

INFORMATION MEMORANDUM



AENA S.M.E., S.A.

(incorporated with limited liability in Spain)

EUR 900,000,000 Euro-Commercial Paper Programme

This document (together with the information incorporated by reference, the "**Information Memorandum**") constitutes a base prospectus (*folleto de base*) as that term is understood in Spanish law for the purposes of Royal Decree 1310/2005, of 4 November 2005 and Order EHA 3537/2005, of 10 November 2005, ("**RD 1310/2005**"). However, this Information Memorandum does not constitute a prospectus for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of the EU of 14 June 2017 (the "**Prospectus Regulation**"). This Information Memorandum has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") in its capacity as competent authority under the Restated Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October (*el Texto Refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) for the purpose of giving information with regard to the issue of notes ("**Notes**") issued under the Euro Commercial Paper Programme (the "**Programme**") described in this Information Memorandum during the period of twelve months after the date hereof. In accordance with Royal Decree 1310/2005, this Information Memorandum has been drafted in accordance with the models set forth in Annexes VII and XV of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 ("**CDR 2019/980**"). The CNMV has only approved this Information Memorandum as meeting the standards of completeness, comprehensibility and consistency imposed by RD 1310/2005, and such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Information Memorandum. Investors should make their own assessment as to the suitability of investing in the Notes. This Information Memorandum is valid for a period of twelve months from the date of approval. Application will be made for Notes issued under the Programme within twelve months of the date hereof to trading on the Spanish AIAF Fixed Income Securities Market (*AIAF Mercado de Renta Fija*) ("**AIAF**"). AIAF is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**").

The Issuer has been assigned a short-term credit rating of F1 by Fitch Ratings España, S.A.U. ("**Fitch**").

Fitch is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.

Arranger

SANTANDER CORPORATE AND INVESTMENT BANKING

Dealers

CRÉDIT AGRICOLE CIB

ING

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

30 October 2019

IMPORTANT NOTICES

Responsibility for this Information Memorandum

Aena S.M.E., S.A. (the "**Issuer**" and together with its consolidated subsidiaries the "**Group**") accepts responsibility for the information contained in this Information Memorandum and any Complementary Certifications (as defined below) and declares that, to the best of its knowledge, the information contained in this Information Memorandum is in accordance with the facts and makes no omission likely to affect its import.

Complementary Certifications

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as supplemented by *certificaciones complementarias* filed with the CNMV using its electronic platform (the "**Complementary Certifications**").

In respect of each issue of Notes, the Complementary Certifications will set out the issue date, the maturity date, the minimum denomination, the total number of Notes issued and the ISIN.

The main terms of each Tranche of Notes (including the ISIN and the maturity date) will be on display on the website of AIAF (www.aiaf.es).

Other relevant information

This Information Memorandum must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Complementary Certifications, must be read and construed together with the relevant Complementary Certifications.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Information Memorandum contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Information Memorandum does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and the offering and sale of the Notes) not misleading; and that all proper enquiries have been made to verify the foregoing.

Neither this Information Memorandum nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealers that any recipient of this Information Memorandum or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Notes and of the Programme as it deems necessary and must base any investment decision upon such independent assessment and investigation and not on this Information Memorandum (which only contains a summarised description of the current activities of the Issuer). None of the Dealers undertakes to review the business, financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Information Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Information

Memorandum or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Information Memorandum has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Information Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Notes in bearer form are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States any any other jurisdiction.

This Information Memorandum does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Information Memorandum should subscribe for or purchase any Notes. Each recipient of this Information Memorandum shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Product Governance under Directive 2014/65/EU (as amended)/Professional investors and ECPs only target market

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 900,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Certain definitions

In this Information Memorandum, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued.

Financial Information

This Information Memorandum contains information as at 30 June 2019 from the 2019 Half Year Financial Information (as this term is defined later in this document) and as at 30 September 2019 from the 2019 Third Quarter Financial Information (as this term is defined later in this document). The 2019 Half Year Financial Information has been subject to the auditors' limited review and its content is more extensive than the 2019 Third Quarter Financial Information, which is the most recent publicly available information but is unaudited and summary information. As a result, not all the information in the 2019 Half Year Financial Information has its corollary in the 2019 Third Quarter Financial information. Certain information in the section "*Risk Factors*" and "*Business Description*" have been updated as of 30 June 2019 or 30 September 2019 in accordance with whichever is the most recent available such information.

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GENERAL DESCRIPTION OF THE PROGRAMME

Issuer:	Aena S.M.E., S.A.
Arranger:	Banco Santander, S.A.
Dealers:	Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, ING Bank N.V. and Société Générale.
Agent:	CaixaBank, S.A.
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed €900,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement.
Currencies:	Notes may be issued in euro, and subject to the necessary regulatory requirements having been satisfied.
Denominations:	Notes shall be issued in minimum denominations of €500,000 (and integral multiples thereof), or higher subject to compliance with all applicable legal and regulatory requirements and provided that the Notes of each issuance may only be issued in equal denominations.
Non-Interest bearing Notes:	The Notes may be issued at a discount, at par or at a premium to par, and will not bear interest.
Maturity of the Notes:	Not less than 3 business days nor more than 364 days, subject to legal and regulatory requirements.
Redemption:	The Notes will be redeemed at par. There are no provisions for the redemption of the Notes prior to their stated Maturity Date.
Status of the Notes:	The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (<i>concurso</i>) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank <i>pari passu</i> and rateably without any preference among themselves and <i>pari passu</i> with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.
Taxation:	All payments under the Notes will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, except as stated in the Terms and Conditions and as stated

under the heading "*Taxation in the Kingdom of Spain*".

Form of the Notes:

The Notes will be in dematerialised, book-entry form (*anotaciones en cuenta*). (See "*Summary of Clearance and Settlement Procedures Applicable to Book-Entry Notes*")

Listing and Trading:

Each issue of Notes may be admitted to trading on AIAF. No Notes may be issued on an unlisted basis.

Selling Restrictions:

The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, EEA and the United Kingdom (see "*Subscription and Sale*").

Clearing Systems:

Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal ("**Iberclear**"), and Euroclear and Clearstream, Luxembourg through bridge accounts maintained by Iberclear participants with Iberclear.

Governing Law:

Condition 3 (*Form, Title and Transfers*) and Condition 4 (*Status of the Notes*) are expressed to be governed by Spanish law. Subject as aforesaid, the Notes and any non-contractual obligations arising out of or in connection with the Notes are expressed to be governed by, and to be construed in accordance with, English law.

Use of Proceeds:

The net proceeds of the issue of the Notes will be used for the general funding purposes of the Group (as defined herein).

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Information Memorandum, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Information Memorandum have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Information Memorandum and their personal circumstances.

Risks Related to the Group's Business and Operations

Macro-economic, Political, Country and Other Risks Outside of the Issuer's Control

Since the Group mainly operates in the United Kingdom and Europe, it is particularly exposed to the risks associated with the withdrawal of the United Kingdom from the European Union

On 23 June 2016, the United Kingdom ("UK") held a referendum on its membership of the European Union ("EU"), the result of which favoured an exit from the EU, commonly known as "Brexit". At the date of this Information Memorandum the precise timing and conditions for Brexit are not fully known, it is therefore not possible to determine the final agreement or the precise impact that Brexit and/or any related matters may have on the UK, the EU or the Group's business, financial condition and results of operations.

UK and EU negotiators agreed the terms of a draft withdrawal agreement on 14 November 2018 (the "**Draft Withdrawal Agreement**"). Both the European Commission and the government of the UK have published separate plans to allow air services to continue for a limited period in the event that the Draft Withdrawal Agreement (or an amended version of it) is not ratified prior to the relevant deadline (at the date hereof, 31 January 2020). These include mechanisms to permit flights between the UK and the EU and recognition of each other's safety certification, approvals and security regimes.

Since the majority of the Group's income is derived from its operations in the UK and the EU, the Group's business, financial condition and results of operations could be impacted by any number of risks related to Brexit, whether or not the Draft Withdrawal Agreement (or an amended version of it) is ultimately ratified. These include, but are not limited to:

- macro-economic factors, including lower economic growth in the UK and/or the EU, greater volatility in the currency markets, and the introduction of new trade barriers, which may have a negative impact on London Luton Airport's traffic, traffic at the Issuer's other airports (in particular, in Spain, where in 2018 16.7% of passengers of the Issuer's airport network were passengers on flights with their origin or destination in the UK), operations and the cost of travel, and in turn the demand for air travel;
- market restrictions between the UK and the EU, including the UK losing its access to the single aviation market, and the benefit of other significant air service agreements which may impact passengers as airlines modify their ownership structures and re-route aircraft, potentially leading to increased costs and affecting the demand for air travel; and
- access to skills and labour.

Airlines that will no longer be majority owned by EU nationals once the UK leaves the EU may lose their right to fly within the EU after Brexit due to share ownership rules

To obtain and keep an EU operating license and benefit from the intra-EU air traffic rights, air carriers must comply with the conditions under Article 4 of Regulation (EC) No 1008/2008 on air services. One such

condition is that an EU Member State may only license an air carrier to operate airline services if the majority of its share capital is owned, and the carrier is effectively controlled by, Member States of the EU or their nationals (the "**Ownership and Control Requirements**"). The EU has adopted regulations that give airlines six months (until March 2020) to comply with the Ownership and Control Requirements in the event that Brexit occurs without an agreement between the UK and the EU.

EasyJet Airline Company Limited ("**EasyJet**"), which is headquartered at London Luton Airport (operated by London Luton Airport Operations Ltd, a majority owned and controlled subsidiary of the Issuer) and International Consolidated Airlines Group, S.A. ("**IAG**"), which is the owner (among others) of British Airways and Iberia, could be among the airline groups most affected when British shareholders are no longer EU nationals.

EasyJet, which at the date of this Information Memorandum had EU ownership (excluding British shareholders) of 49.9%, has stated that in the event of a "no deal" Brexit it may suspend voting rights in respect of a small number of shares of non-EU nationals if it does not satisfy the Ownership and Control Requirements prior to the expiry of the aforementioned six month grace period. In addition, it has stated that it may cap non-EU ownership in due course, suspending certain shareholders' voting rights if EU ownership falls below 50.5% (source: EasyJet corporate webpage). If EasyJet is unable to satisfy the Ownership and Control Requirements, it may temporarily or permanently lose the ability to operate airline services in the EU. IAG, which is a Spanish-registered company currently headquartered in London, has indicated that it will cap non-EU ownership of its shares at 47.5%. However, this percentage excludes those shares held by British shareholders as they continue to be nationals of the EU prior to Brexit. IAG has stated that it considers itself to already be in compliance with the Ownership and Control Requirements on the basis that voting rights attaching to the shares of its subsidiary airline companies are held within the home countries whereas the economic rights attaching to those shares are held by IAG itself. However, if IAG is unable to satisfy the EU that it and/or the airlines that it operates are in compliance with the Ownership and Control Requirements following a "no deal" Brexit, IAG's airlines, including British Airways, Iberia and Iberia's subsidiary Vueling, may also temporarily or permanently lose the ability to operate airline services in the EU.

Any loss of its EU operating license by EasyJet, British Airways, Iberia or Vueling could reduce air traffic flows to and from the airports that the Issuer operates in the UK and the EU and accordingly, could reduce the amount of airport fees, traffic charges and other income generated by such airports for the Group. EasyJet accounted for approximately 6.4% of total passenger traffic using the Group's Spanish airports in 2018, and IAG accounted for approximately 27.8%. As a result, any such reduction could have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

The Group's aeronautical income could decline as a result of a reduction in flights, passengers or other factors outside the Group's control which adversely impact the operating resilience of the Group

The Group's revenue is closely linked to the levels and types of passenger air traffic and the number of aircraft operations (i.e., takeoffs and landings) conducted in the airports it operates. These factors directly determine the Group's revenue from the aeronautical activities and indirectly determine its total revenue from commercial activities (e.g., parking services, stores and restaurants).

Aeronautical income represented 66% of the Group's revenue in 2018. The Group generates aeronautical income from airport fees and traffic charges. These charges are regulated and may not be increased unilaterally by the Issuer. As a result, any decrease in the levels of aircraft and air traffic operations at the Group's airports could lead to a loss of revenue for the Group.

Decisions by, legal disputes with, financial difficulties at, or the failure of, a significant airline customer, or the withdrawal of their landing rights, could lead to a reduction in flights and passenger numbers and/or failure or delay in recovering airport fees or landing charges. The effect of decisions by or events at airlines that have a major presence at the Group's airports (in particular, Adolfo Suárez Madrid-Barajas and Josep Tarradellas Barcelona-El Prat), such as IAG and Ryanair (which in 2018 accounted for approximately 27.8% and approximately 17.8%, respectively of total passengers using the Group's Spanish airports), could have a material adverse effect on the Group.

The number of passengers using the Group's airports may also be affected by a number of other factors, including:

- shocks to the macroeconomic environment (including changes in fuel prices and currency exchange rates, inflation, employment and spending);
- an increase or decrease in competition from airports operated by other entities and/or competition from alternative modes of travel (such as high speed rail);
- political and social factors, such as wars, riots, industrial action (including strikes by personnel at certain of the Group's suppliers, such as security control personnel) health scares, epidemics or pandemics;
- airline bankruptcies;
- decisions by airlines regarding the number, type and capacity of aircraft (including the mix of premium and economy seats), the routes on which particular aircraft are utilised, and the fares charged for such routes;
- disruptions caused by natural disasters or acts of terrorism;
- changes in domestic or international regulation; and
- the quality of services and facilities, including the impact of construction projects.

Although the Group, where possible, seeks to anticipate the effects of the events noted above in its operations and also maintains contingency plans to minimize disruption and passenger inconvenience, there can be no assurances that the Group's contingency plans would be effective. Any one or more of the factors noted above could disrupt the Group's operations, negatively impact on its reputation and result in a decrease in the number of passengers using the Group's airports, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's income derived from non-aeronautical activities is dependent on factors outside the Group's control

The Group's principal sources of non-aeronautical income include retail concession fees, car parking income, property rental income and income from the provision of operational facilities and utilities. Non-aeronautical income represented 28.5% of the Group's revenue in 2018.

Levels of retail income may be affected by changes in the mix of long- and short-haul and transfer and origin and destination passengers; economic factors, including exchange rates and changes in duty free or VAT reclaim regimes; retail tenant failures; lower retail yields on concession re-negotiations; redevelopments or reconfigurations of retail facilities at the Group's airports, which can lead to a temporary or permanent decline in retail concession fees; reduced competitiveness of the airport retail offering; stricter hand luggage and other carry-on restrictions; and reduced shopping time as a result of more rigorous and time consuming security procedures. Car parking income could be reduced as a result of increased competition from other modes of transport to the Group's airports, such as buses and trains, as well as increased competition from off-site car parks. Other non-aeronautical income could be reduced as a result of a decrease in demand from airport users, such as car rental operators and airlines leasing check-in counters or other facilities.

Retail concession fees are driven by passenger numbers and propensity of passengers to spend in the shops at the Group's airports. As noted above, there are a variety of factors which could adversely affect the number of passengers using the Group's airports. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks from Business Concentration and Competition

The Group faces risks related to the concentration of its airline customers and its dependence on the revenue from its two main airports

A significant portion of the Group's business depends on a reduced number of customer airlines and on the revenue from its two main airports (Adolfo Suárez Madrid-Barajas and Josep Tarradellas Barcelona-El Prat).

- *Airline dependence:* In light of increasing competition, most flagship airlines have formed alliances that create a network of routes in various locations around the world. These alliances allow airlines to maximize sales, offering passengers a broad range of services and destinations and eliminating the need for passengers to deal with non-alliance airlines in the different portions of their travels. In addition, airlines that have formed alliances benefit from increased bargaining power, and a change in their strategy may have a significant impact on the airports operated by the Group.

The Group's main customer airlines are all either subsidiaries of IAG (in particular, Iberia, Iberia Express, Vueling, British Airways, British Airways City Flyer, Aer Lingus and the Level brand), or low-cost airlines that are not members of IAG (such as Ryanair).

The Group's dependence on IAG affects primarily the Adolfo Suárez Madrid-Barajas and Josep Tarradellas Barcelona-El Prat airports. IAG is the main operator in both the Adolfo Suárez Madrid-Barajas Airport (Iberia's main hub), with 40.0% of the total passenger air traffic volume in 2018, and the Josep Tarradellas Barcelona-El Prat Airport, with 43.2% of the total passenger air traffic volume in the same year (most of which originated from Vueling). The corresponding volumes during the nine-month period ended 30 September 2019 were 39.9% and 44.0%, respectively.

Low-cost airlines such as Ryanair also have a significant impact on the Group's business. In 2018, 17.8% of the total passenger air traffic volume in the Group's network was served by Ryanair (18.2% in the nine-month period ended 30 September 2019). Overall, low-cost airlines, including Vueling and Iberia Express, accounted for 55.4% of total passenger air traffic in the Group's network during 2018, and 57.8% during the first nine months of 2019. As opposed to leading low-cost airlines, there are certain low-cost airlines operating without consolidated business models. In a context of cost increases, a margin reduction or an oversupply, these companies may no longer be profitable and cease to operate.

None of these airlines are obligated to continue to operate in the Group's airports, and there can be no assurances that, if any of these airlines reduced their use of the Group's airports, the Group would be able to replace any lost revenue with revenue from other airlines. In addition, any factors affecting these airlines or alliances, such as changes in their strategy (particularly the continued use of the Adolfo Suárez Madrid-Barajas and Josep Tarradellas Barcelona-El Prat airports as hubs), financial difficulties (including insolvency or liquidation), closing of routes or relocation of routes to airports outside of the Group's network and other factors that may affect such airlines or the alliances to which they belong, could adversely affect the levels of passenger traffic and aircraft operations at the Group's airports and, as a result, could materially adversely affect the Group's business, financial condition and results of operations.

- *Dependence on two main airports:* In 2018, 21.9% of total passenger air traffic volume was handled by Adolfo Suárez Madrid-Barajas Airport and 19% by Josep Tarradellas Barcelona-El Prat Airport (21.8% and 19.0%, respectively, for the nine-month period ended 30 September 2019) (For more information, see "Description of the Issuer - Airports"). The Group is therefore dependent on these two airports for a substantial portion of its total revenue. If either or both of these airports should suffer any disruption in its operations due to shocks or events (such as natural disasters, terrorist attack, aircraft accidents and/or infrastructure failure), macroeconomic or political factors (such as a deterioration in the Spanish economy and/or political instability in Catalonia), adverse business developments (for example, if Iberia moved its center of operations away from Adolfo Suárez Madrid-Barajas Airport) and/or competition (whether from other airports or from alternative modes of transportation, such as the high-speed rail connection between Madrid and Barcelona), the total revenue generated by either or both of these airports could be materially and adversely affected. This in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in a competitive environment

Competition among airports is increasing. Depending on the type and location of the Group's airports, the Group faces competition for origin/destination passengers from other airports in their catchment areas, and for transfer passengers and cargo from both European airports and airports in other countries and regions.

In addition, air transport competes against other means of transportation, particularly high-speed trains operating routes of less than three hours.

The competitive environment in which the Group operates affects both its aeronautical and commercial revenue.

In particular:

- *Airport hubs:* Competition in the airport hub market primarily affects the Adolfo Suárez Madrid-Barajas and the Josep Tarradellas Barcelona-El Prat airports. These airports compete directly with other European airports that are hubs to intercontinental routes or intra-European connections, such as London-Heathrow, Paris-Charles de Gaulle, Frankfurt-am-Main and Amsterdam-Schiphol, and may be adversely affected by an expansion in the capacity of these and other competing airports or the construction of new airports in the future. Failure by the Group to maintain the Adolfo Suárez Madrid-Barajas and the Josep Tarradellas Barcelona-El Prat airports as competitive airport hubs (or changes in the strategy of the airlines operating in these airports) could have a material adverse effect on the Group's business, financial condition and results of operations.
- *Tourist destinations:* Other airports in the Group's network, in particular the airports located in the Canary Islands, the Balearic Islands and on the Mediterranean coast, compete primarily with airports located in other tourist destinations, and, accordingly, the Group is highly dependent on the level of domestic and, particularly, international tourism in the areas served by these airports, over which the Group has no control. The Group's passenger air traffic volume may be adversely affected by the appeal and convenience of competing tourist destinations, particularly in Southern Europe and Northern Africa, especially if the perception that travelers have of those locations as to their political stability, safety and tourism development improves. The operations of low-cost airlines (which have become key players in the passenger air traffic market in Europe) may also adversely affect the Group's passenger traffic volume in these locations. If the volume of tourists traveling to the tourist destinations where the Group's airports are located decreases, its business, financial condition and results of operations could be materially adversely affected.
- *Competition with high-speed trains:* Increased competition from alternative means of transportation, particularly from the Alta Velocidad Española ("AVE") high-speed rail network for routes of less than three hours, adversely affects the Group's domestic (Spain origin and destination) passenger traffic volumes at the Adolfo Suárez Madrid-Barajas, Josep Tarradellas Barcelona-El Prat, Sevilla, Valencia, Málaga-Costa del Sol, Alicante-Elche and Granada airports. A passenger's choice between AVE and air travel on routes of less than three hours generally depends on train ticket prices, convenience and the frequency of AVE operations. If AVE ticket prices remain competitive and the frequency of AVE operations is equal to or greater than that of the Group's airline customers, travelers may choose to use AVE instead of flying. In April 2019, Adif - Alta Velocidad, the Spanish railway infrastructure manager, submitted a draft to the CNMC proposing the liberalisation of commercial passenger high-speed services, which could increase the offer and thus have an impact on the price of the tickets. Any reduction in passenger traffic volumes at the Group's airports due to competition from AVE could have a material adverse effect on the aeronautical and commercial revenues generated by the affected airports. This, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to certain risks related to its commercial activities

A substantial portion of the Group's total revenue (26.9% in 2018 and 27.7% during the first nine months of 2019) is derived from its commercial activities, particularly from fees paid by companies providing commercial services in its airports. Pursuant to the commercial services agreements entered into with these companies, these fees are typically dependent on a variable component, determined by the amount of sales made by these companies, and subject to a minimum annual guaranteed rent ("MAG"), which does not depend on the amount of sales made.

