of 31st December 2020.


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V. NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY BUSINESS ACTIVITY

2. PRINCIPLES OF THE PRESENTATION OF THE FINANCIAL STATEMENTS

3. DISTRIBUTION OF PROFIT (LOSS)

4. RECOGNITION AND VALUATION STANDARDS

5. INTANGIBLE ASSETS (SEE NOTE 4.1)

6. FIXED ASSETS (SEE NOTE 4.2)

7. FINANCIAL INVESTMENTS (SEE NOTE 4.5)

8. NET EQUITY AND OWN FUNDS

9. FUND FOR THE FINANCING OF THE ACTIVITIES OF THE GENERAL RADIOACTIVE WASTE PLAN (SEE NOTE 4.12)

10. DEBTS

11. PUBLIC AUTHORITIES AND TAX SITUATION (SEE NOTE 4.8)

12. INCOME AND EXPENDITURE (SEE NOTE 4.9)

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (SEE NOTE 4.14)

14. INFORMATION ON THE ENVIRONMENT

15. OTHER INFORMATION

16. FINANCIAL GUARANTEES

17. EVENTS AFTER CLOSING THE YEAR

1. COMPANY BUSINESS ACTIVITY

Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (hereinafter, Enresa) has, in 2020, continued to develop its objectives as established in Royal Decree 102/2014, dated 21st February, on the responsible and safe management of spent nuclear fuel and radioactive waste. This legislation provides for the preparation and approval by the Government of the General Radioactive Waste Plan (hereinafter, GRWP), a document in which the policies to be implemented by Enresa are established. The General Radioactive Waste Plans, the latest of which was approved by the Government on 23rd 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 main producers of radioactive waste, both producers of nuclear electrical energy and industrial and hospital facilities, etc. in order to establish the conditions for the management of their waste.

2009 saw the amendment of the Nuclear Energy Act 25/1964, dated 29th April and 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 of the Nuclear Energy Act 25/1964 and of the Electricity Sector Act 54/1997
>
> One. The Nuclear Energy Act 25/1964, dated 29th April, is amended.
>
> Article 38 bis is added to the Nuclear Energy Act 25/1964, dated 29th April, with the following wording:

“Article 38 bis. Radioactive Waste Management.

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

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

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

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

The supervision of Enresa is the responsibility of the Ministry of Industry, Tourism and Trade, through the State Secretariat for Energy, which carries out strategic management

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

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

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

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

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

1. The management of radioactive waste, including spent nuclear fuel and the dismantling and decommissioning of nuclear facilities, as referred to in Article 38 bis of Law 25/1964, dated 29th 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 amounts raised from the collection of fees regulated in section 9, along with any other funds received or income deriving from the provision of said services. In addition, income derived from the temporary financial investments of the same is included in the Fund. The allocations to the Fund shall be considered deductible for Corporation Tax purposes.

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

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

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

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

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

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

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

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

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

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

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

9. For the purposes set out in section 1 of this additional provision, the taxes are es-

tablished which shall be considered taxes incurred upon the services referred to in Article 38 bis of Law 25/1964, dated 29th April, and which shall be paid into the Public Treasury as a non-budgetary item. The amounts corresponding to the taxes paid in shall be released by the Treasury to the Fund for the financing of the activities of the General Radioactive Waste Plan, upon a proposal from the State Secretary for Energy."

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

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

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

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

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

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

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

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

In light of this additional provision, the services provided by Enresa have been considered in 2020 to be fiscal obligations of a non-taxable public nature, and consequently cease to be considered taxable income.

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

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

Specifically in the case of nuclear production, Enresa bills the licensees of nuclear power plants for the amounts resulting from multiplying the gross kilowatts per hour generated in each of them, each calendar month, for a specific unitary value for each power plant expressed in Euro cents, obtained by multiplying the flat unit rate of 0.798 cents €/kWh (0.669 cents €/kWh until 31st December 2019) by a corrector coefficient in accordance with the type of plant (rate paid in).

The Sixth General Radioactive Waste Plan, currently in force, approved by the Government on 23rd June 2006 has the objective, among others, of evaluating the total management costs. To determine future management costs, the Company has taken into consideration the period between 2020 and 2100 and the collection period to cover such costs is considered to be the scenario for the cessation of operations of nuclear power plants as defined in the draft National Integrated Energy and Climate Plan 2021-2030, submitted to the European Commission in February 2019, with the collection period ending in the year 2035.

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

Thousand euro

Item	Planned cost as from 2021	Updated value at 01-01-2021
Electricity rates	1,602,112	1,187,374
Nuclear power plants	15,195,631	10,637,236
Juzbado factory	13,604	10,630
Other installations	70,210	52,947
TOTAL	**16,881,557**	**11,888,187**

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 31st December 2020, the Fund for financing the activities of the General Radioactive Waste Plan has a balance of 6,596,098 thousand euros (6,096,241 thousand euros as at 31 December 2019). The Sixth Additional Provision of Law 54/1997, of 27 November, establishes the means for raising the amount required to cover the management costs estimated in the 6th General Radioactive Waste Plan. The future financing requirements arising from potential deviations from the hypothesis of the GRWP are fully guaranteed through the potential amendment of the types of levies provided for by said law being introduced by royal decree, with such deviations thus not being attributable to Enresa: *"The types of levies and taxation elements for the determination of these tax rates may be revised by the Government through royal decree, based on an updated economic-financial report of the cost of the corresponding activities provided for in the General Radioactive Waste Plan".*

In compliance with said law, *"Royal Decree 750/2019, dated 27th December"*, was published on 28th December 2019, *"amending the flat unit rate for the fiscal obligation of a non-taxation public nature financing the service of Empresa*

Nacional de Residuos Radiactivos, S.A., S.M.E., (Enresa) for operating nuclear power plants" which modified the value of the flat unit rate established in Section 9 Two (e) of the Sixth Additional Provision of the Electricity Sector Act 54/1997, dated 27th November, establishing this value at 0.798 cents €/kWh.

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 Code of Commerce and other commercial legislation.

b) The General Chart of Accounts approved by Royal Decree 1514/2007 and the amendments thereto through Royal Decree 1159/2010, dated 17th September and Royal Decree 602/2016, dated 2nd December.

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

d) Other applicable Spanish accounting standards.

2.2. True and Fair View

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

The 2019 financial statements were approved by the General Shareholders' Meeting held on 29th June 2020 with no changes to those prepared by the Directors of the Company.

2.3. Accounting Principles Applied

The Directors have prepared these financial statements taking into account the set of obligatory accounting principles and standards that have a significant effect on said financial statements. All obligatory accounting principles have been applied, non of them being excluded.

Enresa's accounting is prepared in accordance with the accounting principles approved in Royal Decree 1514/2007, dated 16th 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 to the tax authorities in the future that have served as the basis for the registration of different balances relating to Corporation Tax in these financial statements (see Notes 4.8 and 11).

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

2.5. Comparison of Information

The information contained in these notes on financial year 2019 is solely presented for the purposes of comparison with the information on financial year 2020.

2.6. Grouped items

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

2.7. Changes in accounting criteria

In 2020, no changes were made to the accounting criteria in respect of those applied in 2019.

2.8. Correction of errors

No significant errors were identified during the preparation of the attached financial statements that involved re-stating the amounts included in the financial statements for financial year 2019.

3. DISTRIBUTION OF PROFIT (LOSS)

The Ordinary General Shareholders' Meeting approved the proposal for the distribution of the 2019 profits on 29th June 2020, with no changes in respect of that made by the Directors of the Company.

The distribution of the 2020 profits, as proposed by the Directors of Enresa, and which will be submitted for approval at the General Shareholders' Meeting, is as follows:

	Thousand euro
BASIS OF DISTRIBUTION:	
Profits and losses	94
DISTRIBUTION:	
Dividends	94

As from 1987, and based on the contents of the 1st General Radioactive Waste Plan approved by the Government on 16th October 1987, when calculating a percentage rate to be collected from sales of electrical energy and for the coefficient of kilowatts per hour produced by nuclear power plants, both present and future costs to be incurred by Enresa in meeting its undertakings and the annual remuneration to be paid out to its shareholders must be included. In accordance with Article 7 of Royal Decree 102/2014, dated 21st February, on the responsible and safe management of spent nuclear fuel and radioactive waste, said remuneration is determined using a percentage equal to that of the average return obtained from financial investments in the year, which stood at 2.61% in 2020 (3.1% in 2019). For this reason, Enresa's profit and loss account must show a positive figure in line with the amount to be distributed to shareholders plus the regulatory obligation arising from the provision of the legal reserve.

4. RECOGNITION AND VALUATION STANDARDS

The main recognition and valuation standards used by the Company in preparing the 2020 financial statements, in accordance with those established in the General Chart of Accounts, were as follows:

4.1. Intangible Fixed Assets
(see Note 5)

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

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

The amount recorded for this item in 2020 was 2,755 thousand euros (1,476 thousand euros in 2019), which is included under the heading "Amortisation of fixed assets" in the profit and loss account.

Computer software is recorded at its acquisition cost or production cost. Subsequently, its cost is measured by deducting the corresponding accumulated amortisation and, as the case may be, any losses due to impairment. The amount paid for the ownership or usage rights of the computer software is included under this heading, including those developed by the Company itself, amortised at a rate of 25% per annum. The charge to the profit and loss account for the 2020 financial year for the amortisation of computer software was 184 thousand euros (88 thousand euros in 2019).

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

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

4.2. Property, Plant and Equipment
(see Note 6)

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

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

The Company activated the personnel costs directly attributable to the construction of the Centralised Temporary Storage (CTS) for an amount of 383 thousand euros in 2019, but did not attribute any costs in 2020.

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

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

The charge to the profit and loss account for the 2020 financial year under amortisation of tangible fixed assets was 13,319 thousand euros (13,141 thousand euros in 2019).

4.3. Impairment of Value of Intangible and Tangible Assets

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

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

At the close of 2020, the Company understands that there are no signs of impairment, in addition to those already recorded, in any of the elements of intangible or tangible fixed assets that might have a significant effect.

4.4. Operating Leases

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

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

4.5. Financial Instruments

(see Note 7)

4.5.1. FINANCIAL ASSETS

Classification

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

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

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

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

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

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, dated 21st 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 the 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 measured at their amortised cost.

In particular, and with respect to any value corrections related to trade debtors and other receivables, the Company uses the criterion of allocating the provision necessary to cover those amounts that are uncertain of being recovered by year-end. As of 31st December 2020 and 2019, respectively, the Company had a provision of 35 and 29 thousand euros, respectively.

Financial assets at fair value with changes in the profit and loss account are measured at fair value, with the result of the variations in said fair value recorded in the profit and loss account. Derivatives are measured at fair value, with those that, at 31st December 2020, hold a positive fair value, recorded as financial assets.

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

A loss in value for the financial assets measured 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.

The amount 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 financial years, there is a clear recovery in the value 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 if 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 12 months are classified as current and those with a maturity in excess of that term as non-current.

4.5.2. FINANCIAL LIABILITIES

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

Debits and items payables are initially measured at the fair value of the consideration received, adjusted by any directly attributable transaction costs. Subsequently, such liabilities are measured according to their amortised cost.

Derivative financial instruments are measured at fair value, with those that, atat 31st December 2020, 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 are extinguished.

