

Supplier and contractor purchase commitments

The Group has payment commitments vis-à-vis its suppliers, in addition to those recognised in the trade payables heading, as a result of orders in the preparation or construction phase that cannot be invoiced until the contractual milestones are reached. In this respect, the invoices to customers of the Group are issued in accordance with contractual milestones of a similar nature to those that the Group maintains with its suppliers.

Information on the average period of payment to suppliers. Third Additional Provision. “Reporting obligations” under Spanish Law 15/2010, of 5 July. (Under the new wording given by final provision two of Spanish Law 31/2014 reforming the Spanish Corporate Enterprises Act (*Ley 31/2014 de reforma de la Ley de Sociedades de Capital*))

As established by the reference law, as well as the resolution of the Spanish Accounting and Account Auditing Institute of 29 January 2016, the following information is broken down in reference to the average period of payment to suppliers

| | | | 2018 | 2017 |
|-------------------------------------|--|--|--------------------|-----------|
| | | | Days | Days |
| Average payment period to suppliers | | | 70 | 74 |
| Ratio of transactions paid | | | 65 | 73 |
| Ratio of transactions payable | | | 100 | 75 |
| | | | | |
| | | | Thousands of euros | |
| Total payments made | | | 3,682,087 | 1.263.261 |
| Total payments pending | | | 696.708 | 268.182 |

The Group is complying with the legally established deadlines with some minor delays due to invoices that are not officially compliant under the agreement, failure to receive guarantees or meet other obligations of suppliers under the service agreement or order signed. In view of this there may be a slight delay in payment.

The calculation of the data of the above table was performed in accordance with the Spanish Accounting and Account Auditing Institute resolution of 29 January 2016. For the purposes of this note, the trade payables item includes the heading of suppliers and sundry payables for debts to goods suppliers or service providers included in the scope of the regulation on legal payment deadlines.

For the calculation of the information contained in this note, the transactions executed with the Group’s suppliers has been considered after eliminating the reciprocal credits and debits of the subsidiaries and, as applicable, those of the multi-group companies pursuant to the applicable consolidation rules.

The above table only includes the information corresponding to the Spanish entities included in the consolidated group.