The Group's revenue from commercial activities is closely linked to the sales generated by these companies. This revenue is highly concentrated in a limited number of clients and depends on a variety of factors outside the Group's control:

Client concentration

A substantial portion of the Group's total revenue from its commercial activities (42.9% in 2018 and 43.1% during the first nine months of 2019) originates from three companies that are Group's main or only customers in their respective lines of business: Dufry AG ("**Dufry**") in the duty-free shops business line, Areas S.A.U ("**Areas**") and Select Service Partner ("**SSP**") in the food services business line.

Dufry generated 100.0% of the Group's revenue from duty-free shops (representing 27.8% and 27.8%, respectively, of the revenue from the Group's commercial activities in 2018 and the first nine months of 2019) (For more Information, see "Description of the Issuer - Airports – Commercial").

The food services business line comprised 17.5% and 18.3%, respectively, of the Group's revenue from commercial activities in 2018 and the first nine months of 2019, of which Areas generated 42.4% and 43.8% during these periods respectively, and SSP 20.7% and 21.2% during these periods respectively. As a percentage of the Group's revenue from commercial activities, Areas accounted for 7.0% in 2018 and 7.6% during the first nine months of 2019, whereas SSP accounted 3.4% in 2018 and 3.5% during the first nine months of 2019.

Changes in the business plans of any of these companies or any financial difficulties experienced by them could have a material adverse effect on the Group's revenue from commercial activities. In addition, if the sales made by these companies are insufficient to cover their operating expenses (including the MAG (as defined above) set forth in their respective contracts) or are insufficient to meet their profit expectations, such companies may request the revision of their respective agreements to reduce or eliminate the MAG or the early termination provisions of such agreements. If the Group was to accept such requests, despite its legal right to enforce these agreements, resulting amendments or new agreements arising from public bidding processes could include conditions and MAGs less favorable than those existing under current agreements.

Competition from alternative commercial services providers

Sales made at the Group's commercial premises depend on passenger air traffic volumes. A decrease of passenger air traffic volumes may have an adverse effect on sales and on the Group's ability to maintain the current terms of commercial agreements with third parties operating in its commercial premises. Among other factors, sales made at the commercial premises located in the Group's airports may be adversely affected by competition from commercial premises located at or near the origin or destination airports of passengers traveling through the Group's network, as well as from competition from shopping malls in the vicinity of the Group's airports. This may also have an adverse impact on off-terminal services, such as the operation of parking lots.

Operational Risks

The Group is dependent on information and communication technology, and its systems and infrastructures face certain risks, including cybersecurity risks

The operation of complex infrastructures such as airports and the coordination of the many actors involved in its operation require the use of several highly specialized information systems, such as systems that monitor the Group's operations or the status of its facilities, communication systems to inform the public, access control systems and closed circuit television security systems, infrastructure monitoring systems, air navigation systems, passenger ticketing and boarding, automated baggage handling, points of sale, terminals and radio and voice communication systems use by the Group's personnel. In addition, the Group's accounting and fixed assets, payroll, budgeting, human resources, supplier and commercial, hiring, payments and billing systems and its website are key to the functioning of its airports. The proper functioning of these systems is critical to the operations and business management. These systems may, from time to time, require modifications or improvements as a result of changes in technology, the growth of the Group's business and the functioning of each of these systems.

While the Group has contingency plans, backup systems, information and communication redundant systems, testing and certification procedures and information technology auditing systems, among others,

these information systems cannot be completely protected against certain events such as natural disasters, fraud, computer viruses, hacking, communication failures, equipment breakdown, software errors and other technical problems.

Pursuant to the applicable legislation, the Group has implemented continuity measures and technology disaster recovery plans, to mitigate the damage from such incidents and in the future may incur in significant costs to protect against security threats or to alleviate problems caused by failures of or breaches to its systems. However, there can be no assurances that these measures will be adequate to prevent disruptions in all cases, the occurrence of which could significantly disrupt the Group's operations, resulting in increased costs, a decline in revenue and significant harm to the Group's business (including its reputation) in general.

The Group's airport operations depend on services provided by third parties

The operation of the Group's airports is largely dependent on the services of third-party providers, such as air traffic controllers, airlines and ground handling companies. For example, E.P.E. ENAIRE (the current principal shareholder of the Issuer, "ENAIRE") provides air traffic control services to 21 of the Group's airports. The Group also depends on companies that provide electric power and companies that supply fuel to aircraft. Furthermore, the Group relies on the Spanish state security forces (*Fuerzas y Cuerpos de Seguridad del Estado*) to provide immigration and customs services for the Group's international passengers and other security services at the Group's airports in Spain. The Group outsources many operations, including the maintenance of most of the Group's facilities, security, cleaning and animal control. Additionally, the disruption of bus, rail, metro or taxi services connecting the Group's airports with nearby urban centres may also affect operations.

The Group is not responsible for the actions of third parties, and their actions (aside from enforcing any contracts that the Group may have entered into with them) are outside its control. Changes in the terms of existing contracts that are less favourable to the Group, the cancellation of such contracts, failures by these third parties to perform their contractual obligations, whether due to negligence, labor disputes or otherwise, as well as the mismanagement by such third parties of the airport infrastructure that they have been engaged to operate (air traffic control services in particular) may affect the quality of the Group's services, disrupt its activities or affect the performance by the Group of its own contractual and/or legal obligations.

Moreover, the Group uses certain unique equipment that is critical to the operation of its airports, such as automated equipment baggage handling equipment (SATE) and the light-rail transportation equipment in Terminal T4 of the Adolfo Suárez Madrid-Barajas Airport. The Group depends on the manufacturers of such equipment for the supply of spare parts, maintenance, renovation and/or improvement. The inability of these manufacturers to supply spare parts or support services (due to financial difficulties, changes in production strategy, technical difficulties or otherwise) or to fulfill their contractual obligations in a timely manner could adversely affect the Group's operations and result in adverse economic consequences.

An interruption of the services rendered by third parties or any delay in finding alternative service providers or suppliers for the Group's equipment, could adversely affect its business, financial condition and results of operations and reduce the useful life and return of assets.

Security and Safety Risks

Airport infrastructure is uniquely exposed to acts of violence and destruction arising from wars, civil strife, terrorism, vandalism, theft and other security risks, any one of which can result in material human and economic damage, interruption of service and loss of reputation for the Group as well as significant litigation

The Group is required to maintain security systems for the protection of airport passengers and flights to reduce the risk of incidents and accidents. These measures include the inspection of all ticketed luggage and random inspections of passengers and hand luggage, among others.

The Group is also required to perform specific tasks to comply with security standards on its premises, such as management of rescue services, aircraft firefighting assistance, snow and ice removal and related activities, animal control (birds can cause serious damage to aircrafts and thus affect aircraft safety), friction monitoring on runways and any other activities required to mitigate any risks associated with the operation of an aircraft.

Failure to adequately maintain such systems and perform such tasks may expose the Group to liabilities, such as compensation for damages and penalties, as well as reputational damage and the disruption of the Group's operations.

The Group has in the past been and may in the future be exposed to risks arising from acts of terrorism. If an act of terrorism or threat thereof were to occur in Spain or elsewhere, the perception of safety by airport users could decrease, and, consequently, there could be a reduction in passenger air traffic for an indefinite period of time, which could adversely affect the Group's business, financial condition and results of operations.

Moreover, if a terrorist attack affected one of the airports the Group operates, the airport in question would be closed, in whole or in part, for the time needed to care for victims, investigate the circumstances of the attack, rebuild any damaged areas or otherwise. This could lead to a decrease in the revenue generated by the affected airport. It could also generate increased costs for the Group associated with the repair and reconstruction the affected areas (to the extent these are not covered by insurance policies or by the *Consortio de Compensación de Seguros*, a compulsory catastrophic risk insurance program run by the Spanish government), additional and/or revised security measures as well as potential litigation from victims.

The Group's business may also be affected by the outbreak of wars or armed conflicts in any region of the world. Wars can lead to increased prices of fuel, supplies and interest rates for aircraft leases, which could, in turn, lead to increased prices of airline tickets and a decline in demand for air transportation in general. Likewise, the occurrence of armed conflicts could require increased security measures, thereby increasing security costs.

An epidemic, or the threat of one, could also have a negative effect on passenger air traffic, in particular if travel advisories are in place recommending passengers to avoid travel to the affected regions. This could reduce the revenue generated for the Group by affected airports, as well as increase costs for the Group associated with the implementation of quarantine areas and other protective measures necessary to contain the relevant epidemic.

Accidents caused by natural hazards, human error and other unintentional incidents can also result in material human and economic damage, interruption of service and loss of reputation for the Group as well as significant litigation

A major accident of any aircraft operating at the Group's airports could result in the need for significant repairs of affected facilities, temporary interruptions in airport operations or significant potential claims of affected passengers or third parties. To the extent that the incident could be attributed to the Group's error or negligence, the Group could also suffer significant reputational damage, sanctions or fines.

Additionally, a major aircraft accident at the Group's airports or elsewhere could result in a negative perception of air transportation safety, which could negatively affect passenger air traffic and the Group's revenue. As a result, the occurrence of a major aircraft accident in the Group's airports or elsewhere could materially adversely affect its business, financial condition and results of operations.

Natural disasters, both in Spain and in other countries, may lead to suspension of passenger air traffic in various areas of the world, impede the Group's operations, damage infrastructure necessary for the operation of its airports or adversely affect the destinations served by such airports. Any of these events could reduce the volume of passengers.

Adverse weather conditions, such as extreme or unusual weather events, can also lead to the closure of facilities or the interruption of operations.

The Group maintains insurance policies to protect it against any civil liability resulting from its activities as airport operator and insurance policies to cover damages to the Group's property and equipment. These insurance policies also cover loss of earnings derived from the occurrence of any risk. Nonetheless, the Group could be required to incur significant costs in the event that (i) its insurance policies do not cover a particular incident, (ii) the amount covered by such policies is insufficient or (iii) the insurance company is unable to pay the insured costs. In addition, the Group would incur additional costs if insurance premiums rise as a result of the occurrence of any of these events or because of market conditions.

The occurrence of any of the foregoing could materially adversely affect the Group's business, financial condition and results of operations.

Risks Related to the Regulation of the Issuer's Business

The Group operates in a regulated sector and future changes or developments in the applicable laws and regulations may have a negative impact on its business, financial condition and results of operations

The Group operates in a regulated business environment. International treaties, Spanish laws and regulations, EU directives and regulations and rulings by Spanish, European and international courts with jurisdiction over airports and air transport have a direct influence on the Group's revenue and profits. Changes and developments to applicable laws and regulations, or to their interpretation by public authorities or by the courts, may reduce the Group's revenue or cause it to incur additional expenses or otherwise materially adversely affect its business, financial condition and results of operations.

In particular, pursuant to the applicable legislation, the network of airports of general interest managed by the Issuer is considered as a service of general economic interest that guarantees citizen mobility, economic, social and territorial cohesion state-wide and the needs of aeronautical transportation in the territory of Spain. The Issuer is therefore obliged to secure the maintenance of the network, its accessibility, the sufficiency and suitability of the aeronautical infrastructures, the economic sustainability of the network and the continuity of the basic aeronautical services of general interest, in due condition of quality, regularity and safety. DORA (the Document of Aviation Regulation, approved by the Spanish Council of Ministers), within the framework of the current legislation governing the activities of the Issuer as airport manager and operator, defines the economic regime of the Issuer with respect to its aeronautical regulated activities, including, amongst others, minimum conditions necessary to guarantee accessibility, sufficiency and suitability of the Group's airports and the proper provision of regulated aviation services of the Issuer's networks of airports. The Issuer is required to maintain its general interest airport network and may not close or dispose of any of its airports or assets required to operate the airports (whether totally or partially) without the express authorization from the State Administration.

Additionally, amongst others, the Issuer is also subject to International, European and national legislation on airport security, air traffic safety, airlines slot allocations, aeronautical rates, regulated activities, airport services and airport management.

For further details on the regulatory framework applicable to the Issuer's airports activity see "*Regulatory Framework— Regulations Applicable to Aena as a Company that Provides a Service of General Economic Interest*", "*Regulatory Framework— Regulations Applicable to Aena as an Airport Manager and Operator*" and "*Regulatory Framework— Other Regulatory Aspects. Other Regulations. Airport Security Regulations and Certification*".

The Issuer cannot assure that that future changes in the regulatory regime applicable to its activities as airport manager and operator will not adversely affect its business, financial condition and results of operations.

Rates that the Issuer charges to airlines are subject to EU Directive 2009/12/EC of the European Parliament and of the council of 11 March 2009 on airport charges, Act 14/2018 and to DORA, that prevent the Issuer from increasing the maximum income per passenger until 2025. The implementation of the applicable legislation and DORA or any amendments of the same may have a negative impact on its business, financial condition and results of operations.

The general framework applicable to regulated aeronautical rates ("**Rates**") that the Issuer can charge in Spain consists of the following: European Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges and Act 18/2014, 15 October, on urgent measures intended for the growth, competitiveness and efficiency (*Ley 8/2014, de 15 de octubre, de aprobación de medidas urgentes para el crecimiento, la competitividad y la eficiencia*) ("**Act 18/2014**"), pursuant to which the dual-till regime introduced in 2011 was fully implemented in 2018 and establishes the DORA. The dual-till regime is based on a model that aims to ensure that revenue generated from the Issuer's regulated aeronautical-related activities (deemed efficient by the authorities) covers all costs and expenditures related to such activities and provide a return on the regulated asset base. Said legislation impacts the Rates that the Issuer may charge for its regulated aeronautical activities, which accounted for 62.0% of its total revenue during 2018 (62.1% during the first nine months of 2019).

Act 18/2014 and DORA establish the general framework for the establishment of the Rates that the Issuer charges airlines based on the concept of maximum revenue per passenger or IMAP. DORA is a regulatory instrument applicable for five-year periods (current DORA ends on 31 December 2021) that will provide minimum conditions necessary to guarantee accessibility, sufficiency and suitability of the Group's airports and the proper provision of regulated aviation services of the Group's networks of airports.

Under Act 18/2014 the Issuer may be subject to sanctions if, for example, the quality of service is not acceptable or if there are delays in the execution of planned investments as established by DORA. The sanctions to be imposed pursuant to Act 18/2014 are material, including, amongst others, fines amounting to up to €4,500,000 or, in the event of very serious infringements, up to two or three times the gross benefit from the infringement - if it is higher than the amount of the fine to be imposed or the obligation to indemnify damages and losses caused.

For further detail on DORA and its implications see "*Regulatory Framework—DORA and Rates Regime*".

In addition to introducing the DORA framework, the Act 18/2014 establishes a series of conditions and limitations to ensure efficiency at the Group's airports during the period between 2015 and 2025 (both years inclusive), so that the Rates that the Issuer charges are not increased during such period above the IMAP. These limitations could lead to a deficit if operational costs increase above certain thresholds, if the volume of passenger air traffic is not sufficient to cover costs or if unpredictable or urgent regulatory changes or mandatory changes of EU or international legislation are adopted require the Issuer to make investments exceeding €450 million per year on average. For further detail on these efficiency conditions and its implications see "*Regulatory Framework—DORA and Rates Regime*".

The Issuer cannot assure that the transition to a dual-till regime (after having operated historically under a single-till regime) as well as the implementation of the DORA framework and the efficiency conditions resulting from Act 18/2014 will not adversely affect its business, financial condition and results of operations or if the Group will be able to comply with all its obligations under Act 18/2014 and DORA, facing the risk of sanctioning procedures. The Issuer cannot assure that any such elaborations, or that future changes in the regulatory regime applicable to its regulated aeronautical activities, including DORA, will not adversely affect its business, financial condition and results of operations.

The Group may be subject to onerous requirements in order to maintain all of its airport certifications in accordance with Regulation EU 139/2014

All of the airports operated by the Group that are required to be certified in accordance with Regulation EU 139/2014 have obtained the corresponding certificates of compliance with the safety standards of international civil aviation. However, one consequence of such certification is that the Group may be subject to investment requirements by AESA at certain of its airports. In order to comply with any such requirements, the Group may have to reduce or temporarily suspend operations at the affected airport, as well as incur in significant expenditures. Should one or more of these circumstances arise, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Regulatory constraints regarding environmental protection could limit the Group's business activities, hamper the Group's growth or require substantial expenditures

The Group's business activities are governed by stringent European and Spanish environmental protection laws and regulations relating particularly to noise pollution, air quality, water resource protection and waste management. In particular:

- any project to expand the Group's airports is subject to environmental impact assessment procedures, which may result in such projects being substantially modified or abandoned;
- the Group is required to conduct noise abatement and sound proofing measures for residential areas that may be affected by projected investments or expansions of its airports, as well as implement changes to comply with noise legislation, all of which can require the Group to make material expenditures and record material amounts as provisions for environmental regulation compliance contingencies;
- regulations applicable to airlines, particularly in terms of air quality and fuel use, have an impact on passenger air traffic (in terms of the volume and type of traffic), and thus can have a material adverse effect on the Group's revenue; and

- national or regional regulatory decisions could increase air transportation costs, which may lead to a decrease in air transportation demand.

Tightening environmental protection laws and regulations or a change in their interpretation by the relevant authorities, or an adverse judgment or ruling in connection with environmental regulation compliance proceedings, could require significant expenditures by the Group and create restrictions on the use of its equipment or facilities or have a negative impact on its reputation. Moreover, failure to comply with the applicable legislation implies that the Group will be subject to significant civil, criminal and administrative liability, including, amongst others, material fines and other type of sanctions; total or partial, provisional or definitive closing of premises; obligation to indemnify damages and losses caused; and redemption costs. Any of the foregoing could materially adversely affect the Group's business, financial condition and results of operations.

Risks deriving from the inherent conflicts between public law and private law that can impact on the management and/or governance of the Issuer and the Group

The Issuer's principal shareholder is a state-owned company. The Spanish State Administration has, and will continue to have, a significant influence on the Issuer's operations and the interests of the Spanish State Administration may differ from the interests of the Issuer's other shareholders.

The Spanish State Administration indirectly controls (through ENAIRE, the Issuer's principal shareholder) 51% of the Issuer's outstanding capital stock. As a result, and pursuant to the Act 33/2003, 3 November, of Assets of Public Administrations (*Ley 33/2003, de 3 de noviembre, de Patrimonio de las Administraciones Públicas*) ("**Act 33/2003**") and the Spanish Public Sector Act (*Ley 40/2015, de 1 de Octubre, de Régimen Jurídico del Sector Público*) ("**Public Sector Act**"), the Spanish State Administration is able to exert a substantial influence on the declaration of dividends, the election of directors and management, changes in the Issuer's issued capital stock, investments and disinvestments, the adoption of amendments to the Issuer's bylaws, and, in general terms, any other decision to be taken by the Issuer's Board of Directors, except for the contracting of debt where no authorisation from the Spanish State Administration or by law of the Spanish Parliament is required, although it is subject to financial prudential guidelines (*principios de prudencia financiera*) to be established by the Delegated Commission of the Government for Economic Affairs (principles that for listed companies belonging to the Spanish public sector will at least include maximum financing costs of the relevant credit transactions and restrictions to the use of derivatives). The Issuer is also subject to on-going supervision and efficiency controls by the Spanish State Administration. See "*Regulatory Framework—Regulations Applicable to Aena as a State-Owned Entity*".

The interests of the Spanish State Administration may differ substantially from the interests of the Issuer's other shareholders. In addition, the Spanish State Administration may delay or prevent a change of control and make it difficult or impossible to conduct certain of the Issuer's operations if some of these operations require its consent.

The Issuer's flexibility in managing its activities may be limited

The Issuer is a state-owned company and will remain so for as long as the Spanish State Administration holds, directly or indirectly through ENAIRE, more than 50% of the Issuer's shares. Its incorporation was established by Royal Decree-Law 13/2010, 3 December, on measures of tax, labour and liberalization nature to promote investment and employment. This legislation establishes the primary aspects of the Issuer's legal regime as state-owned company. In particular, it states that it is subject to private law except for certain aspects related to budget, procurement, assets, accounting and auditing, in addition to the limitations and restrictions resulting from being a state-owned company and therefore belonging to the Spanish public sector. With respect to these matters, the Issuer is subject to the applicable legislation for public sector entities. See "*Regulatory Framework—Regulations Applicable to Aena as a State-Owned Entity*".

Moreover, if the Issuer acquires more than 50% of the capital stock of any company, such company would be considered a state-owned company and therefore subject to all provisions applicable to state-owned companies, as well as to regulations imposing limits to the remuneration that can be paid to its management members.

As a result of the regulatory framework applicable to the Issuer as a state-owned company, the Issuer is subject to certain limitations that may not necessarily be applicable to its competitors, in particular those

that apply to the Issuer solely as a result of it being a state-owned company belonging to the Spanish public sector (for example, the procurement rules or rules regarding compensation of senior management). This legislation establishes controls, processes, limitations and restrictions that may restrict the Issuer's operational agility and strategic decision-making, which could materially and adversely affect its business, financial condition and results of operations of the Group.

Risks relating to the Notes

Risks relating to the Insolvency Law.

Under Law 22/2003 (*Ley Concursal*) dated 9 July 2003 ("**Law 22/2003**" or the "**Insolvency Law**") (as this Law has been amended from time to time), the claims of creditors are classified as credits against the estate (*créditos contra la masa*), general and special privileged credits (*créditos privilegiados generales y especiales*), ordinary credits (*créditos ordinarios*) or subordinated credits (*créditos subordinados*).

On insolvency of an entity under the Insolvency Law, ordinary creditors rank ahead of subordinated creditors but behind privileged creditors and creditors with claims against the estate.

It is intended that claims against the Issuer under the Notes will be classified as ordinary credits. However, certain actions or circumstances that are beyond the control of the Issuer may result in these claims being classified as subordinated credits.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency will not be enforceable, and (iii) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

The majorities legal regime envisaged for these purposes also hinges on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.) as well as (ii) on the part of claims to be written-down (i.e., secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed. Additionally, liabilities from those creditors considered specially related persons for the purpose of Article 93.2 of the Insolvency Law would not be taken into account for the purposes of calculating the majorities required for the out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*).