4.5.3. EQUITY INSTRUMENTS

(see Note 8)

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

4.6. Inventories

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

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

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

4.7. Foreign Exchange Transactions

(see Note 12.4)

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

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

4.8. Taxes on Profits (see Note 11)

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

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

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

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

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

Deferred tax assets and liabilities originating from transactions with direct debits or credits to the equity accounts are also recorded with a balancing entry in the equity.

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 close of each financial year and they are subject to recognition if their recovery is likely with future tax profits.

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

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

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

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

“As from 1st January 1998, the Electricity Sector Act 54/1997, dated 27th December, in its

Sixth Additional Provision, on the Fund for financing Phase 2 the nuclear fuel cycle, also established that:

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

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

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

The drafting of this Sixth Additional Provision of the Electricity Industry Act 54/1997 was amended through the Fourteenth Additional Provision of Law 4/2001, dated 27th December, on Tax, Administrative and Social Order Measures to read as follows:

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

1. Amounts paid through rates, tolls and prices, along with any other form of financing of the costs of the work corresponding to Phase 2 of the nuclear fuel cycle, the management of radioactive waste and the dismantling and decommissioning of installations, including the financial returns generated thereby shall be allocated to a provision, with this allocation being considered deductible for the purpose of Corporation Tax.

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

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

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

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

4.9. Income and Expenditure
(see Note 12)

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

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

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

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

4.10. Provisions for Pensions and Similar Obligations

By virtue of the provisions of the collective bargaining agreements corresponding to 2020, Enresa participates in the Pension Plan for its workers, through an external defined contribution fund, contributing, provided this is permitted under prevailing legislation, an initial contribution of €445.60 for all employees that contribute a minimum of €74.50. It adds to any higher amount 1.4 times the amount contributed by employees that sign up to this fund, with a maximum limit of €2,600 per person and year.

In 2020, Enresa has not made contributions as the promotor of its employment Pension Plan set up prior to 31st December 2011. In 2019, it contributed €25,000.

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

In 2020, the insurance policy was updated by the insured capital agreed in the current collective bargaining agreement. The expense was recorded in the profit and loss account for 2020 under the heading "Social contributions", with this item amounting to 1,822 thousand euros (544 thousand euros in 2019).

4.11. Provisions and Contingencies

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

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

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

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

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

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

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

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

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

4.13. Allocations to Local Authorities

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

Enresa records the total accrued from these amounts paid annually as a cost, applying the calculation method established in the aforementioned Ministerial Order, having charged 23,601 thousand euros to the profit and loss account for 2020 (25,021 thousand euros in 2019) for this item.

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

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

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

In 2019, in accordance with Ministerial Order IET/458/2015, additional funds were approved for 2020 to co-finance local development projects through the Resolutions of the Ministry of Energy, Tourism and Digital Agenda (Spanish acronym: MINETAD), of 29 December 2019 and previous resolutions, for the amount of 2,482 thousand euros (2,067 thousand euros in 2019). This amount is reduced by 474 thousand euros in 2020 for projects approved in 2018, 2019 and 2020, during which time the amount of 268 thousand euros was waived, or which cost less than the amount initially approved (95 thousand euros in 2020 and 434 thousand euros in 2019).

In accordance with the Single Temporary Provision on collaboration agreements in 2020 and 2019 under the aforementioned Ministerial Order, Enresa signed agreements with local authorities for local development for amounts of 277 and 274 thousand euros in each of the two years.

4.14. Related-party Transactions

(see Note 13)

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

4.15. Non-cash Generating Assets or Operating or Service Units

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

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

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

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

5. INTANGIBLE ASSETS (SEE NOTE 4.1)

The movements occurring during financial years 2020 and 2019 in the different intangible asset accounts and their corresponding accumulated depreciation are set out in the following table:

Financial year 2020 — Thousand euro

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

Financial year 2019 Thousand euro

	Balance 01/01/19	Credits and allocations	Transfers	Debits, Write-offs reductions	Balance 31/12/19
COSTS:					
Research and development	1,074	1,476	-	(1,074)	1,476
Concessions, patents, licences, trademarks and similar	3,123	-	-	-	3,123
Computer software	15,018	489	-	-	15,507
Computer software under development	69	1,065	-	-	1,134
Total	**19,284**	**3,030**	**-**	**(1,074)**	**21,240**
DEPRECIATION:					
Research and development	(1,074)	(1,476)	-	1,074	(1,476)
Concessions, patents, licences, trademarks and similar	(3,123)	-	-	-	(3,123)
Computer software	(14,980)	(88)	-	-	(15,068)
Total	**(19,177)**	**(1,564)**	**-**	**1,074**	**(19,667)**
TOTAL NET COST	**107**	**1,466**	**-**	**-**	**1,573**

In 2020 and 2019, Enresa continued to participate in the European Research and Development Programmes, specifically in the European Union Shared Costs Programme, which finances both Enresa and its contractors. Enresa records the funds it receives from the EU to finance its R&D projects as operating income in the financial year. In 2020, it received such funds up to an amount of 206 thousand euros; see Note 12.1 (113 thousand euros in 2019).

The amounts of the elements that were fully depreciated on the balance sheet as of 31 December 2020 and 2019 were 20,895 and 19,566 thousand euros respectively, according to the following breakdown:

In thousand euro. Carrying value (gross)

ITEM	2020	2019
Research and development	2,755	1,476
Concessions, patents, licences, trademarks and similar	3,123	3,123
Computer software	15,017	14,967
TOTAL	**20,895**	**19,566**

6. FIXED ASSETS (SEE NOTE 4.2)

The transactions recorded in 2020 and 2019 in the different tangible fixed assets accounts and their corresponding accumulated depreciation are as follows:

Financial year 2020 — Thousand euro

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

Financial year 2019						Thousand euro
	Balance 01/01/19	Credits and allocations	Transfers	Debits, Write-offs and reductions	Valuations adjustments for impairment	Balance 31/12/19
COSTS:						
Land and buildings	43,026	-	-	-	-	43,026
Technical installations and other property, plant and equipment	310,761	283	8,974	(63)	-	319,955
Assets under construction and advance payments	122,861	9,072	(8,974)	-	-	122,959
Total	**476,648**	**9,355**	**0**	**(63)**	**-**	**485,940**
DEPRECIATION:						
Land and buildings	(26,309)	(576)	-	-	-	(26,885)
Technical installations and other property, plant and equipment	(180,389)	(12,565)	-	62	-	(192,892)
Total	**(206,698)**	**(13,141)**	**-**	**62**	**-**	**(219,777)**
TOTAL NET COST	**269,950**	**(3,786)**	**-**	**(1)**	**-**	**266,163**

For the 2020 financial year, investments were For the 2020 financial year, investments were made in new fixed assets for an amount of 15,304 thousand euros (9,355 thousand euros in 2019). Among the most significant were the spent fuel storage system at José Cabrera NPP at a cost of 34 thousand euros (54 thousand euros in 2019), the new installations at the El Cabril Disposal Centre at a cost of 167 thousand euros (858 thousand euros in 2019), the Centralised Temporary Storage facility, with no cost in 2020 (467 thousand euros in 2019), whose design and current situation is explained in Note 12.6.b), the manufacture of metallic casks for storage at the ITS of Santa María de Garoña NPP at a cost of 304 thousand euros (20 thousand euros in 2019), the manufacture of metallic casks for storage at the ITS of Cofrentes NPP for a cost of 3,974 thousand euros (954 thousand euros in 2019), the manufacture of casks at a cost of 7,867 thousand euros (825 thousand euros in 2019), the manufacture of casks for the ITS of the Ascó NPP at a cost of 5,735 thousand euros (4,165

thousand euros in 2019), the manufacture of ENUN32P casks for the storage and transport of spent fuel from Spanish PWR plants at a cost of 882 thousand euros (1,637 thousand euros in 2019), auxiliary equipment for Vandellós I NPP for an amount of 206 thousand euros (22 thousand euros in 2019) and the computer system equipment for the implementation of the ERP SAP S4/HANA for an amount of 49 thousand euros (741 thousand euros in 2019).

As of 31st December 2020 and 2019, Enresa has made provisions of 1,040 thousand euros for impairment of buildings (888 thousand euros in 2019), due to the difference between the net book value and the market value of those properties for which the market value was less than the net book value.

The Company has formalised insurance policies to cover potential risks that different elements of its fixed assets may be subject to.

The amount of the elements that were fully amortised on the balance sheet as at 31 December 2020 and 2019 were 51,233 and 48,069 thousand euros, respectively, as broken down below:

In thousand euro
Carrying value (gross)

Item	2020	2019
Buildings	4,601	4,758
Technical installations and other property, plant and equipment	46,632	43,311
TOTAL	**51,233**	**48,069**

At the close of financial years 2020 and 2019, the Company had no elements subject to guarantee or firm commitments to purchase fixed assets.

7. FINANCIAL INVESTMENTS (SEE NOTE 4.5)

The existing financial instruments at 31st December 2020 and 2019 are as follows:

7.1. Investment Portfolio

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

As of 31 December 2020 and 2019, Enresa held the following financial assets in its investment portfolio:

Thousand euro

Class	Nominal	Carrying value	Nominal	Carrying value
	31-12-2020		31-12-2019	
Held-to-maturity investments	4,912,077	4,724,442	5,104,755	4,898,022
Other assets at fair value with changes in profit and loss	465,000	500,505	290,000	298,871
TOTAL	**5,377,077**	**5,224,947**	**5,394,755**	**5,196,893**

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

a) State Debt: it includes Spanish public debt, specifically, Spanish Treasury bonds, coupons and principal strips from the Spanish Treasury, Treasury bills and short-term repos, whose underlying element is Spanish public debt. The carrying value and face value of this class are 2,680,371 and 2,950,214 thousand euros, respectively, in 2020 (2,770,697 and 3,072,393 thousand euros, respectively, in 2019).

b) Other public debt: it includes financial assets issued by government agencies, supranational bodies, regional governments and the public debt of other countries. The carrying value and face value of this class are 1,448,519 and 1,411,910 thousand euros, respectively, in 2020 (1,744,130 and 1,693,908 thousand euros, respectively, in 2019).

c) Other Debentures and Bonds: they include a diverse range of financial assets from different issuers from different sectors, both national and international and of different types. The carrying value and face value of this class of assets are 1,096,057 and 1,014,953 thousand euros in 2020 (678,565 and 624,953 thousand euros in 2019).

d) Other short-term assets: they include financial assets, deposits and others, issued by financial institutions. The carrying value and face value of this class of assets are 3,501 and 3,501 thousand euros in 2020. No assets of this type existed in 2020.

As of 31 December 2020 and 2019, the maturity breakdown for the items that form part of the section "investment portfolio" is as follows:

Financial year 2020 — Thousand euro (Nominal)

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

Financial year 2019 — Thousand euro (Nominal)

Class / Item	Less than 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	More than 20 years	TOTAL
Held-to-maturity investments	2,351,832	1,079,510	518,403	126,010	1,029,000	5,104,755
Other assets at fair value with changes in profit and loss	115,000	25,000	150,000	-	-	290,000
TOTAL	**2,466,832**	**1,104,510**	**668,403**	**126,010**	**1,029,000**	**5,394,755**

In financial year 2020, various assets reached maturity for a nominal amount of 407,679 thousand euros (260,303 thousand euros in 2019).

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

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

Financial year 2020 — Thousand euro

Class	Nominal 31.12.2020	Carrying value 31.12.2020	2020 Change in fair value	Acumulated Change in fair value
Other assets at fair value with changes in profit and loss	465,000	500,505	26,634	35,769
TOTAL	**465,000**	**500,505**	**26,634**	**35,769**

Financial year 2019 — Thousand euro

Class	Nominal 31.12.2019	Carrying value 31.12.2019	2019 Change in fair value	Acumulated Change in fair value
Other assets at fair value with changes in profit and loss	290,000	298,871	12,723	9,135
TOTAL	**290,000**	**298,871**	**12,723**	**9,135**

For financial years 2020 and 2019, the Company has estimated that there is no impairment to any financial instrument valued at amortised cost or fair value and considers that there are no reasonable doubts regarding the repayment capacity of the assets on the part of issuers who hold the appropriate credit rating, in accordance with the Company's investment policies.

In financial years 2020 and 2019, there were purchases of financial assets at fair value for a nominal amount of 175 and 100 million euros, respectively, recorded by Enresa as "Other assets at fair value with changes in profit and loss". The contracting of this kind of instrument was authorised by the Monitoring and Control of the Fund Committee at its meeting on 9th July 2015.

In financial year 2020, there were acquisitions of assets classified as held to maturity for 215 thousand euros (1,029 thousand euros in 2019).

7.2. Derivatives

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

As of 31th December 2020 and 2019, Enresa holds the following financial assets and liabilities from the financial derivatives contracted by the Company for the purpose of hedging against market risk and in accordance with the financial model established in the General Radioactive Waste Plan:

Miles de euros

Class	2020		2019	
	Notional	Fair value	Notional	Fair value
Item	31-12-2020		31-12-2019	
Financial derivatives (assets)	215,002	52,859	215,002	41,688
Financial derivatives (liabilities)	120,000	(58,398)	120,000	(66,983)
TOTAL	**335,002**	**(5,539)**	**335,002**	**(25,295)**

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

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

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

Financial year 2020

Thousand euro (Notional)

Item	Class	less than 5 years	between 5 and 10 years	between 10 and 15 years	TOTAL
Derivatives		215,002	120,000	-	335,002
TOTAL		**215,002**	**120,000**	**-**	**335,002**

Financial year 2019 Thousand euro (Notional)

Item	Class	less than 5 years	between 5 and 10 years	between 10 and 15 years	TOTAL
Derivatives		215,002	120,000	-	335,002
TOTAL		**215,002**	**120,000**	**-**	**335,002**

In financial years 2020 and 2019, no derivatives have been amortised or written-off.

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

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

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

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

As of 31st December 2020, the inclusion of credit risk in the determination of the fair value of derivatives has led to an increase in the valuation of the derivatives of 1,406 thousand euros (1,712 thousand euros in 2019).

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

7.3. Trade and Service Provision Customers

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

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

7.4.1. QUALITATIVE INFORMATION

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

a) Credit risk:

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

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

b) Market Risk:

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

c) Liquidity Risk

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

7.4.2. QUANTITATIVE INFORMATION

Data calculated from the nominal value of the portfolio as at 31 December 2020 and 2019:

a) Credit Risk:

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

In thousand euro

Sector	2020		2019	
	Nominal	%	Nominal	%
Public sector	4,362,124	81,12%	4,766,301	88,35%
Financial institutions	880,000	16,37%	503,501	9,33%
Energy	108,000	2,01%	108,000	2,00%
Communications and transport	16,953	0,31%	16,953	0,32%
Real estate	10,000	0,19%	-	-
TOTAL	**5,377,077**	**100,00%**	**5,394,755**	**100,00%**

b) Performance Risk:

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

% of nominal

Financial assets	2020	2019
Percentage of financial assets at interest rate	51,11%	50,81%
Percentage of financial assets linked to inflation	45,73%	46,04%
Percentage of financial assets linked to variable rate indexes with the principal guaranteed	3,16%	3,15%

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

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

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

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

- Level 1: Those referenced to quoted prices (without adjustment) on asset 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 measurement techniques that include inputs for assets or liabilities not based on observable market data (inputs that are not observable).

Financial year 2020 — In thousand euro

	Level 1	Level 2	Level 3	Total
Derivative financial assets-instruments	---	553,364	---	553,364
Derivative financial liabilities-instruments	---	(58,398)	---	(58,398)

Financial year 2019 — In thousand euro

	Level 1	Level 2	Level 3	Total
Derivative financial assets-instruments	---	340,559	---	340,559
Derivative financial liabilities-instruments	---	(66,983)	---	(66,983)

8. NET EQUITY AND OWN FUNDS (SEE NOTE 4.5.3)

8.1. Share Capital

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

As of 31 December 2020 and 2019, the breakdown of Enresa shareholders is as follows:

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

8.2. Reserves

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

At the end of financial year 2020, this reserve is fully constituted.

9. FUND FOR THE FINANCING OF THE ACTIVITIES OF THE GENERAL RADIOACTIVE WASTE PLAN (SEE NOTE 4.12)

The changes to this Fund over financial years 2020 and 2019 were as follows:

		Thousand euro
	2020	**2019**
Balance at 1 January	6,096,241	5,674,360
Allocations made over the year	(163,818)	(173,699)
Provisions made over the year	663,675	595,580
Balance at 31 December	**6,596,098**	**6,096,241**

10. DEBTS

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

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

Payments made and payments pending at year-end	2020 No. of days	2019 No. of days
Average payment period to suppliers	11,79	16,25
Ratio of operations paid	11,94	17,10
Ratio of operations pending payment	4,75	3,71
	Amount (thousand euro)	**Amount** (thousand euro)
Total payments made	100,032	97,909
Total payments pending	2,213	6,633

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

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

11. PUBLIC AUTHORITIES AND TAX SITUATION

(SEE NOTE 4.8)

11.1. Current Balances with Public Authorities

The composition of the current balances with public authorities as at 31 December 2020 and 2019 is as follows::

Thousand euro

Item	2020 Debtors	2020 Creditors	2019 Debtors	2019 Creditors
Tax Office, Corporation Tax	-	7	19	-
Tax Office, withholdings made	-	846	-	915
Tax Office, VAT	-	2,772	-	122
Social Security bodies	-	445	-	468
Tax Office, Non-residents Income Tax	-	24	-	1
Eco Tax	-	2,083	-	3,445
TOTAL	**-**	**6,177**	**19**	**4,951**

11.2. Reconciliation of Accounting Result and Taxable Income

The reconciliation between the reported profit and the taxable income subject to Corporation Tax in financial years 2020 and 2019 is as follows:

Financial year 2020							Thousand euro
	Profit and loss account		**Income and expenses directly attributed to net equity**		**Reserves**		**Total**
Income and expenses balance for the year	**94**						**94**
	INCREASES	DECREASES	INCREASES	DECREASES	INCREASES	DECREASES	
Permanent differences (not including Corporation Tax)	101	(1,179)	-	-	-	-	(1,078)
Temporary differences	1,991	(882)	-	-	-	-	1,109
Offset for tax loss carryforwards	-	(31)	-	-	-	-	(31)
Taxable income (tax profit)	**2,186**	**(2,092)**	**-**	**-**	**-**	**-**	**94**
Full rate (25%)							23
Deductions for investments							(15)
Tax liability							8
Withholdings							(1)
Amounts payable / (receivable)							**7**

Financial year 2019							Thousand euro
	Profit and loss account		**Income and expenses directly attributed to net equity**		**Reserves**		**Total**
Saldo de ingresos y gastos del ejercicio	**112**						**112**
	INCREASES	DECREASES	INCREASES	DECREASES	INCREASES	DECREASES	
Permanent differences (not including Corporation Tax)	202	(1,388)	-	-	-	-	(1,186)
Temporary differences	6	(899)	-	-	-	-	(893)
Taxable income (tax profit)	**320**	**(2,287)**	**-**	**-**	**-**	**-**	**(1,967)**
Full rate (25%)							-
Deductions for investments							-
Tax liability							-
Withholdings							(19)
Amounts payable / (receivable)							**(19)**

The increases in permanent differences in financial years 2020 and 2019 mainly correspond to expenses for non-tax deductible donations and agreements.

The decreases in the permanent differences in 2020 and 2019 mainly correspond to the reversal of the waste management provision, endorsed by the consultation made to the Directorate-General of Taxation in 1997, due to the fact that said income is not calculated to determine the taxable base, for the part of this that corresponds proportionally to the non-tax deductible provision in the period in which it was provided.

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

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

The value of depreciation that was not financially deducted in these financial years in accordance with the established limit will be deducted on a linear basis over a period of 10 years or optionally during the useful life of the asset, as from the first tax period starting in 2015. Consequently, in the provisional settlement for 2020, apart from the depreciation for the financial year, one tenth of the depreciation not deducted in the years 2013 and 2014 has been deducted, resulting in a recovery rate of 220 thousand euros (220 thousand euros in 2019).

On 3rd December 2016, Royal Decree Law 3/2016 was published, adopting tax measures for the consolidation of public finances, which introduces significant amendments to the scope of Corporation Tax. Among others, it establishes, with effect from 1st January 2016, the obligation to reverse, within a maximum period of 5 years, the provisions for the impairment in value of stakeholdings that were deductible prior to 2013, the off-set for tax losses for large companies was limited to 25% of the previous taxable income and the application of the deduction for double domestic or international taxation generated or pending application was limited to 50% of the previous full rate. In addition, with effect from 1st January 2017, losses on the transfer of stakeholdings are not deductible. In financial year 2020, these measures had no significant negative impact on the financial statements of the Company.

11.3. Reconciliation of Accounting Profit and Corporation Tax Expense

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

Thousand euro

Concepto	2020	2019
Accounting profit	94	112
Permanent differences	(1,078)	(1,186)
Adjusted accounting profit	(984)	(1,074)
25% rate	(246)	(268)
Impact of temporary differences	269	(224)
Deductions::		
For double taxation	-	-
For reinvestment of profits	-	-
Deductions for investments	(15)	-
Tax loss carryforwards	(8)	492
Current Corporation Tax cost	-	-
Deferred Corporation Tax cost	(269)	224
Deferred negative Corporation Tax adjustments	-	-
Adjustment for Corporation Tax paid in previous year	(135)	4
TOTAL TAX EXPENSE RECOGNISED IN PROFIT AND LOSS ACCOUNT	**(404)**	**228**

11.4. Deferred tax assets recorded

The breakdown of the balance of this account at year-end 2020 and 2019 is as follows:

Thousand euro

Temporary differences:	2020	2019
Depreciation of fixed assets	879	1,099
Impairment losses	260	222
Other	628	34
TOTAL DEFERRED TAX ASSETS	**1,767**	**1,355**

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

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

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

In financial year 2020, deferred tax assets were recovered corresponding to depreciation in 2013 and 2014 for 220 thousand euros (220 thousand euros in 2019), which have been partly offset by the generation of other deferred tax assets.