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

The issue price may be greater than the market value of the Notes.

The issue price of an issue of Notes may be more than the market value of the Notes as at their issue date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the issue price. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Negative return risk.

The Issuer may issue Notes at a premium to par, and therefore above the redemption amount of each Note at maturity. In this situation, the investor will obtain a negative return on its investment.

Notes have a market risk.

A holder of a security with a fixed price is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market and can therefore lead to losses for the Noteholders if they sell the Notes.

There is no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications will be made to the CNMV for the Notes to be admitted to listing on the AIAF, there can be no assurances that an active trading market will develop. Accordingly, there can be no assurances as to the development or liquidity of any trading market for the Notes. This may be especially relevant as the minimum denominations of the Notes is €500,000.

Exchange rate fluctuations may affect the value of the Notes.

If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro (the "**Payment Currency**"), this could present certain risk relating to currency conversions. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Payment Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Payment Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal. Any of the foregoing events could adversely affect the price of the Notes.

USE OF PROCEEDS

The net proceeds of the Notes issued under this Programme will be used by the Issuer for general corporate purposes.

INFORMATION INCORPORATED BY REFERENCE

1. the financial information contained in pages 15 (only the information set out in table 6 entitled "Key financial data for the aeronautical activity") and 40 to 42 of the English translation of the consolidated interim management report for the nine-month period ending on 30 September 2019 (the "**2019 Third Quarter Financial Information**") available for viewing at:

<http://www.aena.es/csee/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=3000009683335&ssbinary=true&blobheadername1=Content-disposition&blobheadervalue1=attachment;%20filename=9M%202019%20Management%20Report.pdf>

2. the financial information contained in pages 15 (only the information set out in table 6 entitled "Cifras más significativas de la actividad aeronáutica") and 40 to 42 of the Spanish version of the consolidated interim management report for the nine-month period ending on 30 September 2019, available for viewing at:

<http://www.aena.es/csee/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=3000009683334&ssbinary=true&blobheadername1=Content-disposition&blobheadervalue1=attachment;%20filename=Informe%20de%20gesti%C3%B3n%209M%202019.pdf>

3. the English translation of the interim reviewed condensed consolidated financial information of the Issuer as at and for the six month period ended 30 June 2019, including the limited review report thereon (the "**2019 Half Year Financial Information**") available for viewing at:

<http://www.aena.es/csee/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=3000009339344&ssbinary=true&blobheadername1=Content-disposition&blobheadervalue1=attachment;%20filename=Condensed%20Consolidated%20Interim%20Financial%20Statements%20H1%202019b.pdf>

4. the Spanish version of the interim reviewed condensed consolidated financial information of the Issuer as at and for the six month period ended 30 June 2019, including the limited review report thereon, available for viewing at:

<http://www.aena.es/csee/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=3000009339343&ssbinary=true&blobheadername1=Content-disposition&blobheadervalue1=attachment;%20filename=Estados%20Financieros%20Intermedios%20Resumidos%20Consolidados%201S%202019b.pdf>

5. the English translation of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2018, including the audit report thereon (the "**2018 Consolidated Financial Statements**"), excluding the consolidated management report annexed thereto, available for viewing at:

http://www.aena.es/csee/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=3000008639455&ssbinary=true&blobheadername1=Content-disposition&blobheadervalue1=attachment;%20filename=05.%20Consolidated%20financial%20statements%202018_0.pdf

6. the Spanish version of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2018, including the audit report thereon, excluding the consolidated management report annexed thereto, available for viewing at:

http://www.aena.es/csee/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=3000008639452&ssbinary=true&blobheadername1=Content-disposition&blobheadervalue1=attachment;%20filename=05.CCAA%20CONSOLIDADAS%202018_0.pdf

7. the English translation of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2017, including the audit report thereon (the "**2017 Consolidated Financial Statements**"), excluding the consolidated management report annexed thereto, available for viewing at:

http://www.aena.es/csee/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=3000008579669&ssbinary=true&blobheadname1=Content-disposition&blobheadvalue1=attachment;%20filename=Cuentas%20anuales%20consolidadas%20e%20informe%20de%20gesti%C3%B3n%202017_en.pdf

8. the Spanish version of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2017, including the audit report thereon, excluding the consolidated management report annexed thereto, available for viewing at:

<http://www.aena.es/csee/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=3000008579666&ssbinary=true&blobheadname1=Content-disposition&blobheadvalue1=attachment;%20filename=Cuentas%20anuales%20consolidadas%20e%20informe%20de%20gesti%C3%B3n%202017.pdf>

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, at www.aena.es. Any information contained in any of the documents specified above which is not incorporated by reference in this Information Memorandum is either not relevant to investors or is covered elsewhere in this Information Memorandum and, for the avoidance of doubt, unless specifically incorporated by reference into this Information Memorandum, information contained on the website does not form part of this Information Memorandum.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented by the relevant Complementary Certificates, will be applicable to the Notes.

1. *Introduction*

Aena S.M.E, S.A. (the "**Issuer**") has established a programme (the "**Programme**") for the issuance of up to €900,000,000 in aggregate principal amount of notes (the "**Notes**").

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. The terms and conditions applicable to any particular Tranche of Notes are these Conditions (the "**Conditions**") as supplemented, amended and/or replaced. Each Tranche of Notes will be the subject of *certificaciones complementarias* ("**Complementary Certifications**"), for the purposes of that issue of Notes only, which will supplement the Conditions and must be read in conjunction with the Conditions. The main terms of each Tranche of Notes (including the ISIN and the maturity date) will be on display on the website of AIAF (www.aiaf.es).

The Notes will be euro-commercial paper (*pagarés*) represented by uncertificated, dematerialised book-entry notes and will be debt obligations for the Issuer. The Notes issued will not bear interest and will be redeemed at par on maturity. The maturity of the Notes will be not less than 3 days nor more than 364 days, subject to legal and regulatory requirements.

Each Tranche of Notes shall be constituted in accordance with the requirements of Spanish law.

The Notes have the benefit of a deed of covenant dated 30 October 2019 executed by the Issuer (the "**Deed of Covenant**") to which these Conditions have been affixed and pursuant to which the Issuer has, as a matter of English law, covenanted in favour of each Account Holder (as defined in the Deed of Covenant) that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions and the relevant Complementary Certifications.

The Notes are the subject of a Spanish law paying agency agreement dated 30 October 2019 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer and CaixaBank, S.A. as paying agent (the "**Agent**", which expression includes any successor agent appointed from time to time in accordance with the Agency Agreement).

2. *Currency and minimum denomination of Notes*

Notes shall be issued minimum denominations of €500,000 (and integral multiples thereof), or higher, subject to compliance with all applicable legal and regulatory requirements and provided that the Notes of each issuance may only be issued in equal denominations.

3. *Form, Title and Transfers*

Notes issued pursuant to the Programme will be in dematerialised, book-entry form (*anotaciones en cuenta*).

The Notes will be registered with the Iberclear as managing entity of the central registry of the Spanish clearance and settlement system (the "**Spanish Central Registry**") with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream Luxembourg**") with Iberclear. Iberclear will manage the settlement and clearing of the Notes, notwithstanding the Issuer's commitment to assist, when appropriate, on the clearing and settlement of the Notes through Euroclear and Clearstream Luxembourg.

Notes having the same maturity date will have the same International Securities Identification Number code (the "**ISIN Code**"). The ISIN Code of each series of Notes will be stated in the Complementary Certifications.

Title to the Notes will be evidenced by book-entries and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the "**Iberclear Members**") as being the holder of the Notes shall be considered the holder of the principal amount of the Notes recorded therein. The "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and "**Noteholder**" shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Notes.

One or more certificates (each, a "**Certificate**") attesting to the relevant Noteholder's holding of the Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an Iberclear Member, by Iberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Holder upon such Holder's request.

The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/ or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

4. ***Status of the Notes***

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise)) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

In the event of insolvency (*concurso*) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated credits under Article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal or statutory exceptions and subject to any other ranking that may apply as a result of mandatory provisions of law (or otherwise)) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. The claims that qualify as subordinated credits under Article 92 of the Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (*concurso*) of the Issuer commenced). Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders. Pursuant to Article 59 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer.

5. ***Zero Coupon Notes***

The Notes may be issued at a discount, at par or at a premium to par, and will not bear interest, therefore the Notes will not bear coupons and periodic interest payments will not be made.

6. ***Payment***

(a) ***Principal Amounts***

Payments in respect of the Notes will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that has access to the

corresponding payment system, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Payment Business Day on which the payment of principal falls due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or the Agent or, if applicable, the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Notes.

(b) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

(c) *Payment Business Day*

If the date for payment of any amount in respect of any Note is not a Payment Business Day, the Holder thereof shall not be entitled to payment until the next following Payment Business Day and shall not be entitled to interest or other payment in respect of such delay provided that, if such following Payment Business Day falls in the next succeeding calendar month, the date for payment will be advanced to the Payment Business Day immediately preceding such date for payment.

In this Condition 6:

"Payment Business Day" means any day which is a TARGET Business Day.

"TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

7. ***Redemption***

(a) *Redemption on maturity:* Each Note will be redeemed at its outstanding principal amount on the Maturity Date specified in the Complementary Certifications.

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at their outstanding principal amount if:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the issue date specified in the Complementary Certifications; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent:

- (iii) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (iv) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

- (c) *Purchase:* The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
- (d) *Cancellation:* All Notes so purchased by the Issuer shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.

8. ***Taxation***

All payments in respect of the Notes by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed ("**Taxes**") in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Tax Jurisdiction**"). If the Issuer is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:

- (a) to, or to a third party on behalf of, a Holder or Noteholder who is liable for such taxes or duties in respect of such Notes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or
- (b) to, or to a third party on behalf of, a Holder or Noteholder in respect of whose Notes the Issuer (or an agent acting on behalf of the Issuer) has not received information as may be necessary to allow payments on such Note to be made free and clear of withholding tax or deduction on account of any taxes imposed by a Tax Jurisdiction, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented provided that the Issuer has informed the Noteholders of the new information procedures in advance; or
- (c) where taxes are imposed by a Tax Jurisdiction that are (a) payable otherwise than by withholding from a payment under, or with respect to, the Notes; or (b) any estate, inheritance, gift, sales, transfer, personal property or similar taxes imposed by a Tax Jurisdiction; or (c) solely due to the appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent, person or entity acting on behalf of the investor of the Notes or similar person in relation to such Notes; or
- (d) any combination of items (a) through (c) above.

Notwithstanding any other provision of these Conditions, no additional amounts shall be payable with respect to any Notes if any withholding or deduction is required to be made from a payment on the Notes pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) (the "**Code**"), any current or future regulations or official interpretations thereof, any

law or regulations adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to section 1471(b) of the Code.

9. ***Governing Law and Jurisdiction***

- (a) *Governing Law:* Subject as set out below, the Notes, and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law. Title to the Notes and transfers of the Notes as described in Condition 3 (*Form, Title and Transfers*) and the status of the Notes as described in Condition 4 (*Status of the Notes*) are governed by, and shall be construed in accordance with Spanish law.
- (b) *English Courts:* The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes (including a dispute relating to non-contractual obligations arising from or in connection with the Notes).
- (c) *Appropriate Forum:* The Issuer agrees that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly that it will not argue to the contrary.
- (d) *Rights of the Holder to take proceedings outside England:* Notwithstanding paragraph 9(b) (*English Courts*) the Holder may take proceedings relating to a dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of Process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debentures Corporate Services Limited, Fifth floor 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notification to the Holders in the manner prescribed for the giving of notices in connection with the Notes. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

10. ***Contracts (Rights of Third Parties) Act 1999***

No person shall have any right to enforce any provision of these Conditions or the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

11. ***Prescription***

Claims for principal in respect of the Notes shall become void unless the relevant Notes are presented for payment within ten years of the maturity date specified in the relevant Complementary Certifications.

DESCRIPTION OF THE ISSUER

Aena S.M.E., S.A. is legally incorporated as a Spanish state mercantile company (*sociedad mercantil estatal*) with public limited form (*sociedad anónima*) in accordance with articles 166 of Act 33/2003, of 3 November, on Public Administration Assets (*Ley 22/2003, de 3 de noviembre, del Patrimonio de las Administraciones Públicas*) and 111 of the Public Sector Act (*Ley 40/2015, de 1 de octubre, de Régimen Jurídico del Sector Público*).

The Issuer's registered office is located at Calle Peonías, 12, 28042, Madrid, Spain, the telephone number of its registered office is "+34 1-321-10-00" and its corporate website is "www.aena.es" (the information on the corporate website of the Issuer does not form part of this Information Memorandum unless that information is incorporated by reference into this Information Memorandum). The Issuer holds Tax Identification Code number A-86212420. The Issuer was incorporated for an indefinite time on 14 October 2014.

As of the date of this Information Memorandum, the share capital of the Issuer is represented by 150,000,000 ordinary shares with a nominal value of 10 euros, which are fully subscribed and paid up. All of the Issuer's shares are ordinary shares and have identical rights.

The Issuer's legal and commercial name is Aena.

Overview

The Issuer is an airport operator currently operating 46 airports (32 owned, eight in joint use with the Spanish Ministry of Defense (*Ministerio de Defensa*, the "**Ministry of Defense**") and five military air bases open to civilian use in joint use with the Ministry of Defense), the concession of the new Región de Murcia International Airport and two heliports (both concessions), all of which are located in Spain, and, through its subsidiary Aena Desarrollo Internacional S.M.E., S.A. ("**Aena Internacional**"), the Group operates an airport in the United Kingdom and has equity stakes in companies operating 12 airports in Mexico, two in Jamaica and two in Colombia. Additionally, the Group has recently been awarded with a contract to operate six airports in Brazil starting January 2020. The Issuer served 263.8 million passengers for the year ended 31 December 2018 and 213.9 million passengers for the nine months ended 30 September 2019. It operates two of the ten largest airports in the European Union in terms of passenger volume, the Adolfo Suárez Madrid-Barajas Airport (the sixth largest airport in the European Union according to ACI-Europe 2018, with 57.9 million passengers in 2018) and the Josep Tarradellas Barcelona-El Prat Airport (the seventh largest airport in the European Union according to ACI-Europe 2018, with 50.2 million passengers in 2018). In addition, five of the airports that the Group owns and operates in Spain (Palma de Mallorca, Málaga-Costa del Sol, Gran Canaria, Alicante-Elche and Tenerife Sur) serviced over 86.7 million passengers in 2018.

The Group's airport network in Spain consists of three main airports, Adolfo Suárez Madrid-Barajas, Josep Tarradellas Barcelona-El Prat and Palma de Mallorca, and a variety of other airports divided into four categories: the Canary Islands Group, composed of the eight airports on the Canary Islands; Group I Airports, composed of airports with a volume of more than two million passengers per year; Group II Airports, composed of airports with a volume of between 0.5 million and two million passengers per year; and Group III Airports, composed of airports with a volume of less than 0.5 million passengers per year.

Outside of Spain, the Group operates the London Luton Airport in the United Kingdom through a majority-owned subsidiary of Aena Internacional, and has equity stakes in companies operating the Alfonso Bonilla Aragón Airport (Cali) and Rafael Núñez Airport (Cartagena de Indias) in Colombia; Montego Bay and Kingston in Jamaica, Aguascalientes, Bajío, Hermosillo, Guadalajara, La Paz, Los Mochis, Manzanillo, Mexicali, Morelia, Puerto Vallarta, San José del Cabo and Tijuana airports in Mexico and Recife/Guararapes – Gilberto Freyre, Maceió – Zumbi dos Palmares, Santa Maria – Aracaju, Campina Grande – Presidente João Suassuna, João Pessoa – Presidente Castro Pinto, Juazeiro do Norte – Orlando Bezerra Menezes airports in Brazil.

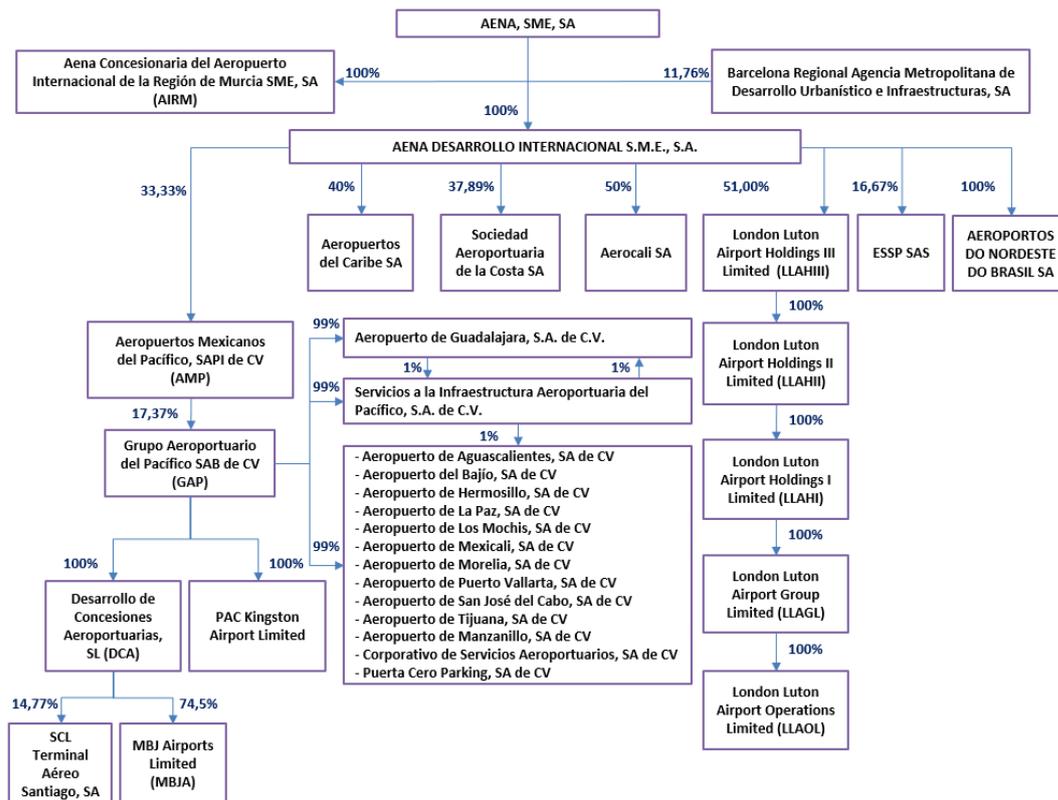
For the year ended 31 December 2018, the Group's ordinary revenue totaled €4,201.4 million (€3,407.7 million for the nine-month period ended 30 September 2019). For the year ended 31 December 2018, the Group's airports segment generated ordinary revenue in the amount of €3,898.4 million (€3,146.0 million for the nine-month period ended 30 September 2019) of which €2,754.2 million was generated by the aeronautical activities and €1,144.2 million was generated by the commercial activities during the year

ended 31 December 2018 (€198.3 million and €47.7 million for the nine-month period ended 30 September 2019, respectively). For the year ended 31 December 2018, the Group's real estate segment generated ordinary revenue in the amount of €67.2 million (€5.2 million for the nine-month period ended 30 September 2019); and the international segment generated ordinary revenue in the amount of €237.9 million in 2018 (€205.0 million for the nine-month period ended 30 September 2019).

Group Structure

The Group operates as a diversified group, both in terms of its geographic reach and the nature of its activities.

The organisational structure of the Group with its holding companies and their significant subsidiaries as at the date of this Information Memorandum is summarised in the following diagram.



History

- Prior to its incorporation in 2011, the operation of Spanish airports was entrusted to the Issuer's majority shareholder, ENAIRE, a state-owned entity incorporated by means of Law 4/1990, of June 29.
- Between 2000 and 2010, additional terminals were inaugurated in Adolfo Suárez Madrid-Barajas and Josep Tarradellas Barcelona-El Prat, and the airports of Alicante-Elche and Valencia were renovated.
- In February 2015, the Issuer carried out an initial public offering whereby its main shareholder ENAIRE disposed of 49% of its share capital and the Issuer's shares were listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

Business Segments

The Group operates in three segments: (i) airports (which accounted for 95.5% of the Group's consolidated EBITDA for the year ended 31 December 2018 and 94.9% for the nine months ended 30 September 2019), which is divided into two business lines, aeronautical activities (which accounted for 60.0% of the consolidated EBITDA for the year ended 31 December 2018 and 58.5% for the nine months ended 30

September 2019) and commercial activities (which accounted for 35.5% of the consolidated EBITDA for the year ended 31 December 2018 and 36.4% for the nine months ended 30 September 2019); (ii) real estate (which accounted for 1.4% of the consolidated EBITDA for the year ended 31 December 2018 and 1.4% for the nine months ended 30 September 2019); and (iii) international (which accounted for 3.1% of the consolidated EBITDA for the year ended 31 December 2018 and 3.6% for the nine months ended 30 September 2019).

The airports segment is the main component of the Group's business with €3,898.4 million in ordinary revenue for the year ended 31 December 2018, representing 92.8% of the consolidated ordinary revenue for such period (€3,146.0 for the nine months ended 30 September 2019, representing 92.3% for such period). This segment generated €2,537.7 million in EBITDA for the year ended 31 December 2018, representing 95.5% of the consolidated EBITDA for such period (€2,028.3 million for the nine months ended 30 September 2019, representing 94.9% for such period). The Group divides the airports segment into two business lines: aeronautical activities and commercial activities.

The real estate segment includes the operation and management of real estate and land, warehouses and hangars and cargo. During the year ended 31 December 2018 the real estate segment generated €67.2 million in ordinary revenue, representing 1.6% of the Group's consolidated ordinary revenue for such period (€55.2 million for the nine months ended 30 September 2019, representing 1.6% for such period). This segment generated €36.7 million in EBITDA for the year ended 31 December 2018, representing 1.4% of the consolidated EBITDA for such period (€30.8 million for the nine months ended 30 September 2019, representing 1.4% for such period).

The Group's international segment includes all of the Group's international activities carried out through Aena Internacional. During the year ended 31 December 2018, the Group's international segment generated €237.9 million in ordinary revenue, representing 5.7% of the Group's consolidated ordinary revenue for such period (€205.0 million for the nine months ended 30 September 2019, representing 6.0% for such period). This segment generated €82.2 million in EBITDA for the year ended 31 December 2018, representing 3.1% of the Group's consolidated EBITDA for such period (€77.6 million for the nine months ended 30 September 2019, representing 3.6% for such period).

Airports

The airports segment is divided into two business lines, aeronautical activities and commercial activities.

Aeronautical activities

The aeronautical activities business line is divided into two sub-categories, regulated activities and non-regulated activities.

Aeronautical Business Line (Million)

	Year Ended 31 December ⁽¹⁾		Nine Months Ended 30 September ⁽²⁾		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Ordinary revenue	2,638.5	2,754.2	2,107.9	2,198.3	4.4%	4.3%
Other operating income	53.8	98.6	34.4	33.7	83.1%	-2.0%
Total revenue	2,692.4	2,852.8	2,142.3	2,232.0	6.0%	4.2%
Total expenses	(1,774.8)	(1,885.0)	(1,388.8)	(1,432.3)	6.2%	3.1%
EBITDA	1,549.0	1,594.8	1,223.2	1,249.9	3.0%	2.2%
Adjusted EBITDA	1,557.3	1,651.0	1,228.8	1,255.4	6.0%	2.2%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

Aeronautical Business Line (Million)

	For the Year Ended 31 December ⁽¹⁾		For the Nine Months Ended 30 September ⁽²⁾		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Landing charges	697.3	733.0	558.6	575.0	5.1%	2.9%
Parking facilities	34.2	37.4	27.9	32.8	9.5%	17.3%
Passenger fees	1,166.4	1,227.1	939.4	992.8	5.2%	5.7%
Telescopic boarding gates	110.2	106.8	81.4	76.6	-3.0%	-5.9%
Security charges	419.9	426.7	330.5	344.4	1.6%	4.2%
Handling	90.4	100.8	77.0	84.3	11.5%	9.4%
Fuel	33.5	33.7	25.7	25.4	0.6%	-1.1%
On-board catering	10.1	10.8	8.1	9.1	7.3%	11.9%
Other airport services	76.5	77.8	59.2	58.0	1.7%	-2.1%
Ordinary revenue	2,638.5	2,754.2	2,107.9	2,198.3	4.4%	4.3%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

(a) Regulated activities

Regulated activities are those for which rates are fixed through a procedure set by Act 18/2014 and Directive 2009/12/EC. These activities include, but are not limited to, landing of aircrafts (except for those activities related to air traffic control, which are performed by third parties), stands, passengers' use of airport facilities, telescopic boarding gates, cargo, security, ground handling services, and the variable portion of the fees relating to the supply of fuel and catering. For additional information on the rates the Group can charge for the Group's regulated activities, see "*Regulatory Framework*".

Landings. Fees charged for landings represented 26.6% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 26.9% for the nine months ended 30 September 2019. Landings include all services related to the use of runways by aircrafts, other than the use of personnel for servicing aircraft, handling cargo and all services related to air traffic provided by the airport operator.

Parking Facilities. Fees charged for stands represented 1.4% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 1.5% for the nine months ended 30 September 2019. Fees for stands are charged for the time aircrafts are not parked next to a telescopic boarding gate or at a hangar. Fees are also charged for the time planes are parked with wheel chocks in the runways. The Group does not charge stand fees between 12:00 a.m. and 6:00 a.m.

Passengers. Fees charged to passengers for the use of airport facilities represented 44.6% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 46.4% for the nine months ended 30 September 2019. These fees include fees charged to passengers for the use of terminals, waiting areas, gates and other areas required to access the aircraft.

Telescopic boarding gates. Fees charged for the use of telescopic boarding gates represented 3.9% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 3.6% for the nine months ended 30 September 2019. Fees are charged to airlines for the use of telescopic boarding gates for boarding or disembarking and for the time the aircraft is parked next to a telescopic boarding gate even if no boarding or disembarking is taking place.

Security. Fees charged for security services represented 15.5% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 16.1% for the nine months

ended 30 September 2019. These services include the inspection and control of passengers and their luggage and all technological equipment used for security surveillance at the terminal, access areas and runways, among others.

Handling. Fees charged for the use of infrastructure for the provision of ground handling services represented 3.8% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 3.9% for the nine months ended 30 September 2019. These services include all activities related to the cleaning and maintenance of the aircraft, luggage handling and apron operations. The Group has awarded a concession to provide ground handling services business to third parties including, among others Iberia, Groundforce, Ryanair, Acciona, Aviapartner, Easyjet, and Swissport.

Fuel. The variable portion of fees charged for the supply of fuel represented 1.2% of the revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 1.2% for the nine months ended 30 September 2019. These fees are charged for the transportation and supply of fuel within the Group's airports.

On-board catering. Fees charged for catering represented 0.4% of the ordinary revenue generated from regulated aeronautical activities during the period ended 31 December 2018 and 0.4% for the nine months ended 30 September 2019. On-board catering includes the unloading of consumed food and drink from the aircraft, the loading of fresh food and drink for passengers and crew and the use of airline service trolleys.

(b) Non-regulated Activities

Non-regulated activities are those activities for which the Group can decide the amount of fees or rates it charges to its airline customers. These activities include the use of the 400 Hz power system, use of ticket counters, intercompany servicing agreements, the fixed portion of the fees relating to the supply of fuel, fast-track access and certain other airport activities. The Group's non-regulated activities represented 2.8% of the ordinary revenue generated from its aeronautical activities during the period ended 31 December 2018 and 2.6% for the nine months ended 30 September 2019 .

(c) Airport Network

The Group's airport network consists of three main airports (Adolfo Suárez Madrid-Barajas, Josep Tarradellas Barcelona-El Prat and Palma de Mallorca) and a variety of other airports divided into four categories: (i) Canary Islands Group, composed of the eight airports of the Canary Islands, (ii) Group I Airports, composed of airports with a volume of more than two million passengers per year, (iii) Group II Airports, composed of airports with a volume of between half a million and two million passengers per year, and (iv) Group III Airports, composed of airports with a volume of less than half a million passengers per year.

The following table sets forth the passenger volume, number of aircraft operations and amount of cargo transported in the various groups of the Group's Spanish airport network in 2018.

Airports and Airport Groups	Passengers		Operations		Cargo	
	Million	2018 vs. 2017	Thousand	2018 vs. 2017	Tonnes	2018 vs. 2017
Adolfo Suárez Madrid-Barajas	57.9	8.4%	409.8	5.7%	518,859	9.9%
Josep Tarradellas Barcelona-El Prat	50.2	6.1%	335.7	3.7%	172,940	10.8%
Palma de Mallorca	29.1	4.0%	220.3	5.5%	10,018	-1.7%
Canary Islands Group	45.3	2.8%	416.5	9.3%	37,433	-0.4%
Group I	66.2	6.0%	548.0	5.1%	38,032	2.0%
Group II	13.6	6.5%	187.5	4.1%	171,121	17.3%
Group III	1.5	18.2%	182.4	6.0%	62,471	3.0%
Subtotal Spanish Airport Network	263.8	5.8%	2,300.2	5.8%	1,010,873	9.9%

Adolfo Suárez Madrid-Barajas

Adolfo Suárez Madrid-Barajas is the sixth largest airport in the European Union in terms of passenger volume and one of the 30 largest airports in the world according to Airport Council International ("ACI"). In 2018, Adolfo Suárez Madrid-Barajas served 57.9 million passengers. Adolfo Suárez Madrid-Barajas is also the largest airport of the network in terms of passenger volume, aircraft operations (409,832 in 2018) and tonnes of cargo handled (518,859 tonnes in 2018). (Source: ACI)

As of 30 September 2019, Adolfo Suárez Madrid-Barajas has a large infrastructure capacity with four runways that allow for up to 120 aircraft operations per hour; four commercial terminals (T1, T2, T3 and T4), a satellite building with one terminal (T4S) with a combined estimated capacity of up to approximately 70 million passengers per year; a private corporate terminal; more than 23,917 in operation and 30,032 existing parking spaces; a specially devoted cargo area (*Centro de Carga Aérea*) of over 43,500 square meters open 24 hours a day, seven days a week; and a large commercial area (of approximately 53,000 square meters) that includes, among other things, specialty shops (including luxury boutiques), restaurants and food locations, children's areas, banks, currency exchange locations, VIP lounges, ATMs, chapels and business centers. Adolfo Suárez Madrid-Barajas also has the capability to operate large aircraft such as the Airbus A380.

Josep Tarradellas Barcelona-El Prat Airport

Josep Tarradellas Barcelona-El Prat is the seventh largest airport in the European Union and is one of the top 40 airports in the world in terms of passenger volume, airport operations (335,651 airport operations in 2018) and tonnes of cargo handled (172,940 tonnes in 2018). (Source: ACI)

As of 30 September 2019, Josep Tarradellas Barcelona-El Prat has three runways that allow for up to 90 airport operations per hour; two terminals (T1 which opened in June 2009, and T2) with a combined capacity of up to 55 million passengers; a business terminal for private flights; 18,646 in operation and 35,000 existing parking spaces; an MRO center with a surface of 16,000 square meters; and a specially devoted cargo area (*Centro de Carga Aérea*) open 24 hours a day, seven days a week and an area of 471,000 square meters. Josep Tarradellas Barcelona-El Prat also has a commercial and catering area which exceeds 40,000 square meters that offers, among other things, specialty shops (including luxury boutiques), restaurants and food locations, banks, currency exchange locations, VIP lounges, ATMs, chapels and business centers. Josep Tarradellas Barcelona-El Prat has the capacity to operate large aircraft such as the Airbus 380, used by the airline Emirates for its flights between Barcelona and Dubai.

Palma de Mallorca Airport

The Palma de Mallorca Airport is the third largest airport in Spain in terms of passenger volume and is the nineteenth largest airport in Europe in terms of passengers per year, ahead of Vienna, Düsseldorf and Manchester. In 2018, Palma de Mallorca served 29.1 million commercial passengers. (Source: ACI).

The Palma de Mallorca Airport has two runways and a terminal building divided into four areas that can be used independently, with capacity of up to 34 million passengers per year; a business terminal for private flights; approximately 9,536 parking spaces; and three maintenance and repairing centers for a total surface of 19,000 square meters. In addition, as of 30 September 2019, it also offers retail and commercial areas (of approximately 19,900 square meters) that were renovated in 2018. The Palma de Mallorca Airport has two aircraft maintenance hangars operated by Globalia Mantenimiento Aeroaúatico S.L.U. and Sistemas Especiales de Metalización S.A.U. each with an extension of 8,600 square meters and 2,900 square meters, respectively. Additionally, there is another hangar under rehabilitation destined to serve purposes of aircraft and handling equipment maintenance with an extension of approximately 6,400 square meters.

Canary Islands Group

The Canary Islands Group consists of the eight airports in the Canary Islands: Gran Canaria, Tenerife Sur, Tenerife Norte, Lanzarote, Fuerteventura, La Palma, el Hierro and La Gomera, with an aggregate passenger capacity of 58.7 million. The airports of the Canary Island Group served 45.3 million passengers in 2018, conducted 416,457 operations and handled 37,433 tonnes of cargo. In 2018, passenger traffic of the airports of the Canary Islands Group represented 17.2% of all passenger traffic in the network.

Airport	Passengers	Operations	Cargo
	2018	2018	2018
	Passengers	Operations	Cargo
Gran Canaria	13,573,242	131,030	19,166,163
Tenerife-Sur	11,042,481	69,910	2,482,906
Lanzarote	7,327,019	60,955	1,606,594
Fuerteventura	6,118,893	51,541	874,097
Tenerife-Norte	5,493,994	73,222	12,669,965
La Palma	1,420,277	22,033	565,091
El Hierro	247,203	5,114	66,051
La Gomera	61,944	2,652	1,804

Group I Airports

Group I Airports are those with passenger volumes of two million or more passengers per year. Group I Airports include: Málaga-Costa del Sol, Alicante-Elche, Ibiza, Valencia, Bilbao, Sevilla, Girona- Costa Brava and Menorca, with an aggregate passenger capacity of 88.8 million.

In 2018, Group I Airports served 66.2 million passengers, conducted 547,991 aircraft operations, and handled 38,032 tonnes of cargo. In 2018, passenger traffic of Group I Airports represented 25.1% of all passenger traffic in the network.

Group II Airports

Group II Airports are those with passenger volumes of between 500,000 and 2 million passengers per year. This group currently includes the 11 airports described below, with an aggregate passenger capacity of 22.9 million.

In broad terms, Group II Airports can be classified into three categories based on type of passengers or operations:

- Tourist traffic: Región de Murcia International Airport, Reus, Almería and Jerez de la Frontera, which have seasonal traffic.
- Personal and business travel (and some tourist traffic): Santiago de Compostela, A Coruña, Vigo, Asturias, Santander and FGL Granada- Jaén.
- Cargo: Zaragoza, which is the third largest airport in the Group's network in terms of cargo volume.

In 2018, Group II Airports served 13.6 million passengers, conducted 187.5 thousand aircraft operations and handled 171,121 tonnes of cargo. In 2018, passenger traffic of Group II Airports represented 5.2% of all passenger traffic in the network.

Aeropuerto Internacional de la Región de Murcia

On 15 January 2018, the Group was awarded the management, operation, maintenance and conservation of the new Región de Murcia International Airport ("**AIRM**"). Pursuant to the tender documents, the Group established the company Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.M.E., S.A. which, by universal succession, also allowed to continue the segregated commercial activity of Murcia San Javier in the new AIRM, as the Murcia San Javier airport is exclusively a military airport following the inauguration of AIRM on 15 January 2019.

Group III Airports

Group III Airports are those with passenger volumes of less than 500,000. This group currently includes: two heliports located in Algeciras and Ceuta; five general aviation airports: Sabadell, Córdoba, Huesca-Pirineos, Madrid-Cuatro Vientos and Son Bonet; one cargo airport located in Vitoria; and ten regional

airports: Albacete, Badajoz, Burgos, Logroño-Agoncillo, León, Melilla, Pamplona, Salamanca, San Sebastián and Valladolid, with an aggregate passenger capacity of 5.9 million.

Madrid-Cuatro Vientos and San Bonet airports are in joint use with the Ministry of Defense. Albacete, Badajoz, León, Salamanca and Valladolid airports are military air bases open to civilian use in joint use with the Ministry of Defense.

Group III Airports play an important role in the Group's network as they help airport connectivity with large airport hubs and provide social cohesion.

In general terms, Group III Airports can be classified as follows:

- *Discharge airports*: airports that reduce passenger traffic levels of the Group's larger airports by absorbing general aviation operations (private flights, training schools, etc.) and therefore allow larger airports to focus on commercial aviation preventing disturbances to commercial airlines and unnecessary delays.
- *Capacity reserve airports*: these airports have a certain level of commercial air traffic, but they also provide reserve capacity. If in the coming years there is an air traffic increase that is higher than forecasted, these airports could provide capacity and absorb unprojected demand increases without the need to make any investment in the short term.
- *Remote location airports*: airports located in remote places that provide mobility to inhabitants of such places.

Commercial Activities

The Group's commercial activities involve the renting of commercial premises to clients following a public bidding process. The commercial activities provided at the Group's airports include duty-free shops, speciality shops, food and beverage, leases, car parks, car rentals, advertising and other commercial activities such as VIP lounges, banking services, travel agencies, vending machines and commercial supplies, among others.

The Group enters into commercial services agreements with companies that provide services for the Group's airports. These agreements vary depending on the service provided and are typically dependent on a variable component, determined by the number of sales made by these companies, and subject to a MAG, which does not depend on the amount of sales made. MAGs are fixed in each agreement for each lot and for each year of such agreement and are subject to change only in limited circumstances set forth in the relevant agreement (*e.g.*, in circumstances where significant portions of the leased area pursuant to the agreements become unusable for a specified period of time due to airport construction) or subject to the relevant agreement being terminated in accordance with the terms set forth therein. Agreements entered in connection with duty free shops, speciality shops, food and beverage, advertising and other commercial activities include MAGs. Agreements entered into in connection with leases, VIP lounges, car parks and car rentals do not include MAGs.

The following table highlights key financial data for the Group's commercial activities for each of the periods set forth below.

**Commercial Business
Line (Million)**

	Year Ended 31 December ⁽¹⁾		Nine Months Ended 30 September ⁽²⁾		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Ordinary revenue	1,049.3	1,144.2	871.5	947.7	9.0%	8.7%
Other operating income	11.3	18.2	5.9	7.2	61.1%	22.2%
Total revenue	1,060.6	1,162.4	877.4	954.9	9.6%	8.8%
Total expenses	(294.4)	(326.8)	(239.0)	(254.9)	11.0%	6.7%
EBITDA	873.4	942.9	718.5	778.4	8.0%	8.3%
Adjusted EBITDA	874.5	948.3	719.4	779.1	8.4%	8.3%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

The following table sets forth the ordinary revenue generated by each of the Group's commercial activities for each of the periods below.

**Commercial Business
Line (Million)**

	Year Ended 31 December ⁽¹⁾		Nine Months Ended 30 September ⁽²⁾		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Duty-free shops	309.0	318.0	241.9	263.1	2.9%	8.8%
Specialty shops	91.7	106.4	80.2	88.5	16.1%	10.3%
Food and Beverages	175.6	200.7	155.8	173.3	14.3%	11.3%
Car Rental	149.4	152.7	118.3	121.3	2.3%	2.6%
Car Parks	132.0	143.8	108.0	119.6	8.9%	12.6%
VIP services	41.1	64.2	48.0	59.0	56.5%	23.1%
Advertising	31.6	33.2	25.3	20.9	5.1%	-17.4%
Leases	32.1	33.6	25.3	26.1	4.6%	3.3%
Other commercial revenue	86.8	91.5	68.8	75.9	5.4%	10.3%
Ordinary revenue	1,049.3	1,144.2	871.5	947.7	9.0%	8.7%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

Duty-free shops. Fees originated from duty-free shops represented 27.8% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 27.8% for the nine months ended 30 September 2019. There are approximately 79 duty-free shops in the Group's airports, offering a variety of products such as alcoholic beverages, cigarettes, cosmetic products and others. Most of the duty-free shops are located in Adolfo Suárez Madrid-Barajas and Josep Tarradellas Barcelona-El Prat and in both cases they are located post-security checks. These shops are operated by World Duty Free Group pursuant to an agreement entered into in December 2012.

Speciality shops. Fees originated from retail stores represented 9.3% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 9.3% for the nine months ended 30 September 2019.

Food & Beverage. Fees originated from food providers represented 17.5% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 18.3% for the nine months ended 30 September 2019. The Group generally charges food providers a variable fee and a MAG.

Car rentals. Fees originated from car rental providers represented 13.3% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 12.8% for the nine months ended 30 September 2019. The Group allows third parties to render car rental services in its facilities in exchange for a monthly fee composed of a variable fee (equal to 4.8% of the amount of sales made (car rental agreements entered into by the third-party entity)) and a fixed fee for the real estate used outside its airports. The Group also charges a MAG on the number of sales made.

Car Parks. Parking lots represented 12.6% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 12.6% for the nine months ended 30 September 2019. The Group typically outsources the operation and maintenance of its parking lots to third parties through long-term contracts (typically five years plus a one-time two-year extension), but the Group retains the right (*gestión propia*) to determine all matters related to pricing and marketing of its parking lots. Since 2013, the Group has outsourced the operation and maintenance of its parking lots in 32 of its airports to Saba Aeropuertos, S.A. and Empark Aparcamientos y Servicios, S.A.

Advertising. Advertising represented 2.9% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 2.2% for the nine months ended 30 September 2019. The Group's revenue is generated from the use by third parties of the various advertising locations offered throughout its network. On 14 June, the activity of the new companies that were awarded the advertising and promotional activity licenses at the Group's airports began.

These new licenses have been awarded in eight lots, for a term of seven years, to four different providers: Exterior Plus S.L. and Sistemas e Imagen Publicitaria S.L.U. (five airports in the Madrid/Central Peninsular lot and four in the Catalonia lot), JFT Comunicación (eight airports in the Canary Islands lot and nine in the Andalusia lot), Promedios (eight, five and four airports in the North, North-East and Levante lots respectively) and the New Business Media Ceco Centros Comerciales temporary consortium, (four airports in the Balearic Islands lot).

Leases. Leases represented 2.9% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 2.8% for the nine months ended 30 September 2019. Revenue comes from the fees (*cánones*) the Group generally charges for the leasing of offices, commercial locations, ticket counters and any other space used by airlines, cleaning companies and ground handling companies, among others, in its airport facilities. Lease agreements are typically entered for one-year periods. Fees (*cánones*) under these agreements are paid on a monthly basis.

Other commercial activities. Other commercial activities represented 13.6% of the ordinary revenue generated from commercial activities during the period ended 31 December 2018 and 14.2% for the nine months ended 30 September 2019. The Group's airport network offers 24 VIP lounges in 15 airports, business centers and a variety of services, including, among others, banking services (bank branches, ATMs, currency exchanges and VAT refund locations), travel agencies, vending machines and commercial supplies.

Real estate

The Group's real estate segment includes the operation and management of the real estate and land, warehouses and hangars and cargo. During the period ended 31 December 2018, the Group's real estate segment generated €7.2 million in ordinary revenue (€5.2 million for the nine months ended 30 September 2019), representing 1.4% of the Group's consolidated EBITDA for the year ended 31 December 2018 (1.4% for the nine-month ended 30 September 2019).

The following table highlights key financial data for the Group's real estate for each of the periods set forth below.

Real Estate Business Segment (Million)

	Year Ended 31 December		Nine Months Ended 30 September		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Ordinary revenue	59.7	67.2	50.4	55.2	12.6%	9.4%
Other operating income	1.4	1.7	0.9	1.1	26.1%	24.9%
Total revenue	61.1	69.0	51.3	56.3	12.9%	9.7%
Total expenses	(47.1)	(48.9)	(37.2)	(37.9)	3.9%	1.9%
EBITDA	30.6	36.7	26.5	30.8	20.3%	16.3%
Adjusted EBITDA	31.2	37.3	26.6	30.9	19.5%	16.0%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

The following table sets forth the ordinary revenue generated by each of the Group's real estate for the periods set forth below.