11.5. Unrecorded deferred tax assets

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

The breakdown of these unregistered assets is as follows:

- Tax loss carryforwards:

The Company has tax loss carryforwards to offset as of 31st December 2020 for 265,544 thousand euros (266,327 thousand euros at 31st December 2019) according to the following breakdown:

Thousand euro

YEAR	TAXABLE INCOME 2020	TAXABLE INCOME 2019
1997	21,290	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	1,890
2018	2,007	2,007
2019	1,215	1,967
TOTAL	**265,544**	**266,327**

- Deductions:

As of 31st December 2020 and 2019, the Company has tax credits pending deduction for the amount of 23,580 and 25,496 thousand euros, respectively, which, for the most part, correspond to research and development costs, according to the following breakdown:

Thousand euro

YEAR OF ORIGIN	AMOUNT 2020	AMOUNT 2019	MATURITY
2001	-	2,309	2019
2002	2,047	2,047	2020
2003	1,994	1,994	2021
2004	1,108	1,108	2022
2005	1,680	1,680	2023
2006	1,307	1,307	2024
2007	1,016	1,016	2025
2008	851	851	2026
2009	806	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	1,126	1,129	2033
2016	1,594	1,597	2034
2017	456	459	2035
2018	299	302	2036
2019	391	395	2037
2020	913	-	2038
TOTAL	**23,580**	**25,496**	

11.6. Other tax information

The Company has pending debits to be recovered, resulting from the provisional settlement of the tax on profits for the 2020 financial year, for an amount of 7 thousand euros (19 thousand euros in 2019).

Given that the settlement of the tax on profits for financial year 2020 has not been paid to date, the figures may suffer changes, and hence this is considered to be provisional for the purposes of the tax settlement.

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

Corporation Tax	2016 to 2019
Value Added Tax	2017 to 2020
Personal Income Tax	2017 to 2020

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

12. INCOME AND EXPENDITURE (SEE NOTE 4.9)

12.1. Net Turnover

The distribution of the net turnover corresponding to the ordinary activity of the Company in financial years 2020 and 2019 is as follows:

		Thousand euro
By activity	**2020**	**2019**
Billing of electricity companies (tolls). Form 681- Spanish Tax Agency	130	131
Billing of electricity companies (nuclear kWh). Form 682- Spanish Tax Agency	467,953	392,370
Billing for production of nuclear fuel. Form 683- Spanish Tax Agency	419	397
Billing of radioactive installations. Form 684- Spanish Tax Agency	124	142
Total ingresos por actividades	**468,626**	**393,040**

All income has been generated in national territory.

12.2. Other operating income

The distribution of "Other operating income" corresponding to the ordinary activity of the Company in financial years 2020 and 2019 is as follows:

		Thousand euro
By item	**2020**	**2019**
EU funding of research and development (Note 5)	206	113
Provision of services for technical assistance on international projects	1	812
Subsidies for operations and reimbursement of authorities	32	52
Other management income (travel deductions, accident mitigation and prevention incentive, and others)	64	71
Total other operating income	**303**	**1,048**

12.3. Social contributions

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

		Thousand euro
By item	**2020**	**2019**
Social security charged to the Company	4,999	4,978
Other social expenses	3,178	2,001
Total social contributions	**8,177**	**6,979**

12.4. Transactions performed in Currencies other than the Euro

(See note 4.7)

In financial years 2020 and 2019, the Company performed transactions in currencies other than the Euro. The breakdown of the balances and transactions in foreign currencies, measured at the closing and average exchange rates, respectively, is as follows:

	2020		2019	
By item	**In foreign currency (thousand)**	**Thousand euro**	**In foreign currency (thousand)**	**Thousand euro**
Accounts receivable				
US dollars - Treasury	464	378	886	789
Services received				
US dollars – Fixed assets in progress and advance payments, Studies and waste management, Others	464	421	478	431
Pounds sterling – Staff costs - Training	12	13	3,6	4,0
Swiss francs – Studies and waste management, Others	60	56	60	55

12.5. Financial Income and Expenses

The amount of financial income and expenses recognised in the net financial profit (loss) for financial years 2020 and 2019, by class of financial instrument, is as follows:

Financial year 2020 — In thousand euro

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

Financial year 2019 — In thousand euro

By item	Financial income	Financial expenses	Resultados financieros netos
Held-to-maturity investments	145,248	-	145,248
Non-derivative financial assets at fair value	1,742	-	1,742
Interest on derivatives	2,200	(14,682)	(12,482)
Differences through application of fair value to bonds	13,002	(280)	12,722
Differences through application of fair value to derivatives	39,517	(1,966)	37,551
Exchange differences	80	(49)	31
Others	200	(2,734)	(2,534)
TOTAL	**201,989**	**(19,711)**	**182,278**

12.6. Waste management

The main strategic activities and objectives carried out in 2020 for each of the main lines of activity can be summarised as follows:

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

In 2020, Enresa continued to transport this type of waste, both from nuclear power plants and from radioactive installations to the El Cabril Waste Disposal Facility, which has been operating under its usual system, having delivered 266 shipments with a total of 2,374.56 m3 transported.

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

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

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

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

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

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

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

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

As at 31 December 2020, the expense recorded in the profit and loss account for storage amounts to 1,371 thousand euros, which remains pending at year-end and will be paid upon completion of transport.

Based on the above, Enresa began to pay Areva, as from 1st 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 subrogated Hifrensa's obligations under said agreement, had to pay the amount of €49,545.17 per day as from 1st July 2017. As a result of applying certain update indices provided for in the agreement, the amounts to pay in 2020, 2019, 2018 and 2017 were €76,618.14, €76,296.09€, €74,887.03 and €73,044.94 per day respectively. As of 31st December 2020, the accumulated total stood at 96 million euros. The penalties will cease upon the transport of the final shipment of radioactive waste to Spain. At that time, all the amounts paid out will be reimbursed to Enresa and, furthermore, the storage of said waste in France as from 1 October 2015 will be billed to Enresa, which to 2020 has an accrued accumulated amount of 7,046 thousand euros.

In addition, pursuant to the provisions of the General Chart of Accounts, Enresa has discounted, as of 31st December 2020, the flows of the penalties paid until that date, at a discount rate equivalent to the 10-year Spanish State Bond, which resulted in income recorded on the profit and loss account of 2,366 thousand euros. In 2019, given the interest rates at 31st December 2019, a financial expense was recorded of 2,729 thousand euros, which has now partially been reverted by applying the interest rates at 31st December 2020. As a result of this income, the amount of 363 thousand euros is still pending recovery as financial income.

The company Orano Cycle supplied four TN®81 casks acquired to transport high level waste from the reprocessing of spent fuel at Vandellós I nuclear power plant. These casks will transport the waste from France to Spain for its temporary storage. In December 2018, a contract was formalised with Orano for the temporary storage of empty casks in the site in The Hague until its shipment at an accumulated cost of 621 thousand euros as of 31st December 2020.

With regard to the management of spent fuel at Santa María de Garoña NPP, in 2017 the production of five casks for the storage and transport of fuel was completed pending their transfer to the site. In 2018, construction was completed on the Individualised Temporary Storage facility for spent fuel at this power plant. On 1st August 2017, MINETAD issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating authorisation. In May 2020, Enresa presented the revision of the contents of the Individualised Temporary Storage facility, within the framework of the dismantling and decommissioning of the nuclear power plant, with the aim of storing the entire inventory of fuel elements from the plant's pool there.

In 2020, the operations of the Individualised Temporary Storage facility for spent fuel at Trillo NPP continued normally, where 32 DPT casks and 10 ENUN32P casks are located.

Spent fuel operations continue at the Individualised Temporary Storage facility at Ascó NPP and the loading of new HI-STORM 100 systems. By the end of 2020, a total of 22 casks were on the storage slabs. In 2020, the production of 10 additional HI-STORM 100 systems was completed for this nuclear power plant.

An Individualised Temporary Storage facility for spent fuel was started up at the site of Almaraz NPP which, at the end of 2020, stored five metallic ENUN32P casks.

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

On 13th May 2019, Iberdrola received authorisation for the implementation and assembly of the Individualised Temporary Storage facility at Cofrentes NPP. The civil engineering works for its construction began in the second half of this year. In 2020, the construction of the Individualised Temporary Storage facility was completed and it is pending the performance of pre-operational testing and the receipt of its operating authorisation. The performance of the contract to produce five metallic HI-STAR 150 metallic casks for storage and transportation to this power plant continued.

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

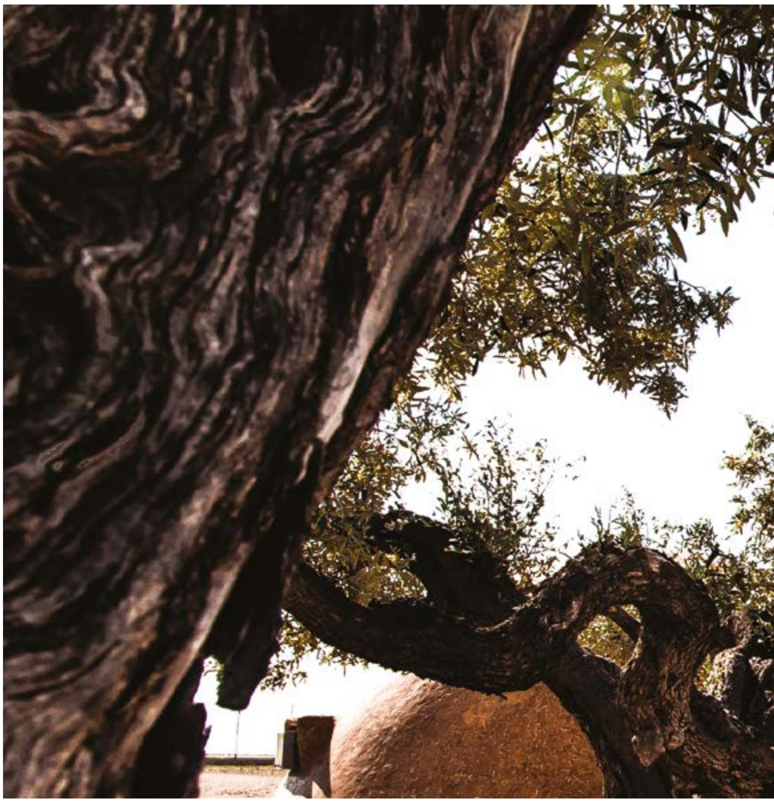
While this remains halted, Enresa continues to work with the aim of guaranteeing the suitable temporary management of spent fuel, according to the provisions of the current Sixth GRWP.

Following the instructions of the State Secretary for Energy, Enresa drafted the Seventh General Radioactive Waste Plan (GRWP). This Plan has begun its processing by the aforesaid State secretary as of 16th March 2020.

The draft Plan provides for the construction of a Centralised Temporary Storage Facility that allows spent fuel and high level waste to be stored generated by the dismantling work on power stations, until its sites are completely freed up in line with the scheduled decommissioning programme contained in the protocol signed in March 2019.

On 29th October 2020, the Directorate-General of Quality and Environmental Evaluation approved the scope of work document for the ordinary strategic environmental evaluation of the Seventh GRWP. Following the scope of work document, Enresa is drawing up a new version of the Plan which will foreseeably be submitted to public consultation in the second half of 2021.

c) Decommissioning of facilities



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

Within the framework of the monitoring and maintenance activities, in the second half of 2020, the facility has undergone its five-yearly testing of the seal of the reactor, the corrosion measures on the frame of the reactor casing, the removal and introduction of test tubes to monitor the level of corrosion of the internal atmosphere of the casing, the inspection of the stoppage changes and the inspection of the protection of the outside of the reactor casing. Preparation works have also continued and sent to the CSN for its approval of the necessary documentation to carry out the potential declassification of part of the material stored on site, with the resulting volume saving at the El Cabril Disposal Facility or to condition it as VLLW.