Real Estate Business Segment (Million)

	Year Ended 31 December ⁽¹⁾		Nine Months Ended 30 September ⁽²⁾		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Land	19.2	24.2	18.0	19.2	25.6%	6.6%
Cargo logistics centre	13.7	15.4	11.3	12.8	12.3%	13.7%
Leases	12.1	12.6	9.2	10.0	4.1%	8.6%
Hangars	8.4	8.1	6.4	6.2	-2.9%	-3.3%
Real estate operations	6.2	6.9	5.5	6.8	10.7%	24.6%
Ordinary revenue	59.7	67.2	50.4	55.2	12.6%	9.4%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

Land. Land represented 36.0% of the ordinary revenue generated from its real estate during the period ended 31 December 2018 and 34.9% for the nine months ended 30 September 2019. The Group leases real estate, paved ways (not available for building) and land it owns near its airports to third parties who build at their own cost facilities such as hangars, paved ways and warehouses.

Cargo logistic centers. The Group's activities at cargo logistic centers represented 22.9% of the ordinary revenue generated from real estate during the period ended 31 December 2018 and 23.3% for the nine months ended 30 September 2019.

Warehouses and hangars. Fees charged for the use of warehouses and hangars represented 12.1% of the ordinary revenue generated from real estate during the period ended 31 December 2018 and 11.2% for the nine months ended 30 September 2019.

Warehouses and hangars revenue also includes ordinary revenue from other real estate assets, such as gas stations, fixed-base operators (FBOs) and aeronautical maintenance to third parties.

International

International Business Segment (Million)

	Year Ended 31 December ⁽¹⁾		Nine Months Ended 30 September ⁽²⁾		Year Ended	Nine Months Ended
	2017	2018	2018	2019	2018 vs. 2017	2019 vs. 2018
Ordinary revenue	215.3	237.9	180.7	205.0	10.5%	13.4%
Other operating income	0.2	0.2	0.1	0.1	23.3%	5.5%
Total revenue	215.5	238.1	180.9	205.1	10.5%	13.4%
Total expenses	(195.7)	(211.3)	(157.0)	(175.6)	7.9%	11.9%
EBITDA	64.6	82.2	64.1	77.6	27.3%	21.2%
Adjusted EBITDA	65.4	82.5	64.3	77.7	26.1%	20.8%

(1) Source: Audited consolidated annual financial statements as at and for the year ended 31 December 2018

(2) Source: Consolidated interim management report for the nine month period ended 30 September 2019

Through affiliates of Aena Internacional, the Group operates an airport in the United Kingdom and has equity stakes in companies operating 12 airports in Mexico, two in Jamaica, two in Colombia and six in Brazil. In addition, Aena Internacional also has a stake in the French company European Satellite Service Provider, SAS.

During 2018, the subsidiary Aena Internacional has collected dividends from associates and with joint control amounting to €19.6 million and €19.1 million from its controlled subsidiaries.

All of Aena Internacional's operations are conducted through affiliates located in each of the relevant jurisdictions. The Group technically assisted these affiliates either through the bidding process required to obtain the concession or for the acquisition of the concession company, and provides technical and technological assistance on an ongoing basis, with other market participants that could help the Group's expansion strategy in the future.

The following table sets forth a list of Aena Internacional's affiliates, the airport or airports where each of these affiliates operate, the number of passengers served by these airports in 2018, the term of the concession granted to these affiliates and the ownership participation of Aena Internacional in each of these affiliates as of the date hereof.

Passengers 2018

Name of Affiliate	International Airport(s) Operated	(millions)	Term of Concession	Ownership (%)
Aeropuertos Mexicanos del Pacífico, S.A. de CV	GAP (Mexico): Aguascalientes, Bajío, Hermosillo, Guadalajara, La Paz, Los Mochis, Manzanillo, Mexicali, Morelia, Puerto Vallarta, San José del Cabo, Tijuana	44.9	Expiration 2048 (50 years, may be extended)	33.3 in AMP (5.8 in GAP through AMP)
	(Jamaica): Kingston, Montego Bay	4.5	Expiration 2033 (25 years, possible)	5.8 in Kingston through GAP

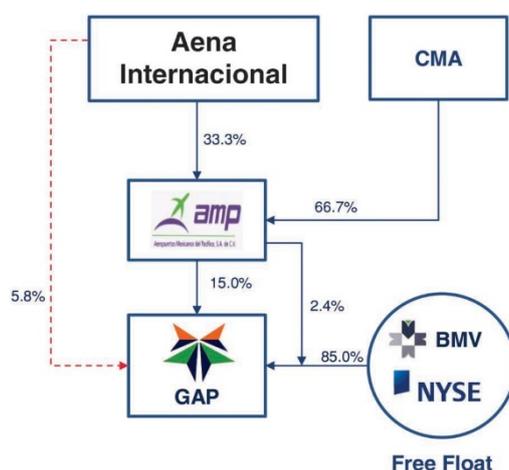
			extension of 5 years)	
LLAHIII (which holds 100% of the shares of London Luton Airport Operations Limited)	Luton (United Kingdom)	16.6	Expiration 2031	51.0
Aerocali S.A.	Alfonso Bonilla Aragón (Cali, Colombia)	5.1	Expiration 2020 (20 years, may be extended)	50.0
Sociedad Aeroportuaria de la Costa S.A.	Rafael Núñez (Cartagena de Indias, Colombia)	5.5	Expiration 2020 (15 years, plus 9-year extension)	37.9
Grupo Aeroportuario del Nordeste	Recife, Maceió, Aracaju, Campina Grande, João Pessoa, Juazeiro do Norte	14	Expiration 2050 (30 years, may be extended 5 years)	100*

*Grupo Aeroportuario del Nordeste is not expected to consolidate until January 2020, and the Group has not started to operate these airports as it is further explained in "Concession of the North-eastern Brazil airport group".

Aeropuertos Mexicanos del Pacífico and Grupo Aeroportuario del Pacífico

Aena Internacional owns 33.3% of the shares of Capital Investors Crown Bidco Limited ("AMP"), which in turn owns 17.4% of the shares of Grupo Aeroportuario del Pacífico, SAB de CV ("GAP"), the holder of 12 airport concessions mainly located in the pacific coast of Mexico. Aena Internacional is also AMP's operating partner, providing experience and know-how in the operation and management of AMP's airport business. The remaining 66.7% shareholding is held by CMA (Controladora Mexicana de Aeropuertos, S.A. de C.V., a Mexican partner).

The following chart shows forth the organizational chart of GAP as of 30 September 2019.



AMP's ownership interest in GAP consists of a 15% interest in GAP's Series BB shares, and a 2.4% interest in GAP's Series B shares purchased by AMP as part of GAP's initial public offering of shares. The Series BB shares give AMP special rights for the designation of four of the 11 members of GAP's board of directors and the chief executive officer and veto power in key decisions, such as budget approvals, business plans and changes to GAP's by-laws. AMP also provides GAP with technical and technological services in exchange for 5% of GAP's EBITDA.

GAP was incorporated in 1998 as part of the Mexican federal government program to open the Mexican national airport system to private investment. GAP owns the concession companies of 12 airports located

on the Pacific coast of Mexico and 2 airports in Jamaica. The concession agreements for the operation of the 12 Mexican airports were entered into in 1998 and have terms of 50 years that may be extended by the parties for an additional 50 years. The 12 Mexican airports operated by GAP are Aguascalientes, Bajío, Hermosillo, Guadalajara, La Paz, Los Mochis, Manzanillo, Mexicali, Morelia, Puerto Vallarta, San José del Cabo and Tijuana. GAP's airports are located in nine of the 32 states of Mexico serving a population of approximately 28.2 million inhabitants. All of GAP's airports are international and five of them are within the ten principal airports of Mexico in terms of passenger air traffic volume. GAP also owns 100% of the society Desarrollo Concesiones Aeroportuarios, S.L., which has a 74.5% shareholding in MJB Airports Limited, an airport operator in Montego Bay, Jamaica. The term of this concession will expire in April 2033. From October 2019, GAP will take control of the operation and administration of the Norman Manley International Airport of Kingston (Jamaica) after obtaining the concession of the Government of Jamaica for a period of 25 years.

London Luton Airport Operations Limited

Aena Internacional owns 51% of London Luton Airport Holding III ("**LLAHIII**"), a holding company of London Luton Airport Holdings II, London Luton Airport Holdings II holds 100% of London Luton Airport Holdings I and London Luton Holdings I holds 100% of the shares of London Luton Airport Group Limited ("**LLAGL**"), which holds 100% shares of London Luton Airport Operations Limited ("**LLAOL**").

The remaining 49% of LLAHIII is held by AMP. As of 30 September 2019, the Group had an investment of €9.2 million in LLAHIII.

LLAOL was granted the concession of London Luton Airport, the fourth largest airport in London and the fifth largest in the United Kingdom in terms of passenger air traffic, serving 16.6 million passengers for the period ended 31 December 2018. London Luton Airport's concession agreement was entered in 1998 and will terminate in 2031. LLAGL serves as guarantor of LLAOL under the concession agreement. London Luton Airport is not subject to the regulatory framework of the British Civil Aviation Authority, which allows for more flexibility in terms of investments.

Aerocali, S.A.

Aena Internacional owns 50.0% of the shares of Aerocali, S.A. ("**Aerocali**"), the concessionary entity in charge of operating and managing the Alfonso Bonilla Aragón Airport in Cali, Colombia, the third largest airport in Colombia in terms of passenger volume. The remaining 50.0% of the shares of Aerocali are owned by Corporación Financiera de Colombia S.A., an entity that is part of one of the most important financial conglomerates in Colombia. Aena Internacional also provides technical assistance to Aerocali on an ongoing basis in accordance with a technical assistance, operation and management agreement.

Aerocali's concession agreement was entered in 2000 and has a term of 20 years. Under the concession agreement, fees are charged for airport and aeronautical activities and are adjusted on an annual basis in accordance with inflation. The main market of the Alfonso Bonilla Aragón Airport is the domestic market, which represents approximately 84% of the total amount of passenger air traffic. Aerocali pays a concession fee of over 41.0% of its total revenue plus a fixed amount.

Sociedad Aeroportuaria de la Costa S.A.

Aena Internacional owns 37.9% of the shares of Sociedad Aeroportuaria de la Costa S.A. ("**SACSA**") (acquired in 1998 from the operator of Schiphol Airport), the concessionary entity in charge of operating and managing the Rafael Núñez Airport in Cartagena de Indias, Colombia. The remaining 62.1% of SACSA shares are owned by Concecol S.A.S. (11.6%), Organización Terpel S.A. (10.1%) and other local investors (40.5%). Aena Internacional also provides technical assistance to SACSA on an ongoing basis in accordance with a technical assistance, operation and management agreement.

SACSA's concession agreement was entered in 1996 with a term of 15 years and was extended in 2011 for another nine years, until 2020. Under the concession agreement, fees are charged for airport and aeronautical activities and are adjusted on an annual basis in accordance with inflation and the nominal exchange rate of the U.S. dollar as it relates to the Colombian peso. The main market of the Rafael Núñez Airport is the domestic market. As of the date of this Information Memorandum, SACSA pays a concession fee of 11.175% of its total revenue.

Concession of the North-eastern Brazil airport group

The Group, through its subsidiary Aena Internacional won the concession for the operation and maintenance of Recife, Maceió, Aracaju, Campina Grande, João Pessoa and Juazeiro do Norte airports, which together form the Northeast Brazil Airport Group (*Aeroportos do Nordeste do Brasil*) (the "**ANB Group**"), in the auction held on 15 March 2019.

In 2018, the ANB Group registered traffic of 14.0 million passengers:

Millions of passengers	2018
Recife	8.4
Maceió	2.2
Joao Pessoa	1.4
Aracaju	1.2
Juazeiro do Norte	0.6
Campina Grande	0.2
TOTAL	14.0

On 30 May 2019, Aeroportos do Nordeste do Brasil, S.A., a new Brazilian company, was incorporated as a wholly owned subsidiary of Aena Internacional, with a share capital of 10,000 Brazilian Real and whose specific and exclusive corporate object is the provision of public services for the expansion, maintenance and operation of the infrastructure of the airport complexes comprising the Northeast block of Brazil. At its meeting held on 1 July 2019, the company approved a capital increase up to a total of 2,389.0 million Brazilian Real (approximately 537.8 million euros at the insured exchange rate of 4.4425 EUR/BRL), which was fully subscribed by its sole shareholder. The method and calendar of this disbursement is set out below:

- 18 July 2019: 488.9 million Brazilian Real (110.1 million euros at the insured exchange rate) corresponding to the contribution stipulated by the Brazilian Government for the expenses of the concession to be paid to Infraero (advisers, auction expenses and the personnel reallocation programme) and residual cash.
- 26 August 2019: 1,900.0 Brazilian Real (427.7 million euros at the insured exchange rate) corresponding to the amount of the bid.

The administrative procedures for the formalisation of the concession have been completed in August, and the concession contract has been signed on the 5 September 2019. From then on, a transition phase would begin, after which it is estimated that the Group would begin to operate the airports covered by the concession from January 2020.

The concession, which has a term of 30 years is of BOT (Build, Operate and Transfer) type, does not include ATC (Air Traffic Control) services and follows a Dual-Till model, in which aeronautical revenues are regulated (the maximum income per passenger for airports with more than one million passengers is approximately €8 and the maximum income is established based on an agreement with the airlines for the rest of the airports) and commercial activity is not regulated.

In the tender specifications, the National Civil Aviation Agency (ANAC) estimated an investment amount of 2,153 million Brazilian Real (equivalent to 484.6 million euros at the insured exchange rate divided between mandatory capital expenditure aimed at bringing infrastructure up to standard for the traffic, non-mandatory discretionary capital expenditure, mainly aimed at commercial areas, and the maintenance of infrastructure, runways and equipment).

The variable financial consideration is set at 8.16% of gross income, with an initial five-year grace period and five years of a progressive rate, which would begin in 2025 at 1.63% and gradually increase to 3.26% in 2026, 4.90% in 2027 and 6.53% in 2028, reaching the 8.16% contractual rate applicable in 2029 and subsequent years.

MANAGEMENT

Board of Directors

Spanish corporate law provides that a company's board of directors is responsible for its management, administration and representation in all matters concerning the business of a company, subject to the provisions of such company's bylaws (*estatutos sociales*). The Board of Directors is responsible for the management and establishes the strategic, accounting, organizational and financing policies. The Board of Directors may delegate permanently certain of its powers to the Executive Committee or the Chief Executive Officer.

The bylaws provide that the Board of Directors will be composed of a minimum of ten and a maximum of fifteen members. The Board of Directors is currently composed of fifteen members. Members of the Board of Directors are elected by the general shareholders' meeting to serve for a term of four years and may be re-elected to serve for another term of four years unlimited times, except for those members that are appointed as independent members, which may serve as such for no longer than twelve years (three terms of four years each).

The Board of Directors is in charge of appointing a Chairman and may appoint one or more Deputy Chairmen who will act as Chairman in the Chairman's absence. The Board of Directors may also appoint a Secretary and a Deputy Secretary, neither of whom needs to be a member of the Board of Directors. The Deputy Secretary will act as Secretary upon the Secretary's absence.

The shareholders determine the remuneration payable to the members and Secretary of the Board of Directors for participating in Board of Directors meetings, in accordance with the bylaws and RD 451/2012. The members of the Board of Directors and the Secretary may be reimbursed for travel expenses or costs related to their participation in the meetings.

The bylaws also provide that the Board of Directors shall meet periodically and at least eight times in a calendar year. The Board of Directors may also be required to meet by one-third of its members or by the lead independent director (*Consejero Coordinador*). All of the decisions of the Board of Directors must be adopted by the majority of the participating members. The Board of Directors is also governed by its internal regulation. Based on the bylaws of the Issuer, this regulation provides clear guidelines as to the regulation and operation of the Board of Directors, rights and duties of its members and standards of conduct to be followed, among other things.

Directors

The following table sets forth the name, position, date of first appointment and type of appointment of each member of the Board of Directors as of the date of this Information Memorandum. The business address for each member of the Board of Directors listed below is: Calle Peonías, 12, 28042, Madrid, Spain.

<u>Name</u>	<u>Position</u>	<u>Date of Last Appointment</u>	<u>Type of Appointment</u>
Maurici Lucena Betriu	CEO/ Chairman	16 July 2018	Executive
Pilar Arranz Notario	Member	9 April 2019	Proprietary
Francisco Javier Martín Ramiro	Member	25 October 2016	Proprietary
Ángel Luis Arias Serrano	Member	25 January 2018	Proprietary
Juan Ignacio Díaz Bidart	Member	30 October 2018	Proprietary
Marta Bardón Fernández-Pacheco	Member	27 November 2018	Proprietary
Francisco Ferrer Moreno	Member	16 July 2018	Proprietary
Angélica Martínez Ortega	Member	16 July 2018	Proprietary
TCI Advisory Services LLP represented by Christopher Anthony Hohn	Member	9 April 2019	Proprietary
Amancio López Seijas	Member	3 June 2015	Independent
Jaime Terceiro Lomba	Member	3 June 2015	Independent
José Luis Bonet Ferrer	Member	3 June 2015	Independent
Josep Antoni Duran i Lleida	Member	29 January 2019	Independent
Jordi Hereu Boher	Member	9 April 2019	Independent

<u>Name</u>	<u>Position</u>	<u>Date of Last Appointment</u>	<u>Type of Appointment</u>
Leticia Iglesias Herraiz	Member	9 April 2019	Independent

The Children's Investment Master Fund which is represented on the Board of Directors by Christopher Anthony Hohn as Proprietary Director is also a significant shareholder of Ferrovial, S.A., whose activities include operation of airports.

Management Team

The following is the Group's current senior management team and their respective positions in the Issuer. The business address for each of the persons listed below is: Calle Peonías, 12, 28042, Madrid, Spain.

<u>Name</u>	<u>Position</u>
Maurici Lucena Betriu	Chief Executive Officer (CEO)
Javier Marín San Andrés	Airport Operations Director (COO)
María José Cuenda Chamorro	Commercial Services, Real Estate and International Development Director
José Leo Vizcaíno	Chief Financial Officer
Juan Carlos Alfonso Rubio	Secretary of the Board of Directors and General Secretary
Ángel Luis Sanz Sanz	CEO's Office, Regulatory and Public Relations Director
Amparo Brea Álvarez	Innovation & Strategic Projects
María Gómez Rodríguez	Communications Director
Begoña Gosálvez Mayordomo	Organization and Human Resources Director
Antonio Jesús García Rojas	Internal Audit Director

Conflicts of Interest

As of the date of this Information Memorandum, there are no conflicts of interest in relation to members of the Board of Directors or to members of its management team between any duties owed to the Issuer and their private interests and other duties.

Board Committees

The Board of Directors has three committees: an Audit Committee, an Executive Committee and an Appointments, Remunerations and Corporate Governance Committee.

Audit Committee

The Audit Committee is composed of five members, (the majority of whom) shall be independent members of the Board of Directors. The Audit Committee is required to meet at least quarterly each fiscal year or whenever it deems convenient. The shareholders determine the compensation of the members of the Audit Committee. The current members of the Audit Committee are: Leticia Iglesias Herraiz (President), José Luis Bonet Ferrer, Francisco Ferrer Moreno, Marta Bardón Fernández-Pacheco and Jaime Terceiro Lomba.

The Audit Committee is responsible for reviewing and overseeing the economic and financial information of the Issuer and the Board of Directors and any other information that the Board of Directors deems relevant. In particular, the Audit Committee has, among others, the following responsibilities:

- oversee all procedures related to the preparation and presentation of the financial statements presented to the Board of Directors;
- review internal control and risk management procedures;
- establish procedures that allow employees to communicate any irregularities;
- propose the designation of external accountants and the conditions for their hiring process;
- receive information about audits and verify that senior management comply with recommendations made by external auditors;

- ensure the independence of the external auditor by, among others, communicating as relevant to the CNMV any change of external auditors;
- determine the economic and financial information that the Issuer needs to disclose to the public in order to comply with its obligations under applicable laws and oversee the Issuer's compliance with such disclosure obligations; and
- disclose to the Board of Directors any information in connection with the issuance of shares, the incorporation or acquisition of any legal entities in any tax haven, or any similar transactions that may negatively impact the Issuer; and any related party transactions.

Executive Committee

The Executive Committee is composed by five members. The Chairman of the Board of Directors shall serve as President of the Executive Committee, at least one of which shall be an independent member of the Board of Directors.

The compensation of the members of the Executive Committee is determined by the Issuer's shareholders. The current members of the Executive Committee are: Maurici Lucena Betriu (President), Francisco Ferrer Moreno, Angélica Martínez Ortega, TCI Advisory Services LLP represented by Christopher Anthony Hohn and Jaime Terceiro Lomba.

Appointments, Remunerations and Corporate Governance Committee

The Appointments, Remunerations and Corporate Governance Committee is composed of five members, at least two of whom shall be independent members of the Board of Directors. The Appointments, Remunerations and Corporate Governance Committee shall meet whenever necessary, according to its President and/or the Board of Directors, to the exercise its powers. It will also meet at the request of, at a minimum, two of its members. The current members of the Appointments, Remunerations and Corporate Governance Committee are: Amancio López Seijas (President), Ángel Luis Arias Serrano, TCI Advisory Services LLP represented by Christopher Anthony Hohn, Jordi Hereu Boher and Josep Antoni Duran i Lleida.