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

In 2020, the demolition of the evaporator and electrical buildings was completed, along with the demolition of the offices and storage facility 2. The level of progress on the demolition of the auxiliary and containment buildings stood at 90% above the land height (+604), with only the demolition of the structures below this height of +604 pending completion, while the withdrawal of the radiation feature on three of the cavities on storage facility 1 were pending completion. During this time, the conditioning of the spare parts warehouse was completed as a warehouse for declassifiable materials, along with the works on Phase 1 of the excavation and

cleaning of land, and the works corresponding to Phase 2 were commenced. Lastly, in relation to the radiation characterisation of the building floors and site, samples of concrete were taken inside buildings for their declassification and outside soundings were taken to release the site.

As regards the decommissioning of Santa María de Garoña NPP, in 2020 the ministerial department was presented to oversee the documentation required to apply for authorisation of Phase 1 of the decommissioning and transfer of ownership. Furthermore, in relation to the engineering activities, the detailed design of the activities is being developed, both preparatory and for dismantling, in order to implement the works under Phase 1, such as the modifications of auxiliary systems and facilities, Alara studies on the decontamination of systems and the disassembly and reconditioning of the turbine building as an auxiliary dismantling building and, on the other hand, the necessary activities are being carried out to draw up the basic design and prepare the documentation necessary to present the application for Phase 2 of the decommissioning, such as sampling and analysis plans and activation calculations for the radiation characterisation of the site and the modifications to the systems and installations to adapt them to the needs of Phase 2 of the decommissioning.

As regards the definition restoration of Saelices el Chico, different activities and pilot tests have continued to be carried out in 2020 to reduce the generation of acidic water at the site, and to reduce water treatment costs through alternative systems to conventional ones.

d) Research and Development

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

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(SEE NOTE 4.14)

13.1. Related-party Transactions

The breakdown of transactions carried out with related parties in financial years 2020 and 2019, and the balances at 31st December 2020 and 2019, are as follows:

Thousand euro

	2020		2019	
	CIEMAT	SEPI	CIEMAT	SEPI
Asset balances				
Service clients, long-term loans to third parties and other short-term financial assets	6,254	-	6,253	-
Liability balances				
Suppliers	65	-	289	-
Sundry creditors	-	1	-	1
Transactions				
Provision of services	20	-	2	-
Studies, waste management and external services	1,060	9	602	9
Dividends distributed	90	22	89	22

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

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

Enresa and CIEMAT signed an association agreement in 1990 for a term of five years, which was extended to 31st December 2015, the purpose of which was to resolve the problem of Spanish nuclear and radioactive waste management through the research and development of techniques for its treatment whereby all the projects under this agreement come within this area of activity. On 22nd December 2015, a new framework agreement was signed to enter into force on 1st January 2016 for an initial term of four 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 amounts are appropriately formalised and borne and have been transferred to the authorities upon which the body in question depends on the need to find a rapid solution that allows for payment of the amount pending.

The Directors have not carried out, in financial years 2020 and 2019, related-party transactions beyond ordinary operations or those that would not have been carried out under normal market conditions with the Company and group companies.

13.2. Remuneration of the Board of Directors and Senior Management

At the close of financial years 2020 and 2019, the number of members of the Board of Directors was 11 and 12 respectively, of which, on 31st December 2020, 3 were women and 8 were men (3 women and 9 men as of 31st December 2019).

The total amount for remuneration and attendance fees paid to Directors of the Company in 2020 and 2019 was as follows:

Thousand euro

By item	2020	2019
Salaries	173	141
Attendance fees	77	85
Allowances paid through Treasury for Senior Management	22	19
Allowances to be billed by SEPI	9	9
TOTAL	**281**	**254**

As of 31st December 2020 and 2019, no advances or loans had been granted to members of the Board of Directors.

The Company has not paid out any amount in 2020 or 2019 in the form of life and accident insurance in respect of any of the Directors of the Company, in their condition as employees.

The remuneration of Senior Management members of the Company, excluding those who simultaneously held a position on the Board of Directors of the Company in 2020 was 749 thousand euros (689 thousand euros in 2019).

As of 31st December 2020 and 2019, the Company had not granted any loans to members of Senior Management.

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

The Company has contracted a civil liability insurance policy for the governing body with a premium of 10 thousand euros in 2020 (9 thousand euros in 2019).

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

In 2020, and as of the date of preparation of these financial statements, neither the members of the Board of Directors of Enresa nor persons related to them, as defined in Article 231 of the Capital Companies Act, have communicated to other members of the Board of Directors any situation of a direct or indirect conflict of interest with the interests of the Company, other than that declared by a) Carlos Alejaldre Losilla as Managing Director of CIEMAT and Director of the company Sociedad Enusa Industrias Avanzadas, S.A., S.M.E.; b) José Manuel Pérez Morales as Director of the Technology Department of CIEMAT and c) José Manuel Redondo García as Director of the company Sociedad Enusa Industrias Avanzadas, S.A., S.M.E. Both CIEMAT and Enusa Industrias Avanzadas, S.A., S.M.E. carry out complementary activities to those of Enresa.

14. INFORMATION ON THE ENVIRONMENT

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

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

15. OTHER INFORMATION

15.1. Personnel

The average number of employees in 2020 and 2019, distributed by professional category and the number of employees at the close of financial years 2020 and 2019, distributed by professional category and gender, are as follows:

Financial year 2020

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

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

Financial year 2019

CATEGORY	Average number of employees	Employees at 31 December 2019		
		Men	Women	Total
Senior management (*)	6	3	3	6
Graduates	120	61	60	121
Non-graduate technicians	75	62	13	75
Administrative personnel	55	13	41	54
Professionals	64	64	1	65
TOTAL	**320**	**203**	**118**	**321**

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

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

SEPE authorised Enresa, in this ruling, to adopt the alternative measures, consisting of the formalisation of a contract for the provision of general services with a Special Employment Centre (CEE), which seeks to train and employ persons with disabilities. These services are provided by seven persons with disabilities. The CEE received from Enresa, for the provision of its services in 2020, an amount billed for 85,353.36 euros, according to the invoicing certificate issued (89,754.27 euros in 2019).

15.2. Audit Fees

The external auditor of the 2020 and 2019 Financial Statements and Directors' Report of Enresa was Mazars Auditores S.L.P.

The amount of the fees paid for these services in 2020 and 2019 was 27 thousand euros for each financial year. These fees include the issue of the Report on the Situation of Temporary Financial Investments included in the technical specifications of the public tender.

16. FINANCIAL GUARANTEES

In financial years 2020 and 2019, the item of "Guarantees for financial operations" primarily includes those guarantees provided by Enresa for the amounts of 396 and 1,008 thousand euros to ensure its commitments to third parties. The Directors of the Company consider that, as a result of these guarantees, no liabilities will be incurred that should be provisioned at the close of financial year 2020.

17. EVENTS AFTER CLOSING THE YEAR

Subsequent to the close of the financial year at 31st December 2020, and prior to the preparation of these financial statements, no event has taken place that could significantly affect these statements except those mentioned below.

On 30th January 2021, Royal Decree 1/2021, dated 12th January, was published, amending the General Chart of Accounts approved by Royal Decree 1514/2007, dated 16th November.

The new General Chart of Accounts, in force since 1st January 2021, primarily seeks to introduce the necessary changes to adapt the ninth recognition and measurement standard "Financial instruments" and the fourteenth recognition and measurement standard "Income from sales and the provision of services" to IFRS 9 EU and IFRS 15 EU respectively.

The Company management has begun to analyse the impact of the new General Chart of Accounts, which should not have a major impact on the financial statements.

DIRECTOR´S REPORT

A. INTRODUCTION AND MANAGEMENT SUMMARY

Enresa's activities in financial year 2020 were framed within the Sixth General Radioactive Waste Plan (6th GRWP) approved by the Government in June 2006, and the latest update sent by the Ministry for Ecological Transition and Demographic Challenge (MITECO), of the "Updated Economic-Financial Study of the Cost of the Activities Covered in the Sixth General Radioactive Waste Plan", in accordance with Article 10 of Royal Decree 102/2014, dated 21st February, on the responsible and safe management of spent nuclear fuel and radioactive waste. In March 2020, Enresa presented the State Secretary for Energy with the draft Seventh General Radioactive Waste Plan (7th GRWP).

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

- The Nuclear Energy Act 25/1964 and the Electricity Sector Act 54/1997, amended by Law 11/2009, dated 26th 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, whereby Enresa is the instrumental legal entity 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, dated 21st February, on the responsible and safe management of spent nuclear fuel and radioactive waste, regulating the management of radioactive waste arising from civil activities, in all phases, from generation to final disposal, for the purposes of avoiding the imposition of undue burdens on future generations, and the regulation of some aspects relating to the financing of these activities.

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

waste other than SNF.

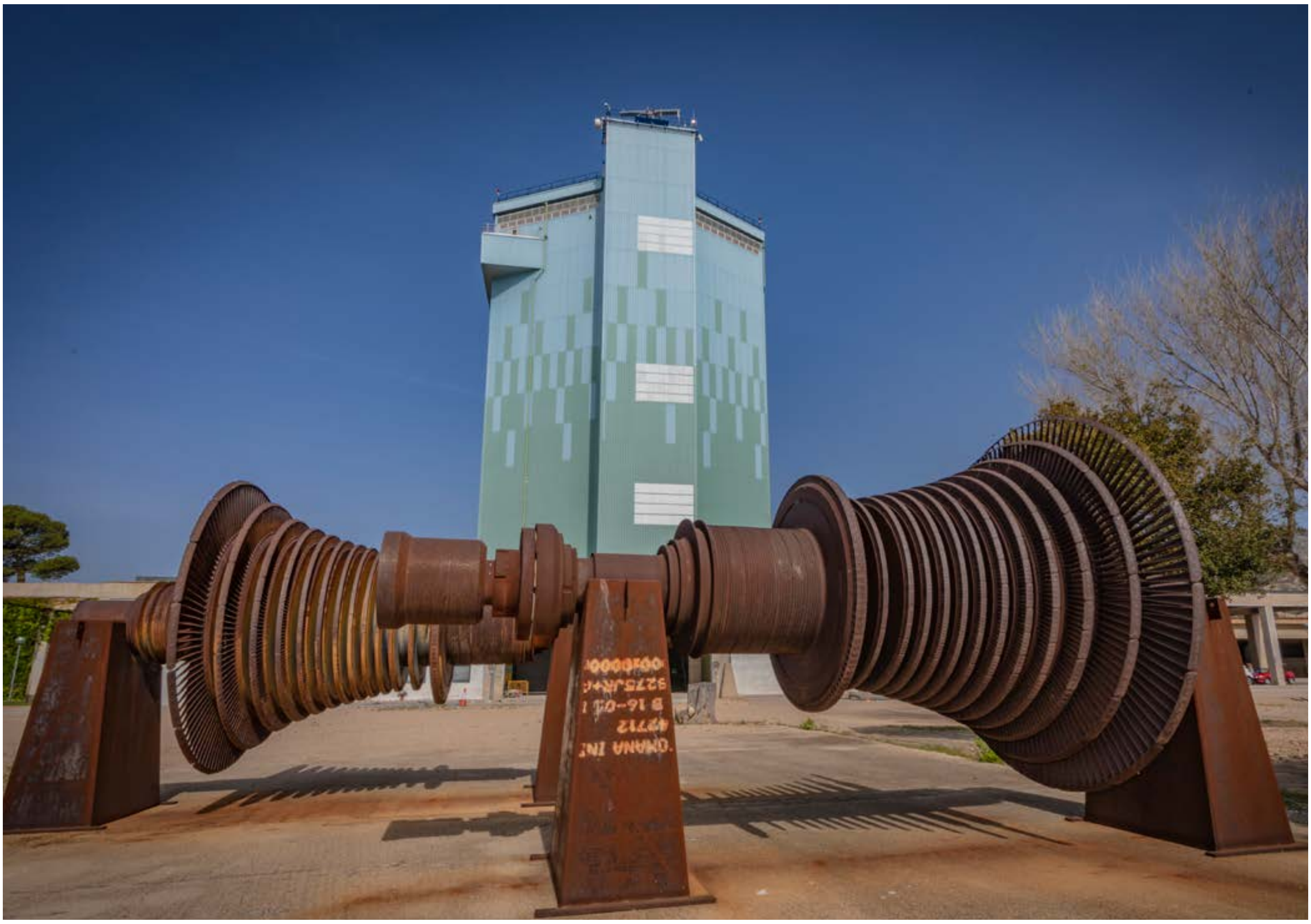
- Order IET/458/2015, dated 11th March, regulating the allocations to local authorities in the vicinity of nuclear power plants, charged to the Fund for the financing of the activities of the General Radioactive Waste Plan.

- The Public Sector Contracts Act 9/2017, dated 8th November, amends, in its Eleventh Final Provision, the First Final Provision of the General Taxation Act 58/2003, dated 17th December, redefining the tax on the financing of the activities of the General Radioactive Waste Plan as fiscal obligations of an untaxed public nature.

- Royal Decree 750/2019, dated 27th December, amends the unit fixed rate of fiscal obligations of an untaxed public nature through which the service of Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., (Enresa) at operating nuclear power plants is financed.

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

Over the course of 2020, both the ministerial department responsible and the State Industrial Holdings Company (SPEI) have continued to carry out budgetary monitoring of the Annual Operating Programme and Long-Term Plan (POA-PL) in accordance with the Company's management objectives.



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

In accordance with the instructions from the State Secretariat for Energy, the ministerial department responsible was sent the Seventh General Radioactive Waste Plan in March 2020, which includes the definition of the strategy for the treatment of high level waste.

On 29th October 2020, the resolution of the Directorate-General of Environmental Quality and Evaluation was received, formulating the document of scope for the strategic environmental evaluation of the Seventh General Radioactive Waste Plan by virtue of Article 19 of the Environmental Evaluation Act 21/2013, dated 9th December.

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

In order to comply with the missions and meet the targets established in the corresponding strategic and operating plans, the Company has employed an average workforce throughout the year of 318.89 employees, with 319 employees as of 31st December 2020, of which 185 were employed at its headquarters in Madrid, 114 at the El Cabril Waste Disposal Facility (Cordoba), 6 at the Vandellós I nuclear power plant (Tarragona), 12 at the José Cabrera nuclear power plant (Guadalajara) and 2 at the Centralised Temporary Storage facility at Villar de Cañas (Cuenca).

In terms of the global health crisis caused by COVID-19, this amounted to an exceptional situation that has affected the whole of society and economic activities in general, although its effects have not been homogenous in all sectors.

In the case of Enresa, the pandemic has not had a significant effect on the Company's activities or a major economic impact. The state of emergency decreed by the Government of Spain on 14th March, and successively extended until 21st June, led to the implementation of contingency plans to protect personal health, but once the de-escalation phases began and then with the end of the state of emergency, Enresa resumed its full activity in an orderly fashion after introducing the necessary protection measures at its facilities.

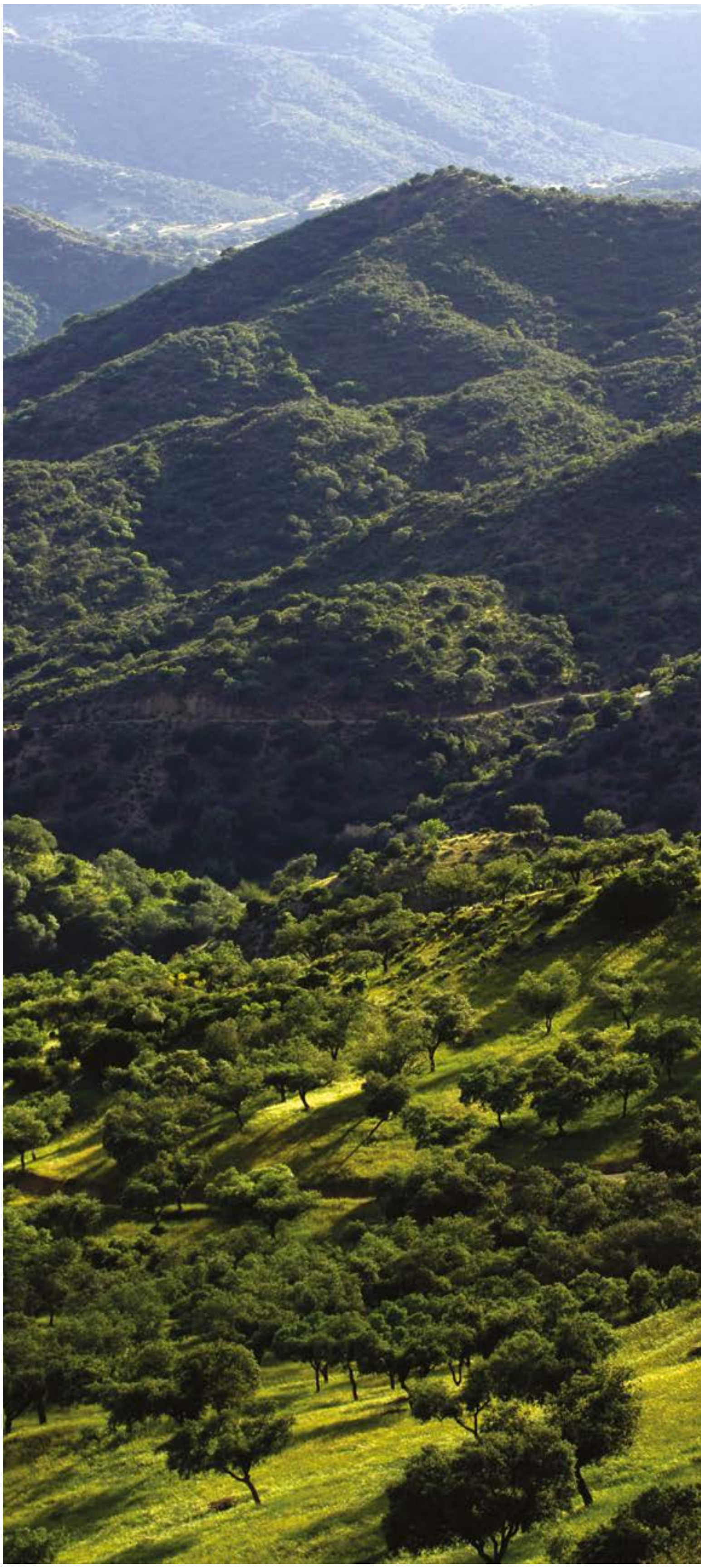
The technical actions and main economic-financial aspects of its management are summarised below, together with the most significant figures for the year.

B. MAIN STRATEGIC ACTIONS AND OBJECTIVES IN 2020

- Collection and transport of very low-level waste (VLLW) and low and intermediate level waste (LILW) from production centres – nuclear power plants (NPPs) and radioactive facilities (RFs) - to El Cabril Waste Disposal Facility.
- Actions to minimise the generation of VLLW/LILW and their volume, in order to optimise the use of disposal cells.
- Operation of El Cabril Waste Disposal facility (characterisation, treatment, conditioning and storage of waste) and improvement of its capacities and systems.
- Operation of the complementary facility for the disposal of very low-level waste (VLLW) at El Cabril Waste Disposal Facility.
- Analysis of the need for casks to manage spent fuel from nuclear power plants (NPPs).
- Operation of Individualised Temporary Storage (ITS) of spent fuel (SF) and special waste (SW) at José Cabrera NPP (Guadalajara).
- Operation of ITS for spent fuel at Ascó NPP (Tarragona).
- Operation of ITS for spent fuel at Trillo NPP (Guadalajara).
- Operation of ITS for spent fuel at Almaraz NPP (Caceres).
- Completion of construction of ITS at site of Cofrentes NPP (Valencia).
- Completion of works to enlarge storage capacity for spent fuel in the pool due to reracking at Vandellós II NPP (Tarragona).
- Monitoring and maintenance of latency at Vandellós I nuclear power plant (Tarragona).
- Programmed activities in the Decommissioning Plan of José Cabrera nuclear power plant (Guadalajara).
- Preparatory activities for decommissioning and management of spent fuel at Sta. María de Garoña NPP.
- Studies for the optimising of the decommissioning in collaboration with the NPPs to draw up the initial decommissioning plans in accordance with the instructions from the Nuclear Safety Council (CSN).
- Monitoring of old uranium mine sites in the province of Salamanca.
- Monitoring, control and maintenance of old concentrated uranium mill factory sites in

Andújar (Jaen) and La Haba (Badajoz), now decommissioned and restored.

- Monitoring and maintenance of the Definitive Restoration project at Saelices el Chico (Salamanca).
- Management of lightning arrester heads (ad hoc activities in a formally finalised process).
- Management of other materials not in the regulatory system.
- Special interventions deriving from the application of the Protocol for the Radiological Surveillance of Metallic Materials.
- Support for the National Civil Protection System and the security services.
- Projects relating to the R&D Plan for the period 2019-2023.
- Management of Structural Aspects (maintenance of company headquarters; IT management and quality and environmental systems; communication and external relations, logistical services and support, etc.).
- Management of the Fund for financing the activities of the GRWP, complying with the principles of safety, profitability and liquidity.



C. **MISSION, VISION** AND **VALUES** OF ENRESA

C.1. MISSION

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

C.2. VISION

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

C.3. VALUES

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

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

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

D. **TECHNICAL** ACTIVITIES

The main technical projects and activities in which Enresa was engaged in 2020, for each of the main lines into which its management is divided, in accordance with that 6th GRWP approved by the Government in June 2006 are set out below.

D.1. MANAGEMENT OF LOW AND INTERMEDIATE LEVEL WASTE

In 2020, all stages of the management of this type of waste were carried out without incident: characterisation, collection, transport, treatment, conditioning and disposal, with the installation of the solid radioactive waste disposal facility at Sierra Alabarrana (El Cabril, Cordoba) as its fundamental element.

A total of 266 shipments (227 from nuclear power plants and 39 from radioactive facilities) with a volume of 2,374.56 m³ of waste, mainly corresponding to very low level waste (around 80%), primarily from the José Cabrera nuclear power plant. The rest corresponds to low and intermediate level waste generated primarily by nuclear power plants and the decommissioning of José Cabrera NPP.

Approximately 10% of all shipments corresponds to the removal of waste from radioactive facilities (hospitals, industrial facilities, research centres, etc.) and from other facilitates not regulated within the frameworks of action established by the “Megaport” protocols on the radiation monitoring of metallic materials. The total volume of waste delivered to El Cabril amounts to 97.21 m³; of which 88.21 m³ correspond to PIMIC Rehabilitación.