The Appointments, Remunerations and Corporate Governance Committee shall have the following responsibilities:

- evaluate the skills, knowledge and experience needed in the Board of Directors, and define functions and skills in candidates to fill each vacancy;
- establish objectives for balanced gender representation, develop guidelines for the achievement of such objectives and report to the board on gender diversity issues;
- raise and inform the Board of Directors the proposals for the appointment of independent directors for their designation or submission to the decision of the shareholders meeting;
- make proposals for appointment or separation of senior managers and the basic terms of their contracts;
- propose a policy of compensation of directors and general managers or employees who perform managerial functions under the direct authority of the Board of Directors, to the Board of Directors, the Executive Committee or the CEO;
- ensure the observance of the compensation policy established by the Issuer;
- establish the status of additional remuneration of the Chairman and CEO. The basic fee, which constitutes the compulsory minimum fee, shall be fixed by the Minister of Finance and Public Administration (*Ministro de Hacienda y Administraciones Públicas*);
- design the incentive schemes and plans of the Issuer;
- perform an annual review on the compensation policy for directors and senior management;

- develop and prepare the annual corporate governance report and the annual report on remuneration of Directors;
- propose appropriate amendments to the rules applicable to the Board of Directors;
- examine compliance with the internal regulations and the rules of corporate governance; and
- in relation to transactions with related parties which imply or may imply conflicts of interest, inform and make decisions to the approval or denial of these transactions.

PRINCIPAL SHAREHOLDERS

As of the date of this Information Memorandum, the significant holding of shares communicated to the CNMV are the following:

Name	% Direct Shareholding	% Indirect Shareholding	% held through financial instruments	% Total Vote Shareholding
ENAIRES	51.000	-	-	51.000
Christopher Anthony Hohn	-	4.687	3.607	8.294
The Children's Investment Master Fund	-	-	3.607	3.607
Deutsche Bank, A.G.	2.129	-	2.263	4.392
Capital Research and Management Company	-	3.214	-	3.214
Blackrock Inc.	-	2.909	0.101	3.010

Conflicts of Interest

ENAIRES being the main shareholder of the Issuer, is considered a related party under Spanish law. Therefore, relations are subject to the Issuer's by-laws and has in place procedures that comply with the Spanish laws governing related party transactions, with which they are in compliance. The Issuer has a related party transactions procedure which guarantees that every transaction with a related party has been studied by the legal department as well as the financial department before its approval. In some cases, attending to the specific economical relevance, it has to be approved by the Board of Directors with the previous consent of the Audit Committee, which has to be permanently informed of the existence of such operations.

Legal and Other Proceedings

The Group is routinely involved in legal proceedings arising in the ordinary course of its business, including for cost overruns. The Group is also involved as named defendants in various proceedings, including those described below.

Infraestructura y Transportes México, SA de CV ("**ITM**"), a shareholder of GAP which in turn is part of Grupo México, SAB de CV ("**Grupo México**"), started proceedings in 2011 against, among others, Aena Internacional, with the intention of ending AMP's ownership of GAP's shares. Their argument was that such shareholding was against the law and the by-laws of GAP. The decision initially acquitted the respondents (Aena Internacional, amongst them) and sentenced ITM to pay costs, arguing that ITM lacked standing in the proceeding. This decision was appealed and confirmed on appeal on 7 June 2018. ITM then filed a direct constitutional appeal that was granted by sentence on 3 January 2019. Based on said decision, the Appeal Court revised its original decision stating that ITM had no standing and that it ought to pay the costs on both cases. ITM has once again appealed the decision. However, the Group's administrators, taking into consideration the advice of its legal counsel, estimate that this proceeding will likely be resolved in favour of Aena Internacional, and that the likelihood of an unfavourable decision is remote.

Although it is difficult to accurately estimate the total amount of potential costs the Group may incur in connection with the legal proceedings in which it is a defendant, the Group's management believes that the provisions for these proceedings are adequate to meet probable and reasonably estimated losses in the event of unfavorable court decisions. Further information on legal proceedings, see note 23 to the Annual Financial Statements and note 23 to the Group's Interim Financial Statements.

REGULATORY FRAMEWORK

The Issuer is subject to the laws and regulations governing state-owned entities and companies set forth under Spanish law. In addition, its airport management and operating activities are regulated by specific international, European and Spanish laws and regulations, and decisions by Spanish, European and international courts with jurisdiction over airports and airport transportation.

Through affiliates of Aena Internacional, the Issuer operates an airport in the United Kingdom and has equity stakes in companies operating 12 airports in Mexico, two in Colombia, two in Jamaica and six in Brazil and therefore the Issuer is also subject to laws and regulations applicable to entities operating in the United Kingdom, Mexico, Colombia, Jamaica and Brazil. Additionally, the Issuer has a minority participation in the French company European Satellite Service Provider, SAS, which is a satellite services provider and is subject to telecommunications regulations in France.

Regulations Applicable to Aena as a State-owned company

The Issuer is incorporated as a state-owned company. This means that its majority shareholder (ENAIRES) is a state-owned entity that is part of the Spanish State Administration. Its incorporation was established by Royal Decree-Law 13/2010, December 3, on measures of tax, labour and liberalization nature to promote investment and employment (*Real Decreto ley 13/2010, de 3 de diciembre, de Actuaciones en el ámbito fiscal, laboral y liberalizadoras para fomentar la inversión y la creación de empleo*). This legislation establishes the primary aspects of its legal regime as state-owned company. At present, as state-owned company the Issuer is also subject to Act 40/2015, 1 October, on legal regime applicable to the Spanish Public Sector (*Ley 40/2015, de 1 de octubre, de Régimen Jurídico del Sector Público*) ("**Public Sector Act**").

According to Royal Decree-Law 13/2010, the Issuer is governed by specific laws, rules and regulations, applicable only to Spanish state-owned companies, but it is also subject to the Restated Text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*Texto Refundido de la Ley de Sociedades de Capital, aprobado por Real Decreto Legislativo 1/2010, de 2 de julio*) applicable to all Spanish corporations. The Issuer's is considered a private company belonging to the Spanish public sector (because the Spanish State Administration indirectly holds more than 50.0% of its share capital) for the purposes of the aforementioned Royal Decree-Law 1/2010, but some exceptions apply with respect to, amongst others, its budget, asset management, accounting procedures, financial controls and contracting provisions, as results from Royal Decree-Law 13/2010 and the Public Sector Act.

In this regard, the Issuer is subject to the provisions of the Act 47/2003, 26 November, General on Budget (*Ley 47/2003, de 26 de noviembre, General Presupuestaria*) ("**State Budget Act**"), and its implementing regulations relating to state-owned companies, which regulates all matters related to the Issuer's accounting, budget and financial planning. Pursuant to the State Budget Act, its majority shareholder is required to annually prepare a budget, an explanatory memorandum regarding its budget and a multi-year plan, each of which becomes part of the Spanish State's general budget, which is subjected to the approval of the Spanish Parliament, and is available to the public. These budgets are prepared by ENAIRES on a consolidated basis with the Issuer since both entities form part of the same corporate group. Furthermore, the Issuer is also subject to the public auditing and accounting control from the Comptroller General of the Spanish State Administration (*Intervención General de la Administración del Estado*) and the Accounts Tribunal (*Tribunal de Cuentas*). According to the State Budget Act, its debt is only subject to the approval of the shareholders meeting (without the need to obtain any specific authorisation from any administrative body or the approval of a law authorising the debt), being subject to financial prudential guidelines (*principios de prudencia financiera*) to be established by the Delegated Commission of the Government for Economic Affairs (principles that for listed companies belonging to the Spanish public sector will at least include maximum financing costs of the relevant credit transactions and restrictions to the use of derivatives).

In addition, the Issuer is subject to Spanish laws and regulations generally applicable to state-owned companies, mainly the Public Sector Act and the Act 33/2003, November 3, on of Assets of Public Administrations (*Ley 33/2003, de 3 de noviembre, de Patrimonio de las Administraciones Públicas*) ("**Act 33/2003**"). This Act and its implementing regulations govern matters related to the Issuer's asset management and provide specific procedures to be followed when entering into certain transactions. According to this Act, the management of its assets is subject to private law without prejudice to the provisions of the Act 33/2003 that are applicable to the Issuer. It also establishes the powers held by the

Spanish Council of Ministers and the Ministry of Taxation with respect to public sector companies. Authorization from the Spanish Council of Ministers is required for the following actions, amongst others, each of which may be relevant to the Issuer:

- the amendment of a company's corporate purpose;
- the incorporation, conversion, merger, division and winding up of state-owned companies (majority owned);
- any transaction that implies the acquisition or loss of the state-owned company status;
- agreements with other shareholders related to voting rights of shares; and
- the acquisition or sale of shares owned by the Spanish State Administration where the price of such transaction exceeds €10 million;

Additionally, the Ministry of Taxation also holds certain powers related to state-owned companies.

Further, as a state-owned entity, the Issuer is subject to specific regulations that limit the compensation of the Group's directors and the maximum and minimum number of members that can be elected to its Board of Directors. In this regard, the Issuer is required to adhere to certain rules regarding the compensation of senior management at state-owned companies. These rules may be more restrictive than those applicable to companies in the private sector, whether airport operators or others. If the Issuer is unable to offer a senior management compensation regime to key personnel that is at least competitive with the compensation packages of alternative employers, it may be unable to hire, develop or retain senior management with the necessary talent and capabilities.

The Issuer's contracting procedures are mainly governed by Act 9/2017 on general public procurement (*Ley 9/2017, de 8 de noviembre, de Contratos del Sector Público*), Act 31/2007 on procurement by entities operating in the water, energy, transport and postal services sectors (*Ley 31/2007, de 30 de octubre, sobre procedimientos de contratación en los sectores del agua, la energía, los transportes y los servicios postales*) and the provisions of Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors, yet to be implemented in Spain. Amongst others, this legislation promotes publicity, transparency and concurrence in all contracting processes conducted by the Issuer.

Finally, pursuant to the Public Sector Act the Issuer is subject to on-going control of efficiency by the Ministry of Development and supervision by the Ministry of Taxation, through the Comptroller General of the Spanish State Administration (*Intervención General de la Administración del Estado*).

Regulations Applicable to Aena as a Company that Provides a Service of General Economic Interest

The Issuer is subject to specific laws and regulations and limitations due to the nature of its activities. Act 18/2014 is the primary legislation establishing the airports regulation and the Issuer is subject to its provisions. This Act establishes that the network of airports of general interest managed by the Issuer is considered a service of general economic interest that guarantees citizen mobility, economic, social and territorial cohesion state-wide and the needs of aeronautical transportation in the territory of Spain. Act 18/2014 also states that the Issuer should ensure accessibility, sufficiency and suitability of the Group's infrastructure, economic sustainability of the network and the continuity and appropriate rendering of basic airport services in due condition of quality, regularity and safety, being those the goals of the Act 18/2014. DORA (the Document of Aviation Regulation, approved by the Spanish Council of Ministers), within the framework of the current legislation governing the activities of the Issuer as airport manager and operator, defines the economic regime of the Issuer with respect to its aeronautical regulated activities, including, amongst others, minimum conditions necessary to guarantee accessibility, sufficiency and suitability of the Group's airports and the proper provision of regulated aviation services of the Issuer's networks of airports (See "*DORA and Rates Regime*" below).

The above notwithstanding, the Spanish State Administration assumes the direct management of the airports of general interest belonging to the Group's network with respect to certain powers, including, amongst others:

- the regulation and supervision of all services related to air traffic or any other related services;

- the establishment of the type of services that must be rendered in the event of work stoppages or strikes;
- the preparation, approval and monitoring of general master plans for the operation of Spanish airports in accordance with Act 18/2014;
- the regulation, approval and supervision of the DORA or any other document or plan that establishes the criteria for operation of airports of general interest; and
- the imposition of fines and penalties.

The Issuer is required to maintain its general interest airport network and may not close or dispose of any of its airports or assets required to operate the airports (whether totally or partially) without the express authorization of the Spanish Council of Ministers, following a report by the Delegated Commission of the Government for Economic Affairs (when the closure or asset disposition is equal to or exceeds €20 million) or the prior authorization of the Spanish Secretary of State for Infrastructure, Transport and Housing (when the closure or asset disposition is below €20 million) and, in both cases, it is a requirement to obtain a report from the National Commission for the Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) ("**CNMC**") (the Spanish competition authority). This authorisation will only be granted (i) if the transfer or closing of assets proposed by the Issuer allows the maintenance of a network of airports of general interest sufficient to guarantee the goals of general interest required to the Issuer as providers of a service of general economic interest (the network of airports managed by the Issuer); and (ii) if it does not affect the economic sustainability of the network. Additionally, a future regulation could be adopted requiring the Issuer to transfer any capital gains resulting from the sale of an airport or asset to the Spanish State Administration.

Regulations Applicable to Aena as an Airport Manager and Operator

The Issuer operates in a regulated business environment and is subject to laws and regulations that, amongst others, determine the scope and quality of its airport services, impose conditions on the regulated aeronautical charges ("**Rates**") that it applies to its regulated aeronautical activities, establish which governmental authorities are in charge of supervising its activities, and determine its obligations as an airport manager and operator.

General Framework applicable to the Group's Regulated Aeronautical Activities

As an airport manager and operator, the Issuer is mainly subject to Act 18/2014 and to Act 21/2003, July 7, on Aviation Safety (*Ley 21/2003, de 7 de julio, de Seguridad Aérea*) ("**Aviation Safety Act**").

Act 18/2014 governs regulated aeronautical activities, defining them as those identified by the Aviation Safety Act, including activities related to: landing; air traffic services; meteorology services; security services; usage of airport facilities and other infrastructures by passengers; general mobility of passengers and assistance to passengers with limited mobility; aircraft parking services; telescopic boarding gate services; use of airport facilities for the transportation and supply of fuel; and ground transportation services.

The main features of Act 18/2014 are:

- *Preservation of Assets*: Imposes limitations on transferring and selling assets from the Issuer's airport network. The Issuer is required to maintain its airport network in Spain and to operate and manage its airports in accordance with general interest. As a result, the Issuer may not close or dispose of any of its airports or assets in Spain (whether totally or partially) without the prior express authorization of the Council of Ministers, following a report by the Delegated Commission of the Government for Economic Affairs (when the closure or asset disposition is equal to or exceeds €20 million) or the prior authorization of the Spanish Secretary of State of Infrastructure, Transport and Housing of the Ministry of Development (when the closure or asset disposition is below €20 Million), and, in both cases, it is a requirement to obtain a report from the CNMC. This authorisation will only be granted (i) if the transfer or closing of assets proposed by the Issuer allow the maintenance of a network of airports of general interest sufficient to guarantee the goals of general interest required to the Issuer as providers of a service of general economic interest; and (ii) if it does not affect the economic sustainability of the network.

In addition, a future regulation implementing Act 18/2014 could be adopted requiring the Issuer to transfer any capital gains derived from the disposition of an airport or asset to the Spanish State;

- *Operative Standards*: Sets forth operational parameters as to the quality of the Issuer's services and infrastructure capacity, to be determined in the Document of Aviation Regulation ("**DORA**") to be approved by the Council of Ministers on a five-year basis;
- *Long-Term Visibility and Transparency*: Provides transparency guidelines for the Rates the Issuer can charge throughout a five-year period, that result in greater visibility as to a long-term evolution of Rates especially since the new regime provides that the maximum income per passenger ("**IMAP**"), which is the parameter that determines the Issuer's maximum income cannot increase, except under very limited circumstances -though they could decrease if, for example, passenger traffic surpasses that which has been forecasted- until 2025, inclusive, taking into account the recovery of deficit and other variables, imposing an obligation to provide information on Rates to the public and the General Directorate for Civil Aviation of the Ministry of Development ("**DGAC**") and the CNMC;
- *Price Cap Calculation*: Establishes the IMAP in accordance with projected air traffic and estimated efficient costs authorized in the DORA, and which can be adjusted depending on different criteria (see "*— IMAP and IMAAJ Calculations and Applicable Rates*" below). Taking into account the expected traffic in the relevant year, Rates applied to regulated aeronautical services cannot exceed the adjusted IMAP, as defined by Act 18/2014;
- *Dual-till Regime*: Applies a dual-till regime (see "*DORA and Rates Regime*" below) and aims to guarantee a return on the Group's regulatory asset base;
- *Efficiencies*: As established in DORA, promotes efficiencies in the management of regulated aeronautical activities, by encouraging the Group to maintain low levels of operational expenses by benchmarking the costs to the average of the five main listed airports in Europe;
- *Airline Participation*: Promotes participation of airlines with respect to the determination of Rates and quality levels of service. During this process, the Issuer is obliged to provide certain information to airlines, including, infrastructure standards, operating expenses, and investments; and
- *Supervision*: Defines which authorities are responsible for supervising the Issuer's activities and imposing sanctions on us and distributes such responsibilities among the Council of Ministers, the Ministry of Development through the DGAC, the State Agency for Aviation Security ("**AESA**") and the CNMC.

DORA and Rates Regime

The general legal framework applicable to Rates in Spain consists of the following: European Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges, the Safety Aviation Act and Act 18/2014, pursuant to which the dual-till regime introduced in 2011 was fully implemented in 2018 and establishes the DORA.

Dual-till Regime

Prior to 2013, rates were set annually based on a variety of factors, and were not based on a single or dual-till regime. In 2013, the regulatory framework applicable to the Issuer's Spanish airports was based on an adjusted single-till model, whereby revenue and charges relating to both regulated aeronautical and commercial activities were taken into account in determining its rates structure for its regulated aeronautical activities, with non-regulated aeronautical activities and real estate services not being taken into account. This adjusted single-till regime has been progressively replaced with a dual-till regime. Under the dual-till regime, regulated costs are recovered only by regulated revenues. In addition, under this model, the rate structure for the Issuer's regulated aeronautical activities per passenger will be calculated for the whole airport network by dividing the sum of the operating costs of its regulated aeronautical activities plus a return on its regulatory asset base plus regulatory depreciation and amortization of that asset base, by passenger forecasts, subject to a price cap per passenger.

In a dual-till regime, rates for regulated aeronautical activities are established without taking into account revenue from non-regulated activities. In a single-till regime, however, the rate structure for the regulated

aeronautical activities is also based on the revenue and expenditures generated by the non-regulated aeronautical or commercial activities rendered in the airport, resulting in a cross-subsidization between the non-regulated activities and the regulated activities.

In 2013, the Issuer operated under an adjusted single-till regime. From 2014 through 2017, the Issuer operated under a hybrid regime. In 2014, 80% of its margin from unregulated activities was taken into account in calculating regulated rates. This percentage declined to 60% in 2015, 40% in 2016, and 20% in 2017. In 2018, the dual till regime was fully implemented.

DORA

Act 18/2014 sets the general guidelines that will apply to the determination of the Rates from the moment the first DORA is approved. The first DORA for the period 2017-2021 (ending on 31 December 2021) was approved by the Council of Ministers on 20 February 2017, published in the Spanish Official Gazette on 27 February 2017.

DORA establishes the general framework for the establishment of the Rates that the issuer charges airlines based on the concept of maximum revenue per passenger or IMAP. DORA is a regulatory instrument applicable for five-year periods that will provide minimum conditions necessary to guarantee accessibility, sufficiency and suitability of the Issuer's airports and the proper provision of regulated aviation services of its networks of airports, including, among other things: detailed programs on investments in each airport; infrastructure capacity and minimum conditions of infrastructure services; air traffic forecasts; information on the goals and objectives on each of its airports for the five-year period; performance indicators related to the quality levels and service conditions of each airport; maximum revenue per passenger that may be charged; guidelines on operating, capital costs; incentives and penalties and commercial incentive schemes.

The principles of this new regulatory framework are the following:

- Regulation is approved on a five-year basis covering aeronautical regulated services (DORA does not govern commercial services).
- The new economic scheme is based on the return of expected costs (including operating costs) and a proper remuneration of the assets associated to the provision of regulated aeronautical services (through capital costs). Expected costs are those considered efficient by the regulator.
- It establishes a dual-till system, as described above.
- Expected costs together with expected demand determine the rates path that the Issuer will have to apply each of the five years covered by DORA.
- The rates path may be modulated by quality levels provided by the Issuer and by compliance with strategic investments.
- Investments related to regulated aeronautical services must be those necessary and feasible, and are limited to an annual average investment volume of €450 million.
- Generally, risks associated to effective deviations in costs and in demand shall be borne by the Issuer.

Once approved, no changes may be made to a DORA during the five-year period, except under limited circumstances set forth by Act 18/2014, which must be unforeseeable at the time the DORA is approved, cannot be attributable to the Issuer's actions, and must have a certain material adverse effect on the financial condition of the Group's airport network including, amongst others, a decrease of more than 10% in passenger air traffic volumes in its airport network caused by natural disasters, terrorism actions or war situation. As a result, any variations from expected conditions (for example, any deviations from the operating expenses or air traffic versus those forecasted in the DORA to calculate the Rates for the relevant five-year period or investments additional to those foreseen by DORA necessary to adjust the capacity of the Issuer's infrastructure to real demand) are at its own risk.

The amendment of an approved DORA must follow the procedure established in Act 18/2014. The approval process of DORA will initiate with a preparation of a proposal by the Issuer that is submitted to representative associations of users, as defined by Act 18/2014. The Issuer will then open a consulting period for the representative associations of users to provide comments on its proposal. The minimum

duration of such consulting period will be two months. During this period, the Issuer will provide the representative associations of users with the necessary information to evaluate the proposed DORA, including financial data for its network as a whole, individualized financial data for airports with annual passenger air traffic exceeding five million passengers, a proposed return on its regulatory asset base and information that the CNMC may decide that the Issuer should disclose. Its DORA proposal will also be submitted (at the same time it is submitted to the representative associations of users) to the DGAC and the CNMC.

After the consultation period, the proposed DORA (as modified by the recommendations of the representative associations of users) will be submitted again to the DGAC and the CNMC. Once the proposed DORA and corresponding documentation is received, the DGAC will have to review it, and to prepare a final DORA and present it to the corresponding authorities of the Ministry of Development, for its subsequent approval by the Council of Ministers.

The process to approve the second DORA (2022-2026 period) will formally start in January 2021 when the Issuer will prepare a proposal to be submitted to the representative associations of users for consultation. The Issuer's second DORA proposal will have to be adopted by the Issuer's Board of Directors on 15 March 2021 at the latest. Once the Issuer submits the second DORA proposal to the DGAC, it will have to be finally approved by the Council of Ministers on 30 September 2021 at the latest.