Within the scope of non-nuclear facilities, in 2020, in accordance with the provisions of Article 11 of Royal Decree 102/2014, dated 21st February, 18 waste producers signed up to the “technical administrative specifications for the acceptance of waste”, as required therein, as a preliminary measure prior to the provision of services to Enresa. As of 31st December 2020, the total number of active subscribers of these specifications was 927.

El Cabril Waste Disposal Facility operated normally throughout the year, occupying 90 positions in disposal vaults (CE-2a concrete casks with 1,062 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 19,397 m³ (2,013.96 m³ stored over the course of 2020).

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D.2. SPENT FUEL AND HIGH-LEVEL WASTE MANAGEMENT

The activities in this management area were primarily geared towards the manufacture of casks, the operation of the Individualised Temporary Storage (ITS) facilities for spent fuel at the Trillo, José Cabrera, Ascó and Almaraz nuclear power plants, and the completion of the construction of the ITS at Cofrentes nuclear power plant. The construction of the ITS at Santa María de Garoña NPP has been completed awaiting pre-operational testing.

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

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

Following the instructions of the State Secretariat for Energy, Enresa drew up the draft seventh General Radioactive Waste Plan (GRWP). This State secretariat began to process the plan on 16th March 2020.

This draft plan provides for the construction of a Centralised Temporary Storage (CTS) facility to store spent fuel and high-level waste generated in the decommissioning tasks of the power plants, until the sites are completely free of this waste, in line with their scheduled closure as contained in the protocol signed in March 2019.

On 29th October 2020, the Directorate-General for Environmental Quality and Evaluation approved the document of scope for the ordinary strategic environmental impact of the new version of the Plan which will foresseably be subject to a public consultation in the second half of 2021.

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

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

Trillo NPP: the supply of metal casks has continued for the operation of the ITS. A review was carried out of their contents to 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 ENUN32P on site. In 2020, the supply of 10 additional ENUN32P casks was contracted for this ITS.

José Cabrera NPP: with regard to the management of spent fuel at 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 packaging loaded with spent fuel from the plant, and 4 HI-SAFE systems loaded with the special waste resulting from the internal segmentation of the vessel.

Ascó NPP: operations continue at the Individualised Temporary Storage facility at Ascó NPP, including the loading of new HI-STORM 100 casks. 2020 ended with a total of 22 casks on the storage slabs. In 2020, the manufacture of 10 additional HI-STORM 100 systems was completed for the Ascó NPP.

Almaraz NPP: an Individualised Temporary Storage has been started up on the site of the NPP. In addition, a cask has also been delivered to the NPP which is pending loading. At the end of 2020, five ENUN32P metallic casks were stored at the plant. In 2020, the supply of 14 additional ENUN32P casks was contracted to provide a service at this ITS.

Santa María de Garoña NPP: the construction of an ITS was concluded in 2018, pending the necessary tests for its start-up. There are 5 metallic ENUN52B casks pending transportation to the site. On 1st August 2017, the Ministry of Energy, Tourism and Digital Agenda issued Ministerial Order ETU/754/2017, rejecting the renewal of the operating permit. In May 2020, Enresa presented the revision of the content of the ITS, within the framework of the decommissioning and closure plan of NPPs, with the aim of storing the entire inventory of fuel elements from the plant's pool there. In 2020, the supply of 44 ENUN52B casks was contracted to this end.

Cofrentes NPP: on 13th May 2019, Iberdrola received authorisation for the implementation and assembly of the ITS at Cofrentes NPP. The civil works for its construction began in the second half of the year and were completed in 2020. At present, the ITS is pending the performance of pre-operational tests and the reception of the operating permit. In 2020, the performance of the contract for the manufacture of five metallic HI-STAR150 casks has continued for storage and transportation to the power plant.

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

D.3. CLOSURE OF FACILITIES

In 2020, Enresa's work to decommission and close nuclear facilities included the projects on José Cabrera, Vandellós I and Santa María de Garoña NPPs, along with the monitoring and maintenance of the definitive restoration project of Saelices el Chico (Salamanca) and other nuclear fuel cycle facilities.

In terms of the decommissioning of José Cabrera NPP, the demolition of the evaporator and electricity buildings, offices and storage facility 2 was completed. The level of progress on the demolition of the auxiliary and containment buildings stood at 90% above the land height (+604), with only the demolition of the structures below this height of +604 pending completion, while the withdrawal of the radiation feature on three of the cavities on storage facility 1 were pending completion. During this time, the conditioning of the spare parts warehouse was completed as a warehouse for declassifiable materials, along with the works on Phase 1 of the excavation and cleaning of land, and the works corresponding to Phase 2 were commenced. Lastly, in relation to the radiation characterisation of the building floors and site, samples of concrete were taken inside buildings for their declassification and outside soundings were taken to release the site.

As regards the decommissioning of Santa María de Garoña NPP, in 2020 the ministerial department was presented to oversee the documentation required to apply for authorisation of Phase 1 of the decommissioning and transfer of ownership. Furthermore, in relation to the engineering activities, the detailed design of the activities is being developed, both preparatory and for dismantling, in order to implement the works under Phase 1, such as the modifications of auxiliary systems and facilities, Alara studies on the decontamination of systems and the disassembly and reconditioning of the turbine building as an auxiliary dismantling building and, on the other hand, the necessary activities are being carried out to draw up the basic design and prepare the documentation necessary to present the application for Phase 2 of the decommissioning, such as sampling and analysis plans and activation calculations for the radiation characterisation of the site and the modifications to the systems and installations to adapt them to the needs of Phase 2 of the decommissioning. Within the framework of the preparatory decommissioning work, the documentation necessary has been prepared to use the Vircore platform as a digital management system for the project, the radiation characterisation has been implemented and the removal of asbestos has begun from the turbine house, part of the design modifications required for the reconfiguration of the spent fuel pool systems has been implemented and those systems not required have been decommissioned, the update of the 3D model of the facility and the database of physical and radiation inventory has continued and, in relation to the use of certain storage facilities to house declassifiable materials, this has been emptied and presented to the CSN for approval of the necessary documentation (Revision of the Radioactive Waste Management Plan for Closures and Design Modification of Storage Facilities).

As regards Vandellós I NPP, within the framework of the monitoring and maintenance activities, in the second half of 2020, the facility has undergone its five-yearly testing process, consisting of testing the seal of the reactor casing, the corrosion measures on the frame of the reactor casing, the removal and introduction of test tubes to monitor the level of corrosion of the internal atmosphere of the casing, the inspection of the stoppage changes and the inspection of the protection of the outside of the reactor casing. Preparatory works have also continued, and the necessary documentation to carry out the potential declassification of part of the material stored on site was sent to the CSN for its approval, with the resulting volume saving at El Cabril Waste Disposal Facility and to condition it as VLLW.

As regards the definition restoration of Saelices el Chico, different activities and pilot tests have continued to be carried out in 2020 to reduce the generation of acidic water at the site, and to reduce water treatment costs through alternative systems to conventional ones. In this regard, 47,720 tonnes of Technosol were manufactured by December 2020, of which 45,270 tonnes have been laid on a surface area of 51.12 hectares, with the aim of assessing its suitability to reduce the production of acidic water on a large scale. Furthermore, in terms of the acidic water generated, 452,403 m3 have been treated over the course of the year. Lastly, the adaptation of the perimeter fencing of the site has been adapted, which has been 45% completed in this period, amounting to a length of some 5.5 km.

Monitoring and maintenance activities have also been carried out on all estored concentrated uranium mining/manufacturing sites in the compliance phase (Elefante plant and restored mining sites at Saelices El Chico, Mina 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).

D.4. ENVIRONMENTAL MONITORING

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

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

E. RESEARCH AND DEVELOPMENT

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

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

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

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

In terms of international activity, Enresa participates in several Euratom projects, in the Horizon 2020 (H2020) framework programme and in other projects related to the Grimsel (granite) and Mont Terri (clay) underground laboratories, both in Switzerland. Enresa also participates in working groups and collaboration projects of NEA-OECD and IAEA.

Enresa actively participates in the development of the following Horizon 2020 projects: BEACON (2017-2022); the EURAD programme (2019-2024), in which it participates in five of the 13 projects (known internally as work packages, WP), WP ACED, WP DONUT, WP HITEC, WP SFC, and WP UMAN; SHARE (2019-2021); PREDIS (2020- 2024), Inno4Graph (2020-2023) and PLEIADES (2020-2023). A second group of projects exists where Enresa only participates in the evaluation and support activities under the specific group known as the “End Users Group”, which are CHANCE (2017-2021), INSIDER (2017-2021) and DISCO (2017-2021).

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

Enresa is a member of three R&D platforms, two of a national scope: CEIDEN - the platform for nuclear energy fission, and PEPRI - the platform for R&D on radiation protection; and the European platform IGD-TP, on R&D for final management of radioactive waste in deep geological storage facilities. Enresa, along with another 11 national agencies/ministerial departments, is a member of the Executive Group, which is the platform's decision-making body.

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

F. **OTHER** ACTIVITIES

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

- Management of radioactive lightning arresters. In 2020, 38 lightning arrester heads were removed and 21 new requests to remove radioactive lightning arrester heads received.

- Enresa has taken part in different courses on managing radioactive waste, on obtaining a licence to oversee radioactive facilities, on qualifying as a radiation protection officer and for other ends. All of these were organised by such institutions as CIEMAT and the Higher Technical School of Industrial Engineers of the Technical University of Madrid, aimed at either the public in general or specifically at new staff at the Nuclear Safety Council.

- Activities associated with the protocol for action in the event of the detection of unannounced movements or the illegal traffic of radioactive material at general interest ports (Megaport), signed on 15 June 2010 continued over the year, although no training activities or classroom/field exercises were carried out.

- Within the framework of the radiation monitoring of metallic materials protocol, the Radiation Protection Technical Unit (UTPR) took part in two basic courses with a total of 52 attendees: a technical group meeting under the protocol, in a workshop organised by the Spanish Federation for Recovery and Recycling on the new royal decree on the control and recovery of orphan radioactive sources and in a seminar on orphan sources organised by the Spanish Society for Radiation Protection with a paper entitled “Detection of Orphan Sources. Enresa's Management”.

- Enresa maintained its operational support to the competent authorities (Civil Protection and CSN), for responses in the event of radiation emergencies and participated in training related to the activities of the State law enforcement agencies in the event of a radiation emergency and accidents in the transportation of radioactive material.

- Enresa staff have taken part in various simulations of emergency plans inside Enresa facilities as an external support centre, from the Emergency Response Centre at the Enresa headquarters.

G. ECECONOMIC AND FINANCIAL ASPECTS

G.1. MAIN ECONOMIC-FINANCIAL PARAMETERS

The net turnover for financial year 2018 was 468,626 thousand euros (393,040 thousand euros in 2019), while the net financial profit of the management of the Fund Portfolio for this financial year was 176,881 thousand euros (182,278 thousand euros in 2019). This profit includes the part corresponding to the application of the fair value of certain financial instruments which, even though Enresa has the intention and the capacity to maintain them to maturity, the General Chart of Accounts does not allow for them to be classified as such and obliges them to be recorded at fair value, with the result that market volatility has to be recorded for accounting purposes. Furthermore, in 2020, Enresa obtained an operating profit of 322,666 thousand euros (239,943 thousand euros in 2019) and made total investments of 17,196 thousand euros without including investment in R&D.

The average payment period to suppliers in 2020 was 11.79 days. The Company, as a member of the European System of National Accounts (ESA-2010), is considered, for the purposes of calculating the average payment period to suppliers, to be a public authority, as provided for in Article 2.1 of the Budget Stability and Financial Sustainability Act 2/2012, dated 27th April, which limits the subjective scope of application of Royal Decree 1040/2017, dated 22nd December, amending Royal Decree 635/2014, dated 25th July, developing the methodology for the calculation of the average payment period to suppliers by public authorities and the conditions and procedure to withhold resources under financing regimes.

The Fund for financing the activities of the GRWP amounted to 6,596,098 thousand euros at the end of 2020.

The cumulative performance of the total portfolio in 2020 amounted to 2.61% as at 31 December. Enresa continued to manage the portfolio of temporary financial investments of the Fund for the financing of the activities of the GRWP in accordance with the principles of security, profitability and liquidity.

G.2. MANAGEMENT OF FINANCIAL INVESTMENTS

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

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

These investments include fixed 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 may not be segregated.

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

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, dated 21st February, on the responsible and safe management of spent nuclear fuel and radioactive waste, are directly associated with specific investment operations, with the swap agreement serving to hedge the positions of the GRWP as part of its risk management and the financing model established therein.

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

Financial assets at fair value with changes in the profit and loss account are measured at fair value, with the result of the variations in said fair value recorded in the profit and loss account. Derivatives are measured at fair value, with those that hold a positive fair value at 31st December 2020 recorded as financial assets.

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

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

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

In 2020, the Company has estimated that there is no impairment to any active financial instrument, whether measured at amortised cost or at fair value, and it considers that no reasonable doubts exist regarding the repayment capacity of the assets by the issuers, which hold the appropriate credit rating, in accordance with the Company's investment policy.

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

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

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

c) Other debentures and bonds: they include a diverse range of financial assets from different issuers in different sectors, both national and international and of different types. The carrying value and face value of this class of assets are 1,096,057 and 1,014,953 thousand euros in 2020.

d) Other short-term assets: they include financial assets, deposits and others, issued by financial institutions. No assets of this type existed as at 31st December 2020.

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

a) Security:

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

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

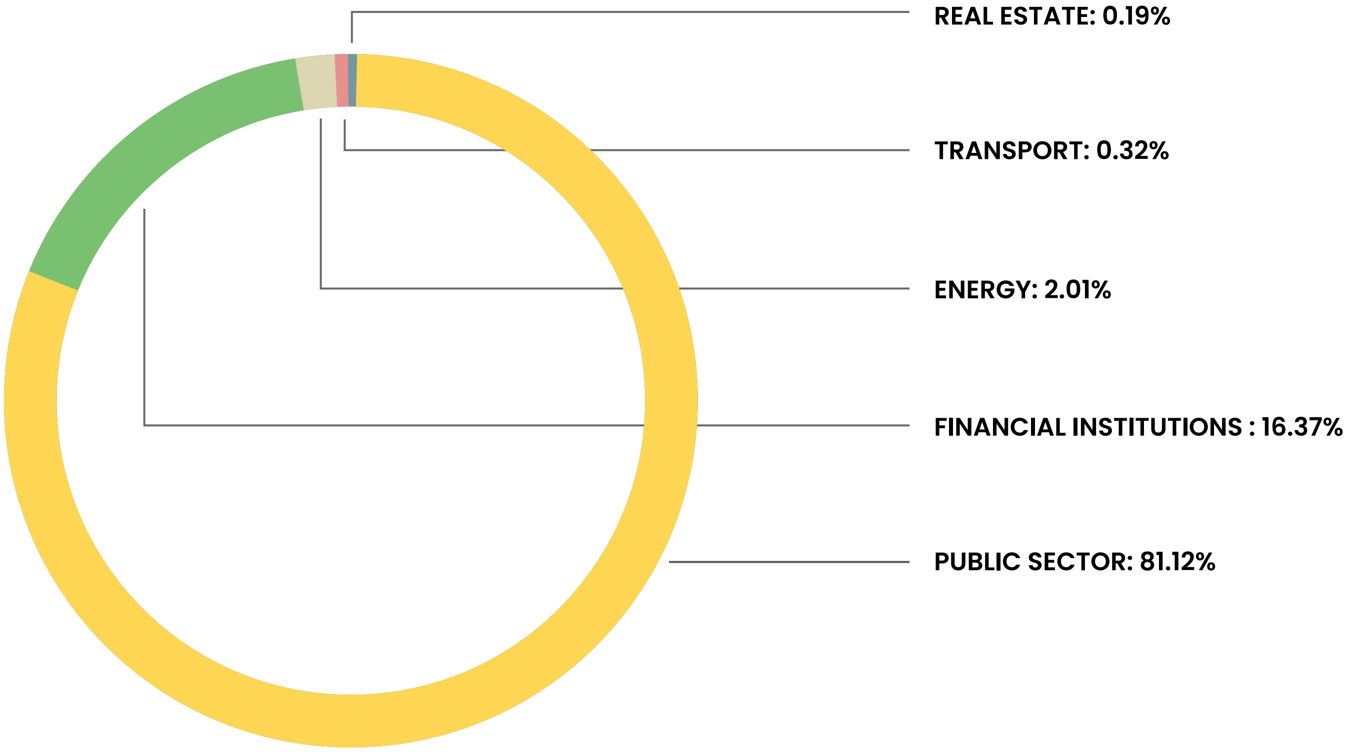
b) Profitability:

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

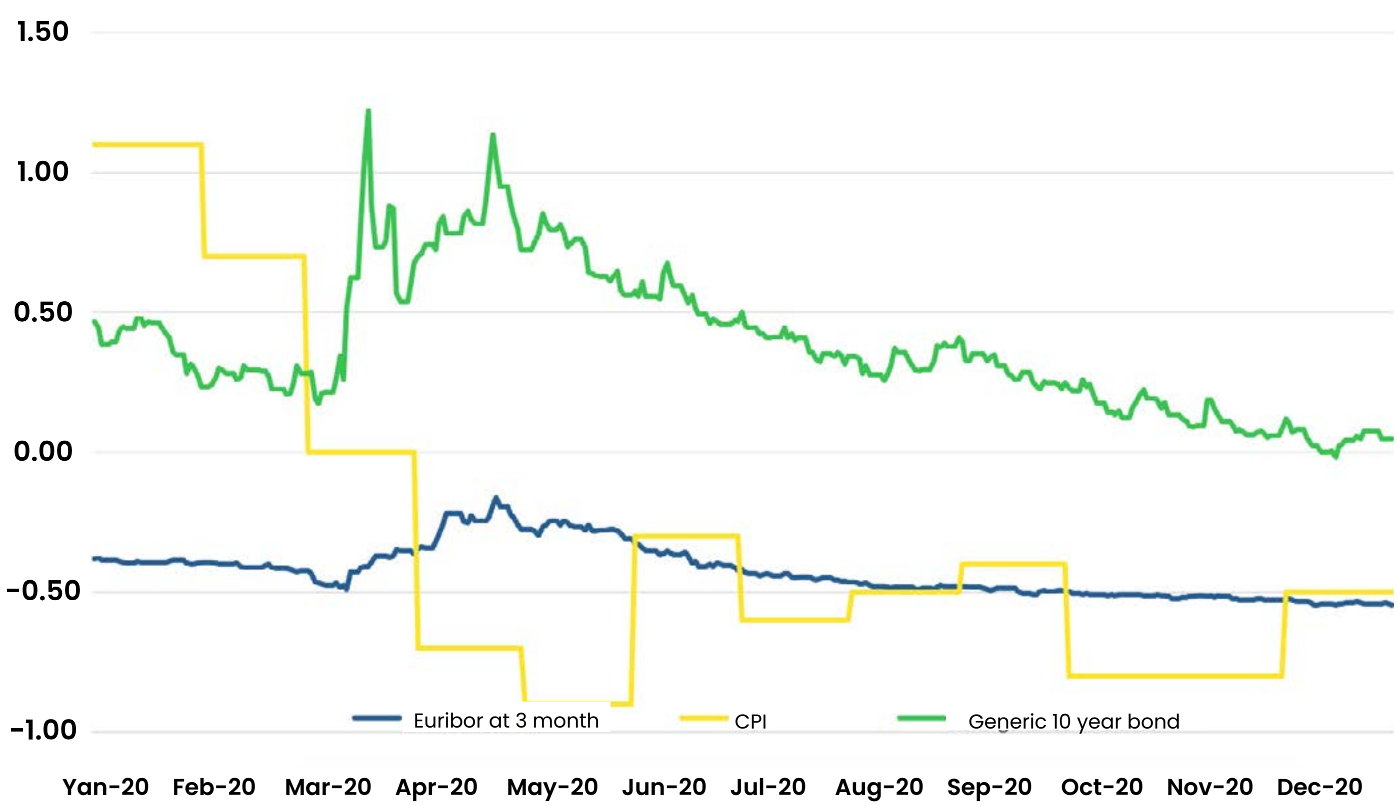
c) Liquidity:

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

PORTFOLIO STRUCTURE BY SECTOR



GENERIC 10 A – 3-MONTH RATE - CPI



H. PERSONNEL

The average number of employees in 2020, distributed by professional category and the number of employees at the close of the financial year distributed by professional category and sex, was as follows::

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

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

SEPE authorised Enresa, in this ruling, to adopt the alternative measures, consisting of the formalisation of a contract for the provision of general services with a Special Employment Centre (CEE), which seeks to train and employ persons with disabilities. These services are provided by seven persons with disabilities. The CEE received from Enresa, for the provision of its services in 2020, an amount billed for 85,353.36 euros, according to the invoicing certificate issued (89,754.27 euros in 2019).

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

I. **OWN** SHARES

For the purposes of the Own Shares Act 19/1989, dated 25th July, Enresa does not hold won shares as of 31st December 2020, nor has it made any acquisition or disposal of own shares, whether directly or indirectly, through its subsidiaries.

J. EVENTS **AFTER** YEAR CLOSE

Subsequent to the close of the financial year on 31st December 2020, and prior to the preparation of these financial statements, no event has taken place that could significantly affect these statements except those mentioned below.

On 30th January 2021, Royal Decree 1/2021, dated 12th January, was published, amending the General Chart of Accounts approved by Royal Decree 1514/2007, dated 16th November.

The new General Chart of Accounts, in force since 1st January 2021, primarily seeks to introduce the necessary changes to adapt the ninth recognition and measurement standard "Financial instruments" and the fourteenth recognition and measurement standard "Income from sales and the provision of services" to IFRS 9 EU and IFRS 15 EU respectively.

The Company management has begun to analyse the impact of the new General Chart of Accounts, which, from the initial estimates made, should not have a major impact on the financial statements.


CENTRAL NUCLEA
OSE CABRERA


OSE CABRERA

FINANCIAL **STATEMENTS**

DIRECTORS´ **REPORT**

GOBIERNO
DE ESPAÑA

VICEPRESIDENCIA
CUARTA DEL GOBIERNO

MINISTERIO
PARA LA TRANSICIÓN ECOLÓGICA
Y EL RETO DEMOGRÁFICO

enresa