IMAP and IMAAJ Calculations and Applicable Rates

The structure and amount of the Rates that the Issuer applies for the provision of its regulated aeronautical services is set forth in the Aviation Safety Act. The amount of Rates established in the Aviation Safety Act must be updated in the terms of Act 18/2014, which follows the IMAP calculation revenue model (similar to the one followed by the British Airports Authority although adjusted to account for the progressive introduction of the dual-till regime) and the provisions of DORA.

DORA establishes a stable framework for the evolution of Rates for the 2017-2021 period in order to secure the sufficiency of income on the basis of efficient costs for the provision of regulated aeronautical services. DORA establishes the IMAP that, duly adjusted in the terms of the Act 18/2014 and its implementing regulations and DORA, must allow the Issuer to recover costs foreseen for the five-year period covered by DORA (determined by the regulator on an efficient basis according to the criteria established in Act 18/2014). Income resulting from Rates during the five-year period must meet regulated expected income (IMAP) for said period. DORA limits the annual income per passenger that the Issuer can obtain from the Rates that it applies for the provision of regulated aeronautical services, after the relevant adjustments. The current DORA establishes the initial IMAP for the period 2017-2021 at €0.90 and establishes a path of reduction of income per passenger of -2.22% per year (reaching €0.74 on 2021). Save by limited exceptions, risks resulting from traffic forecast and costs deviations will have to be borne by the Issuer. The Issuer will have to adjust the IMAP established in DORA on an annual basis taking into account different criteria and following the relevant procedure. This adjustment must be subject to a transparency procedure with representative associations of users and to the supervision of the CNMC. The Issuer's income will be determined by compliance with the adjusted IMAP (the so called IMAAJ, as defined below). The IMAP calculation revenue model allows for recovery of all forecasted costs arising from its regulated aeronautical activities (deemed efficient, transparent, non-discriminatory and objective by the authorities) in each year of the five-year period covered by the DORA. The IMAP is calculated for all the Issuer's airports as a network and is based on the following main variables: forecasted passenger air traffic, operating expenditures, depreciation and amortization, return on the Issuer's regulatory asset base, capital expenditures and investments made and approved in accordance with DORA. Rates subsidies (*bonificaciones*) provided for the public interest are taken into account when calculating the IMAP, but commercial incentives (e.g., temporary decreases in the fees the Issuer charges) are not.

Forecasted costs and revenues are discounted to present value at a weighted average cost of capital (WACC) before taxes. The sum of these discounted costs are the total costs to be recovered through the discounted revenues for the Issuer's aeronautical regulated services within the five-year period.

The IMAP specified for each five-year period can be adjusted upwards or downwards based on the Issuer's performance as an airport operator, in accordance with the following factors:

- incentives/penalties for service quality (the maximum range of adjustment is between +2% to -2% of the IMAP);

- penalties for delays in the execution of strategic investments (the maximum penalty amount may not be greater than 2% of the annual program of investments);
- adjustment of the maximum revenue per passenger in the two preceding years; and
- deviations from investments and exceptional operating costs.

These adjustments/corrections are made on an annual basis based on historic performance from the prior two-year periods.

Additionally, the IMAJ is also adjusted taking into account the annual variation of prices of inputs out of the Group's control. According to a recently approved regulation, this adjustment cannot exceed 1% per year, it is established during the process to determine the Rates and it will be implemented when establishing the Rates for year 2020.

Once adjusted, the IMAJ will be equal to the adjusted maximum annual revenue per passenger ("IMAAJ") (i.e., the annual price cap per passenger) and, therefore, the maximum income that the Issuer is entitled to obtain. During the first two years of the first DORA, the Rates were only adjusted to the IMAJ and not to the IMAAJ.

Rates are generally updated by calendar years. The update of Rates will be carried out by applying to each Rate the percentage that results from the variation of the IMAAJ corresponding to the relevant year with respect to the IMAAJ corresponding to the preceding year. If the application of IMAAJ to the Issuer's Rates makes the estimated adjusted revenue to be recovered greater than the estimated recoverable costs, the relevant Rates will only increase by the percentage that allows the maximum recovery of such costs.

Using the IMAAJ, the Issuer will adjust the Rates it charges for its regulated aeronautical services each year and in the aggregate they cannot exceed the IMAAJ per the relevant year. The new Rates resulting from the IMAAJ adjustment will be approved by the Board of Directors of Aena in accordance with Act 18/2014, prior to following the relevant transparency and consultancy procedure with representative associations of users, and will be notified to the CNMC, the DGAC and to the representative associations of users. The CNMC will verify that both the procedure to establish the Rates that the Issuer has followed and the Rates approved are in line with the provisions of Act 18/2014 and DORA in this regard.

Without prejudice to the above, according to Sixth Interim Provision of Act 18/2014, the Issuer is not entitled, subject to limited exceptions, to increasing the IMAJ until 2025 (inclusive).

On 10 December 2018, the CNMC issued the relevant resolution on the monitoring of the Rates to be applied by the Issuer during fiscal year 2019, after its approval by its Board of Directors. Although the CNMC opposes to the IMAAJ that the Issuer approved, this circumstance does not entail any amendment of the Rates that it approved for 2019 due to the prohibition set forth by Sixth Interim Provision of Act 18/2014 to increase the IMAJ until 2025 (inclusive), except under certain circumstances.

Efficiency Guidelines

In addition to introducing the DORA framework, the Act 18/2014 establishes a series of conditions to ensure efficiency at the Issuer's airports during the period between 2015 and 2025 (both years inclusive), so that the Rates the Issuer charges are not increased during such period above the IMAJ.

Pursuant to Act 18/2014, the first approved DORA and the second DORA will be subject to the following main efficiency conditions: (i) a cap of €450 million capital expenditures (on average) per year which may not be increased except for unforeseen and urgent changes in applicable legislation or as a consequence of mandatory EU or international law (during the second DORA the Council of Ministers will be entitled to exceptionally authorize investments exceeding this cap); (ii) deficits accumulated by the end of the first and second DORA may not be rolled over into the following DORA; and (iii) Rates charged may not be increased during this period, except if authorized by the Council of Ministers upon the occurrence of certain circumstances set forth in Act 18/2014.

During the first DORA, the Council of Ministers may authorize an increase of the IMAJ above 0% on an exceptional basis upon the occurrence of any of the following two circumstances: (i) if the Council of Ministers authorizes an increase of investments above €450 million due to urgent or unexpected changes in mandatory applicable legislation; and (ii) if there is an unpredictable increase of costs outside the Issuer's

control duly recognized by the regulator that cannot be mitigated through the implementation of efficiency measures to maintain the increase of the IMAP at a maximum of 0% without jeopardizing the standards established in DORA. In addition, on the base of general interest grounds, the Spanish Council of Ministers may decide that part of the impact of these two events be borne by the Issuer.

Furthermore, for the purposes of calculating the IMAP, until 2025, the ratio that results from dividing all regulated costs (without including amortization or capital expenditures) by unit of air traffic ATU, which is a ratio resulting from adding the total number of passengers, tons of cargo (multiplied by 10), and number of aircraft operations (multiplied by 100) cannot be greater than the ratio registered during 2014.

The Issuer cannot assure that the transition to a dual-till regime (after having operated historically under a single-till regime) as well as the implementation of the DORA framework (in which the Rates for its regulated aeronautical activities will be determined on a five-year basis rather than on an annual basis) will not adversely affect its business, financial condition and results of operations. The Issuer cannot assure that any such elaborations, or that future changes in the regulatory regime applicable to its regulated aeronautical activities, including DORA, will not adversely affect its business, financial condition and results of operations.

Sanctions

Failure to comply with the provisions of Act 18/2014 will be considered infringements of the same. The sanctions to be imposed on the Issuer for these infringements will be fines of up to €4,500,000 or up to two or three times the amount of the gross benefit obtained by the commission of the relevant infringement (depending on whether it is serious or very serious), if the amount of gross benefit is higher than the amount of the fine to be imposed. In addition to the fines, the Issuer may be required to restore things to previous status and to indemnify damages and losses caused.

Supervising Authorities

As an airport manager and operator in Spain, the Issuer is subject to the supervision and control of various authorities, including, amongst others, the Councils of Ministers, the Ministry of Development, AESA and CNMC.

Amongst others, the Council of Ministers is in charge of approving the DORA and authorising the transfer or closing of airports of general interest in certain cases.

The Ministry of Development, through the DGAC, is mainly responsible for preparing and amending the DORA and submitting it to the Council of Ministers for its approval, prior report from the Delegated Commission of the Government for Economic Affairs. It also monitors the management of the Issuer's airports, amongst others, in order to obtain the necessary information to prepare the DORA.

Amongst others, the DGAC is in charge of monitoring the Issuer's compliance with the DORA through reports prepared by AESA and CNMC and is also responsible for the filing of reports before the State Secretary of Infrastructure, Transportation and Housing describing positive or negative deviations from the DORA, as the case may be.

AESA, amongst others, is also in charge of monitoring the Issuer's compliance with minimum service quality standards and investment programs, and of issuing the relevant reports on investments carried out in the precedent fiscal years, operational expenses and compliance with infrastructure capacity standards. It also supervises compliance by the Issuer with passenger air traffic safety legislation.

CNMC is also in charge of supervising and monitoring the procedures for consulting and transparency performed by the Issuer and adopting binding resolutions in relation thereto; verifying that Rates are properly adjusted in accordance with IMAAJ and that such Rates are not applied in a discriminatory fashion; resolving any Rates conflicts between its customers and the Issuer, with the power to include Rates changes in their decisions; and publishing an annual report of its activities as a supervisory authority with respect to airport Rates. The CNMC is also in charge of reviewing and approving the closure or deposition of any of the Issuer's airports or assets in Spain and of issuing the relevant report in the process intended to approve the DORA.

Obligations as Airport Operator

Pursuant to the Aviation Safety Act, the Issuer is required to:

- provide adequate security conditions through its airport network;
- comply with all security standards related to the design, construction, use and operation of its airports and related infrastructures;
- establish emergency plans; and
- provide training to its personnel with regards to security and civil aviation.

In addition, pursuant to EU Directive EC 96/67, of October 15, 1996, on access to the ground handling market at Community airports the Issuer is required to select ground-handling agents through a public bidding process. In particular, ground-handling agents have the obligation to collaborate, if required by the Issuer, the relevant airport's local safety office or the State Police Forces and to apply any proceedings intended to minimize issues that might affect airport's safety. Amongst the different types of ground-handling agents those who could be more affected to collaborate on safety matters are those in charge of assisting passengers and those in charge of overseeing luggage.

With respect to the granting of slots allocated to airlines and other operators in the Issuer's airport network in Spain, it is carried out by the Spanish Association on Allocation and Coordination of Airport Slots (*Asociación Española para la Coordinación y Facilitación de Franjas Horarias*) in accordance with EC/95/1993 of 18 January (related to general regulations for the allocation of slots), which is also applicable to the rest of the Group's airports located in the EU and RDL 1/2014, of 24 January (with respect to amendments relating to infrastructure, transportation and other economic measures). As a result, the Issuer has no control with respect to the allocation of such slots, which limits its ability to select those entities it believes are better suited to operate in its airport network.

Other Regulatory Aspects

Other Regulations

The Issuer is also subject to a variety of regulations both domestically and internationally, particularly with respect to security and environmental compliance.

Airport Security Regulations and Certification

Spain is signatory to the International Civil Aviation Treaty of December 7, 1944 (also known as the Chicago Convention), which provides for general security standards to be followed by all airports located in a signatory state. As a result, the Issuer is subject to a variety of laws and regulations that seek to guarantee minimum security standards in all airports in Spain, including EU Regulation 300/2008 of the European Parliament and of the Council of 11 March 2008 on common rules in the field of civil aviation security and repealing Regulation (EC) No 2320/2002 and Commission implementing Regulation EU 2015/1998 of 5 November 2015 laying down detailed measures for the implementation of the common basic standards on aviation security. Amongst other issues, these EU Regulations impose the obligation on the Issuer to monitor 100% of luggage aircraft hold and 100% of passengers and their hand and cabin luggage using different methods identified in the same. Compliance with these obligations is verified both by AESA and by audits an EU level.

One of the most salient laws is the Aviation Safety Act which imposes an obligation to provide adequate security conditions throughout the Issuer's airport network and to comply with all security standards with respect to the design, construction, use and operation of its airports and related facilities. It further requires the Issuer to have emergency plans and to constantly train its personnel in connection with operational security and civil aviation.

The Spanish State Administration determines the security policies that the Issuer needs to follow in its Spanish airports, as does the UK government in respect of the corresponding policies at London Luton Airport. Increasingly strict rules could be adopted by EU and/or Spanish authorities, particularly in response to serious political events, epidemics or as part of a heightened drive to eliminate terrorism, which could lead to more demanding operational requirements, the implementation of programs to upgrade

facilities or an increase in the inconvenience to passengers caused by the various security measures. Any of these measures may increase the Issuer's expenses and investments and may decrease air travel demand.

In addition, pursuant to EU Regulation 139/2014 of the European Commission, the majority of the Issuer's airports (38 of the total of 46 airports) must obtain (subject to certain exceptions due to lack of viability to obtain those certifications in already built airports) a certification as to their compliance with the security standards of international civil aviation. EU Regulation 139/2014 established a transition period until December 31, 2017 for the certification of those airports where additional works were required. As of September 30, 2014, 15 of the Issuer's airports, including Adolfo Suárez Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca and Málaga-Costa del Sol, had obtained the required certification. The Issuer has obtained the certification for the remaining 26 airports within the transition period.

Finally, the Issuer is also subject to the National Program for security in civil aviation originally approved by the Spanish Council of Ministers in 2006, amended in several occasions, being the last one adopted in February 2019. The purpose of this Program is to establish the organization, methodology and procedures necessary to secure protection and safeguard of passengers, crew, public, ground personnel, aircrafts, airports and their installations against illegal interferences.

Environmental Regulations

Due to the Issuer's activity, it is subject to a large number of European and Spanish environmental laws and regulations. The primary are those identified below.

Environmental Impact Assessment

Act 21/2013, of December 9, on Environmental Assessment (*Ley 21/2013, de 9 de diciembre, de Evaluación Ambiental*) ("**Act 21/2013**") establishes the general framework on the assessment of the effects of certain plans, programmes and projects on the environment. It also implements Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment, as amended, and 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, as amended.

In general terms, Act 21/2013 requires the Issuer to assess and evaluate the environmental impact of any zoning plan or zoning programme (such as the relevant Director Zoning Plan for each of Aena's airports) and of any project done in its airport network. Amongst others, the assessment analyzes the effects on the spaces included in the Natura 2000 European Network and, specifically for projects, the expected adverse effects on the environment deriving from the vulnerability of the project to risks of major accidents and/or disasters, which are relevant to the project concerned.

These evaluation includes measures to avoid, prevent, reduce or, if possible compensate any identified significant adverse effects on the environment and should cover both the implementation and operational phases. These measures typically include, amongst others, the development and implementation of acoustic insulation plants (if necessary).

Natural heritage and biodiversity protection

The Issuer's airport activity must also respect the provisions of Act 42/2007, of December 13, on Natural Heritage and Biodiversity (*Ley 42/2007, de 13 de diciembre, del Patrimonio Natural y de la Biodiversidad*). This Act establishes the general framework for the conservation, sustainable use, improvement and restoration of Spain's natural heritage and biodiversity. The principles of this Act are focused on the maintenance of essential ecological process and of basic vital systems, the preservation of biologic, genetic, people and species diversity, variety, singularity and beauty of natural ecosystems and geological diversity and the diversity of landscape.

Environmental Responsibility

The Issuer is subject to Act 26/2007, of October 23, on Environmental Responsibility (*Ley 26/2007, de 23 de octubre, de Responsabilidad Medioambiental*), implementing Directive 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage. This piece of legislation introduces a new administrative regime on environmental responsibility under which operators that cause environmental damage must take the

necessary measures to prevent further damage and restore natural resources. It is a regime based on objective and unlimited responsibility and on the principles of prevention, repair and "polluter pays".

Soil Quality

Royal Decree 9/2005 establishes the general framework for treatment of polluted soils and for determining potential polluting activities of the soil (*Real Decreto 9/2005, de 14 de enero, por el que se establece la relación de actividades potencialmente contaminantes del suelo y los criterios y estándares para la declaración de suelos contaminados*) Pursuant to such regulation, the Issuer is required to provide preliminary assessment reports on the status of its soils to each Autonomous Community (*Comunidad Autónoma*) where the Issuer operates. Based on these reports, the Autonomous Communities will assess the need for environmental intervention of the Issuer's soils and, if needed, will set forth the terms and conditions of such recovery. Autonomous Communities have the right to request periodic updates of soil reports. Autonomous Communities are currently reviewing the reports for most of the Group's airports.

On this matter, Act 26/2007 is relevant because it establishes that the pollutant is the entity responsible for undertaking the relevant measures to depollute and recover polluted soils.

Noise pollution

Generally, on noise pollution issues, the Issuer is subject to Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise and the State and regional laws and regulations, implementing it (mainly, in Spain, at State level, Act 37/2003, November 17, on Noise -*Ley 37/2003, de 17 de noviembre, del Ruido*). However, where a noise problem has been identified, the Issuer is also subject to EU Regulation 598/2014 from the European Parliament and the European Council, dated April 16, 2014, establishing rules and procedures related to noise control at EU airports. Based on these rules and procedures, the Issuer has adopted the "Balanced Approach" method followed by the International Civil Aviation Organization.

The 598/2014 EU Regulation lays down, where a noise problem has been identified, rules on the process to be followed for the introduction of noise-related operating restrictions in a consistent manner on an airport-by-airport basis, so as to help improve the noise climate and to limit or reduce the number of people significantly affected by potentially harmful effects of aircraft noise, in accordance with the "Balanced Approach". The objectives of this Regulation are:

- (a) to facilitate the achievement of specific noise abatement objectives, including health aspects, at the level of individual airports, while respecting relevant Union rules, in particular those laid down in Directive 2002/49/EC, and the legislation within each Member State;
- (b) to enable the use of operating restrictions in accordance with the Balanced Approach so as to achieve the sustainable development of the airport and air traffic management network capacity from a gate-to-gate perspective.

The Balanced Approach method establishes the procedures and steps to identify and reduce noise pollution in the Group's network. This method is implemented by taking any of the following measures: (i) reduction of noise and source of noise; (ii) planning and managing the use of land; (iii) operational procedures for noise reduction; and (iv) restrictions on the operations of aircraft to limit access to certain types of aircraft at the airport.

The Issuer has also carried out noise-pollution valuations and tests to determine the noise pollution associated with aircraft operations and related activities. The Issuer uses various instruments for noise valuation such as the implementation of noise maps that can calculate the specific noise impact arising from the largest airports in its network, acoustic easements (Lan Use Plans *servidumbres acústicas*), to achieve the compatibility of the functioning or development of transport infrastructure with the land-use, activities, facilities or buildings establishes in the area affected. Each acoustics easement includes an action plan with corrective measures in accordance with the "Balanced Approach", including soundproofing of dwellings.

Aena also implements noise-monitoring systems in main airports (Adolfo Suárez Madrid-Barajas, Barcelona-El Prat, Palma de Mallorca, Valencia, Alicante, Málaga-Costa del Sol, Bilbao, Gran Canaria, Tenerife Norte and Tenerife Sur). The Issuer has obtained the ENAC certification for the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat airports, in compliance with ISO 20.906, to guarantee the veracity

of data and to improve confidence in noise data published, giving credibility to municipalities and communities.

The Issuer has introduced certain operation restrictions at its Adolfo Suárez Madrid-Barajas and Barcelona-El Prat and Palma de Mallorca airports including restrictions on certain aircrafts that produce acoustic pollution and limitations on the usage of certain runways between specified hours.

The Issuer is currently conducting sound tests in most of its airports and have initiated acoustic isolation procedures in its A Coruña, Alicante-Elche, Barcelona-El Prat, Bilbao, Gran Canaria, Ibiza, La Palma, Adolfo Suárez Madrid-Barajas, Málaga-Costa del Sol, Melilla, Menorca, Palma de Mallorca, Pamplona, Sabadell, Santiago de Compostela, Sevilla, Tenerife Norte, Valencia and Vigo airports.

Air pollution

The Issuer is mainly subject to Law 34/2007, of November 15, on the protection of the atmosphere and air quality (*Ley 34/2007, de 15 de noviembre, de Calidad del Aire y Protección de la Atmósfera*); Royal Decree 100/2011, of January 28, which provides an updated catalogue of potentially polluting activities of the atmosphere (*Real Decreto 100/2011, de 28 de enero, por el que se Actualiza el catálogo de actividades potencialmente contaminadoras de la atmósfera y se establecen las disposiciones básicas para su aplicación*); and Law 1/2005, of March 9, which regulates greenhouse gas emissions (*Ley 1/2005, de 9 de marzo, que regula el régimen del comercio de derechos de emisión de gases de efecto invernadero*). The Issuer is currently obtaining the necessary authorizations and registrations of potential polluting activities so that it can comply with all applicable air pollution requirements.

In addition to regulatory compliance, Aena has developed a strategy to combat Climate Change that includes a battery of measures to decrease CO₂ emissions caused by its activity through the following areas of action: energy efficiency, energy supplied from renewable sources, reduced emissions from fuel and reduced emissions from third parties.

TAXATION

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.

Taxation in the Kingdom of Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain as at the date of this Information Memorandum and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

Introduction

The information provided below has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- (i) of general application, First Additional Provision of Law 10/2014 along with Royal Decree 1065/2007;
- (ii) for individuals with tax residency in Spain who are individual income tax ("**IIT**") taxpayers, Law 35/2006, of 28 November 2006, on IIT and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as amended ("**IIT Law**"), as well as Royal Decree 439/2007, of 30 March 2007, promulgating the IIT Regulations as amended, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on the Inheritance and Gift Tax ("**IGT**");
- (iii) for legal entities resident for tax purposes in Spain which are subject to the Spanish Corporate Income Tax ("**CIT**"), Law 27/2014, of November 27, on CIT and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations;
- (iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Spanish Non-Resident Income Tax ("**NRIT**"), Royal Legislative Decree 5/2004, of 5 March 2004, promulgating the Consolidated Text of the NRIT Law, as amended (the "**NRIT Law**"), and Royal Decree 1776/2004, of 30 July 2004, promulgating the NRIT regulations as amended, along with Law 19/1991, of 6 June 1991, on the Net Wealth Tax and Law 29/1987, of 18 December 1987, on IGT.

Whatever the nature and residence of the beneficial owners of the Notes, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, for example, exempt from transfer tax and stamp duty, in accordance with the Consolidated Text of such taxes promulgated by Royal Legislative Decree 1/1993, of 24 September 1993, and exempt from VAT, in accordance with Law 37/1992, of 28 December 1992, regulating such tax.

Individuals with Tax Residency in Spain

Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Income derived from the transfer, redemption or repayment of the Notes constitutes income obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base, which is taxed at the current rate of 19% for the first €6,000, 21% between €6,000.01 and €50,000 and 23% for any amount in excess of €50,000.

A 19% withholding on account of IIT will be imposed by the Issuer on income derived from the redemption or repayment of the Notes by individual investors subject to IIT.

However, with certain exceptions, income derived from the transfer of the Notes should not be generally subject to withholding on account of IIT provided that the Notes are:

- (i) registered by way of book-entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

In any event, the individual holder may credit the withholding tax applied by the Issuer against his or her final IIT liability for the relevant tax year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

Net Wealth Tax (Impuesto sobre el Patrimonio)

According to article 3 of Royal Decree-Law 27/2018 of 28 December, a full exemption (*bonificación del 100%*) on Wealth Tax will apply as from year 2020. Therefore, as from such year, non-Spanish resident individuals will be released from formal and filing obligations in relation to Wealth Tax, unless the exemption is revoked or postponed, as in previous years.

If it were revoked, Spanish tax resident individuals will be subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they held as at 31 December in each year the applicable rates ranging between 0.2% and 2.5%

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals who are resident in Spain for tax purposes and who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish IGT in accordance with the applicable Spanish regional and state rules. The effective tax rates range between 0% and 81.6%, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, and the kinship with the deceased or the donor.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Income derived from the transfer, redemption or repayment of the Notes is subject to CIT at the general flat tax rate of 25% in accordance with the rules for such tax.

No withholding on account of CIT will be imposed on income derived from the redemption or repayment of the Notes by Spanish CIT taxpayers which is paid by the Issuer, provided that certain requirements are met (including that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below). See "*—Compliance with Certain Requirements in Connection with Income Payments*".

With regard to income derived from the transfer of the Notes, in accordance with article 61.q of the CIT regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) provided that the Notes are:

- (i) registered by way of book-entries (*anotaciones en cuenta*); and
- (ii) negotiated in a Spanish official secondary market (*mercado secundario oficial*), such as AIAF.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes are not subject to Spanish Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the IGT but generally must include the market value of the Notes in their taxable income for CIT purposes.

Individuals and Legal Entities with no Tax Residency in Spain

1) Investors with no Tax Residency in Spain acting through a Permanent Establishment in Spain

Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes)

If the Notes form part of the assets affected to a permanent establishment in Spain of a person or legal entity that is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those set forth above for Spanish CIT taxpayers. See "*Legal Entities with Tax Residency in Spain-Corporate Income Tax (Impuesto sobre Sociedades)*".

Ownership of the Notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

2) Investors with no Tax Residency in Spain not acting through a Permanent Establishment in Spain

(A) Non-Resident Income Tax (Impuesto sobre la Renta de no Residentes)

Income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, is exempt from NRIT and therefore no withholding on account of NRIT will be levied on such income provided certain requirements are met, including that, in respect of interest payments from the Notes carried out by the Issuer, the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, provide the Issuer, in a timely manner, with a duly executed and completed Payment Statement, as defined below, as set forth in article 44 of Royal Decree 1065/2007. See "*Compliance with Certain Requirements in Connection with Income Payments*".

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment under the Notes, the Issuer will withhold Spanish withholding tax at the then-applicable rate (the current rate is 19%) on such payment and the Issuer will not pay additional amounts with respect to any such withholding tax.

A beneficial owner who is not resident in Spain for tax purposes and is entitled to exemption from NRIT, but to whom payment was not exempt from Spanish withholding tax due to a failure on the delivery of a duly executed and completed Payment Statement to the Issuer, will receive a refund of the amount withheld, with no need for action on the beneficial owner's part, if the Issuer receives a duly executed and completed

Payment Statement no later than the 10th calendar day of the month immediately following the relevant payment date.

In addition, beneficial owners of the Notes may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the NRIT Law and its regulations.

(B) Net Wealth Tax (Impuesto sobre el Patrimonio)

According to article 3 of Royal Decree-Law 27/2018 of 28 December, a full exemption (*bonificación del 100%*) on Wealth Tax will apply as from year 2020. Therefore, as from such year, non-Spanish resident individuals will be released from formal and filing obligations in relation to Wealth Tax, unless the exemption is revoked or postponed, as in previous years.

If it were revoked, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2% and 2.5%.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax.

Non-Spanish tax resident individuals who are resident in an EU or EEA Member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy, will be subject to IGT in accordance with the applicable Spanish state rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to IGT. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

If no treaty for the avoidance of double taxation in relation to IGT applies, effective IGT rates would range between 0% and 81.6%, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits. These factors may vary depending on the application of the state or the autonomous regions IGT governing laws. Generally, non-Spanish tax resident individuals are subject to Spanish state rules. However, if the deceased or the donor, as the case may be, is resident in an EU or EEA member State, (and according to recent decisions of the Spanish Supreme Court, potentially, if it is tax resident outside the EU or EEA), the applicable rules will be those corresponding to the relevant autonomous regions as per the rules set out in the law. As such, prospective holders of the Notes should consult their tax advisers.

Non-Spanish tax resident legal entities that acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to IGT. Such acquisitions may be subject to NRIT as capital gains (as described above), unless otherwise applicable under the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of tax residence of the beneficiary owner.

Compliance with Certain Requirements in Connection with Income Payments

As described under "*Individuals and Legal Entities with no Tax Residency in Spain*," "*Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*", provided the conditions set forth in Law 10/2014 are met, payments made by the Issuer in respect of the Notes for the benefit of non-Spanish tax resident investors, or for the benefit of Spanish CIT taxpayers, will not be subject to Spanish withholding tax, provided that the Iberclear Members that have the Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems located outside Spain that have an agreement with Iberclear, if applicable, provide the Issuer, in a timely manner,

with a duly executed and completed Payment Statement, in accordance with section 4 of article 44 of Royal Decree 1065/2007, setting out:

1. Identification of the Notes.
2. Total amount of the payment made by the Issuer.
3. Amount of the income corresponding to individuals residents in Spain that are IIT taxpayers.
4. Amount of the income that must be paid on a gross basis.

If the Iberclear Members fail or for any reason are unable to deliver a duly executed and completed Payment Statement to the Issuer in a timely manner in respect of a payment made by the Issuer under the Notes, such payment will be made net of Spanish withholding tax, at the current rate of 19%.

If this were to occur, affected beneficial owners will receive a refund of the amount withheld, with no need for action on their part, if the Iberclear Members submit a duly executed and completed Payment Statement to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date. In addition, beneficial owners may apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

Prospective investors should note that the Issuer does not accept any responsibility relating to the lack of delivery of a duly executed and completed Payment Statement by the Iberclear Members in connection with each payment of income under the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any beneficial owner who would otherwise be entitled to an exemption from Spanish withholding tax but whose payments are nonetheless paid net of Spanish withholding tax because the Payment Statement was not duly delivered to the Issuer. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding tax.

The proposed financial transactions tax ("EU FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, EU FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the EU FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the EU FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes "foreign passthru payments" to persons that fail to meet certain certification, reporting, or related requirements. A number

of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 30 October 2019 (the "**Dealer Agreement**") and made between the Issuer and the Dealers.

General

Each of the Dealers has represented, warranted and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute this Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

United States of America:

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Complementary Certifications in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:**
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Kingdom of Spain

Each Dealer has represented, warranted and agreed that the Notes will not be offered or sold in Spain other than by institutions authorised under the Spanish Securities Market Law, and related legislation, to provide investment services in Spain, and as agreed between the Issuer and the Dealers, offers of the Notes in Spain will only be directed specifically at or made to professional clients (*clientes profesionales*) as defined in Article 205 of the Spanish Securities Market Law and Article 58 of Royal Decree 217/2008, of 15 February, and eligible counterparties (*contrapartes elegibles*) as defined in Article 207 of the Spanish Securities Market Law.

The Republic of France

Each Dealer has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to qualified investors (*investisseurs qualifiés*), as defined in Articles L.411-2 and D.411-1 to D.411-3 of the *French Code monétaire et financier*, as amended from time to time, and any other applicable French law or regulation.

In addition, each Dealer has represented, warranted and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Information Memorandum or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

Belgium

Each Dealer has represented, warranted and agreed that it shall refrain from taking any action that would be characterised as or result in a public offering of these Notes in Belgium in accordance with the law of 11 July 2018 on the offer of investment instruments to the public and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

Each Dealer has represented, warranted and agreed that it has not advertised, offered, sold or delivered and will not advertise, offer, sell or deliver, directly or indirectly, Notes to any Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer. For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Dealer has represented, warranted and agreed that any offer, sale or delivery of the Notes or distribution of copies of the Information Memorandum or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Information Memorandum or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

MARKET INFORMATION

Summary of Clearance and Settlement Procedures

Below is a brief summary of the Spanish clearance and settlement procedures applicable to book-entry notes such as the Notes.

The Spanish clearing, settlement and recording system of securities transactions has undergone a significant reform to align it with the EU practices and standards and prepare it for the implementation of future integration projects (the "**Reform**"). Following the Reform, which implementation was completed by 18 September 2017, the Spanish clearing, settlement and registry procedures of securities transactions allows the connection of the post-trading Spanish systems to the European system TARGET2 Securities.

The Reform has introduced three main changes that, in turn, involve a number of operating modifications. These changes include (i) a new recording system based on balances, (ii) the introduction of a central clearing counterparty (BME Clearing, S.A., "**BME Clearing**" or the "**CCP**"), and (iii) the integration of the current CADE (*Central de Anotaciones de Deuda Pública*) and SCLV (*Servicio de Compensación y Liquidación de Valores*) into a single platform managed by Iberclear which operates under the trade name of ARCO.

Iberclear and BME Clearing

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal ("**Iberclear**") is the Spanish central securities depository in charge of both the register of securities held in book-entry form, and the settlement of all trades from the Spanish Stock Exchanges, Latibex (the Latin American stock exchange denominated in Euro), the Book-Entry Public Debt Market, the Alternative Stock Market (MAB), Alternative Fixed Income Market (MARF) and AIAF. To achieve this, Iberclear uses the technical platform named ARCO.

Iberclear and BME Clearing are owned by *Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.*, a holding company, which fully owns each of the Spanish official secondary markets and settlement systems.

Iberclear Securities Registration System

The securities recording system of Iberclear is a two tier level registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records correspond to the participating entities (*entidades participantes*) in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies which are authorized to render custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositories and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositories.

The central registry managed by Iberclear reflects (i) one or several proprietary accounts which show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of the securities or the shares held in their general third-party accounts.

According to the above, Spanish law considers the owner of the securities to be:

- (i) the participating entity appearing in the records of Iberclear as holding the relevant securities in its own name;
- (ii) the investor appearing in the records of the participating entity as holding the securities; or
- (iii) the investor appearing in the records of Iberclear as holding securities in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions vis-à-vis the participants designated in such buy or sell instructions. The CCP then generates and send to Iberclear the relevant settlement instructions.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO (for both equity securities and fixed-income securities as from September 2017), receives the settlement instructions from BME Clearing and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

To evidence title to securities, at the owner's request the relevant participating entity must issue a legitimation certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding securities in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the securities held in their name.

Iberclear Settlement of securities traded in AIAF

Iberclear and the participating entities (*entidades participantes*) in Iberclear have the function of keeping the book-entry register of securities traded on AIAF.

Securities traded in AIAF are fixed income securities, including corporate bonds (for example, euro-commercial paper, medium term notes and mortgage bonds) and bonds issued by the Kingdom of Spain and Spanish regions, represented either in a dematerialised form or by certificates.

In the AIAF settlement system, transactions may be settled spot, forward (settlement date more than five days after the relevant trade date), with a repurchase agreement on a fixed date and double or simultaneous transactions (two trades in opposite directions with different settlement dates).

The settlement system used for securities admitted for trading in AIAF is the Model 1 delivery versus payment system, as per the classification of the Bank for International Settlements: that is, it is a "transaction-to-transaction" cash and securities settlement system with simultaneity in its finality.

Transactions are settled on the business day agreed by participants at the moment of the trade.

Settlement Cycles: The ARCO Platform

The ARCO platform offers both settlement in cycles and in real-time.

Real-time settlement (Madrid time):

- (i) Against payment trades: from 07:00 am to 4:00 pm;
- (ii) Free of payment trades: from 07:00 am to 6:00 pm.

The settlement of transactions that settle via real-time procedure in principle take place every 8 minutes during the relevant period.

Settlement in cycles (Madrid time):

- (i) Free and against payment trades: from 08:00 am to 3:00 pm. There are five cycles: at 08:00 am, 10:00 am, 11:30 am, 1:00 pm and 3:00 pm. In addition, there is one cycle at 2:00 pm (only for bilateral transactions free and against payment not cleared through a CCP) or 3:45 pm (for existing last resort loans) and 5:00 pm (only for bilateral transactions free of payment not cleared through CCP).
- (ii) Iberclear has an additional settlement cycle (*ciclo de repesca*) that allows the matching of trades from 3:00 pm to 3:45 pm whenever a Spanish custodian has a last resource loan in the market. Therefore, if Iberclear opens this extra settlement cycle, transactions that settle in cycles can be settled as of that time if the delivering party has sufficient position (Iberclear will typically start to send settlement confirmations after 3:45 pm for those trades that are matched from 3:00 pm to 3:45 pm).

Euroclear and Clearstream

Investors who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold their investment in the Notes through bridge accounts maintained by each of Euroclear and Clearstream with participating entities (*entidades participantes*) in Iberclear.

GENERAL INFORMATION

Responsibility Statement

1. Aena and the undersigned, José Leo Vizcaíno and Juan Carlos Alfonso Rubio, in their capacity as CFO and General Secretary of Aena, and acting under a special power granted by the Board of Directors, accept responsibility for the information contained in this Information Memorandum and declare, to the best of their knowledge, that the information contained in this Information Memorandum is in accordance with the facts and that the Information Memorandum makes no omission likely to affect its import.

Authorisation

2. The establishment of the Programme was authorised by the general shareholders' meeting of the Issuer held on 25 April 2017 and by the Board of Directors of the Issuer passed on 29 October 2019. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Information Memorandum, a significant effect on the financial position or profitability of the Issuer.

Significant/Material Change

4. Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer.
5. Since 30 September 2019 there has been no significant change in the financial performance or in the financial position of the Group.

Auditors

6. The consolidated and unconsolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2018 and 31 December 2017 by KPMG Auditores, S.L., independent accountants. KPMG Auditores, S.L. office is at of Paseo de la Castellana, 259 C 28046 Madrid and is registered with the Official Registry for Auditors (*Registro Oficial de Auditores de Cuentas* (ROAC)) under number S0702.

Third Party Information

7. Information included in this Information Memorandum sourced from a third party has been accurately reproduced, and so far as Aena is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Material Contracts

8. There are no material contracts which contain provisions under which the Issuer or any member of the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

Documents on Display

9. Copies of the following documents may be inspected during normal business hours at the offices of the Issuer or at the website of the Issuer (www.aena.es) for 12 months from the date of this Information Memorandum:

- (a) copies of the bylaws (*Estatutos Sociales*) (as may be updated from time to time) of the Issuer;
- (b) the audited consolidated and unconsolidated financial statements of the Issuer for the years ended 31 December 2018 and 2017 and the consolidated interim financial statements of the Issuer subject to limited review of the auditors for the six months ended 30 June 2019 and unaudited consolidated interim management report for the nine-month period ending on 30 September 2019; and
- (c) the Information Memorandum.

In addition, physical copies of the following documents may be inspected during normal business hours at the offices of the Issuer for 12 months from the date of this Information Memorandum:

- (a) the Agency Agreement;
- (b) the Deed of Covenant; and
- (c) the Dealer Agreement.

This Information Memorandum will also be available on the website of the CNMV (www.cnmv.es).

For the avoidance of doubt, unless specifically incorporated by reference into this Information Memorandum, information contained on the website of the Issuer or CNMV does not form part of this Information Memorandum.

Clearing, Settlement and Payments of the Notes

10. The Notes have been accepted for clearance through Iberclear.

The International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Complementary Certifications and will be on display on the website of AIAF (www.aiaf.es).

For the avoidance of doubt, unless specifically incorporated by reference into this Information Memorandum, information contained on the website of AIAF does not form part of this Information Memorandum.

All payments under the Notes will be carried out directly by the Agent through Iberclear. The corporate address of Iberclear is Plaza de la Lealtad 1, 28014 Madrid, Spain.

Listing and Trading

11. This Information Memorandum has been prepared in order to obtain admission to trading of the Notes issued under the Programme. This Information Memorandum has been approved by the CNMV and such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that may be issued under this Information Memorandum. Investors should make their own assessment as to the suitability of investing in the Notes. In accordance with RD 1310/2005, this Information Memorandum has been drafted in accordance with the models set forth in Annexes VII and XV of the CDR 2019/980.

Applications will be made for the Notes to be admitted to trading on AIAF.

Issue Price and Yield

12. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

13. The yield of each Tranche of Notes will be calculated as of the relevant issue date using the relevant issue price. It is not an indication of future yield.

The yield of the Notes will be calculated based on the following formula:

$$I = \left[\left(\frac{N}{E} \right)^{365/n} - 1 \right]$$

I = yield

N = Nominal amount of the Note

E = underwriting or purchase price of the Note

n = period of days from the Issue date until the maturity of the Note.

The next table shows illustratively the effective values of a Note of 100,000 euros of nominal value for different terms and interest rates, calculated on a 365 day base:

Rate (%)	30 Days			90 Days			364 Days		
	Effective Value (Euros)	Yield (8%)*	+10 Days (Euros)**	Effective Value (Euros)	Yield (8%)*	+10 Days (Euros)**	Effective Value (Euros)	Yield (8%)*	+10 Days (Euros)**
-1.00	100,082.6	-1.00	27.5	100,248.1	-1.00	27.5	101,007.3	-1.00	27.5
-0.50	100,041.2	-0.50	13.7	100,123.7	-0.50	13.7	100,501.1	-0.50	13.7
-0.20	100,016.5	-0.20	5.5	100,049.4	-0.20	5.5	100,199.9	-0.20	5.5
-0.15	100,012.3	-0.15	4.1	100,037.0	-0.15	4.1	100,149.8	-0.15	4.1
-0.10	100,008.2	-0.10	2.7	100,024.7	-0.10	2.7	100,099.8	-0.10	2.7
-0.05	100,004.1	-0.05	1.4	100,012.3	-0.05	1.4	100,049.9	-0.05	1.4
0.00	100,000.0	0.00	0.0	100,000.0	0.00	0.0	100,000.0	0.00	0.0
0.05	99,995.9	0.05	-1.4	99,987.7	0.05	-1.4	99,950.2	0.05	-1.4
0.10	99,991.8	0.10	-2.7	99,975.4	0.10	-2.7	99,900.4	0.10	-2.7
0.15	99,987.7	0.15	-4.1	99,963.0	0.15	-4.1	99,850.6	0.15	-4.1
0.20	99,983.6	0.20	-5.5	99,950.7	0.20	-5.5	99,800.9	0.20	-5.5
0.25	99,979.5	0.25	-6.8	99,938.5	0.25	-6.8	99,751.3	0.25	-6.8
0.50	99,959.0	0.50	-13.7	99,877.1	0.50	-13.7	99,503.8	0.50	-13.7
1.00	99,918.2	1.00	-27.3	99,755.0	1.00	-27.3	99,012.6	1.00	-27.3

* Composite Yield with 365 day base

** Variation of the effective value with a 10-days extension of the Note

Expense of the Admission to Trading

14. An estimate of the total expenses related to the admission to trading.

Payment concept	Estimation (Euros)	
CNMV	Prospectus registration*	5,100.5
CNMV	Notes admission fee**	61.206
AIAF	Prospectus registration****	45,000
AIAF	Publication fee	300
AIAF	Admission fee ****	55,000
IBERCLEAR	Prospectus registration	300
IBERCLEAR	Issuances fees*****	1,200
TOTAL		168,106.5

* Base on the CNMV tariff. Exempt in case of trading admission in the first six months from the Information Memorandum approval

** 0,01% over the total amount issued with a maximum of 61.206 euros

*** 0,05 per 1000 over the maximum program value. Minimum 2,500 euros, maximum 55,000 euros
**** 0.01 per 1000 over the total amount issued with a maximum of 55.000 euros
***** Calculation for 24 ISIN code issues.

For illustrative purposes, the net proceeds of an Issue of Notes for an aggregate principal amount of €900,000,000 taking into account the expenses set out in the above table would be €899,831,893.5.

The Legal Entity Identifier

15. The Legal Entity Identifier (LEI) code of the Issuer is 959800R7QMXKF0NFMT29.

Ratings

16. The Issuer has been assigned a rating of F1 by Fitch Ratings España, S.A.U.

Conflicts of Interest

17. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph the term "affiliates" includes also parent companies.

Issuer Website

18. The Issuer's website is www.aena.es.

Unless specifically incorporated by reference in this Information Memorandum, information contained on the website does not form part of this Information Memorandum.

Validity of the Information Memorandum and Supplements

19. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Information Memorandum after the end of its 12-month validity period since its approval.

SIGNATURES

In witness to their knowledge and approval of the contents of this Prospectus drawn up according to Annexes 7 and 15 of Delegated Regulation (EU) 2019/980 of 14 March 2019, it is hereby signed by José Leo Vizcaíno and Juan Carlos Alfonso Rubio, in their capacity as CFO and General Secretary of Aena, in Madrid, on 30 October 2019.

ISSUER

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