Auditor's Report on Abertis Infraestructuras, S.A.

(Together with the annual accounts and directors' report of Abertis Infraestructuras, S.A. for the year ended 31 December 2023)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Abertis Infraestructuras, S.A.

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Abertis Infraestructuras, S.A. (the "Company"), which comprise the balance sheet at 31 December 2023, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill impairment

See note 6 to the annual accounts

Key audit matter	*How the matter was addressed in our audit*
The accompanying balance sheet presents goodwill amounting to Euros 3,882 million, which arose in the framework of the merger with Abertis Participaciones, S.A.U., described in note 6. Management reviews these assets on an annual basis to detect any indications of impairment and performs the corresponding impairment testing to determine the recoverable amount of goodwill, when such indications exist. The assessment of the recoverable amount of goodwill is based on the discounting of future cash flows using budgets approved by management, as described in note 6. This assessment is a complex process that requires the Company’s management to make estimates that include significant judgements and assumptions, which are aspects that lead us to consider the situation described as a key audit matter.	Our audit procedures included assessing the design and implementation of the relevant controls that mitigate the risks associated with the process of assessing the recoverable amount of goodwill, as well as performing tests of the operating effectiveness of the aforementioned controls. We also performed substantive tests based on obtaining the impairment test performed by the Company and checking the arithmetical accuracy of the calculations made, as well as assessing the reasonableness of the main assumptions considered therein, basically those relating to cash flow forecasts and discount rates. We also analysed the reasonableness of the projected operating assumptions (primarily traffic, tolls, and operating costs), and their consistency with the business plans approved. We also examined the sensitivity analyses of the key assumptions, i.e., those with the most significant effect on determining the recoverable amount, performed by the Company's management. Additionally, we involved our internal valuation specialists in the process of assessing the assumptions and methodology used by the Company and, in particular, those related to the discount rates used and growth rates in perpetuity applied.

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Goodwill impairment See note 6 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
	Lastly, we checked that note 6 to the accompanying annual accounts contains the information required by the regulatory framework applicable to the assessment of the recoverable amount of these assets and, particularly, the details of the main assumptions used in the preparation of the impairment test, as well as an analysis of the sensitivity to changes in the key assumption therein.

Recoverable amount of investments in Group companies See note 8 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The recoverable amount of investments in Group companies is determined, for those companies in which there is objective evidence of impairment, by applying valuation techniques which often require the use of judgements and estimates by management, both in the selection of the valuation method and the determination of the discount of future cash flows and in the consideration of the key assumptions used. Due to the uncertainty associated with the aforementioned judgements and estimates, as well as the significance of the investments held, which amount to Euros 12,865 million at 31 December 2023, this has been considered a relevant aspect of our audit.	Our audit procedures included assessing the design and implementation of the key controls relating to the valuation process, evaluating the existence of objective evidence of impairment identified by the Company, as well as the methodology and assumptions used to estimate the recoverable amount, contrasting the information contained in the model with the business plans of the investees in which indications of impairment exist and involving our valuation specialists to assess the reasonableness of the valuation method and the discount rate used by the Company. We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

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Other Information: Directors' Report

Other information solely comprises the 2023 directors' report, the preparation of which is the responsibility of the Company's Directors, and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility for the directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts, and assessing and reporting on whether the content and presentation of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2023 and the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit, Control and Sustainability Committee's Responsibilities for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit, control and sustainability committee is responsible for overseeing the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit, control and sustainability committee of Abertis Infraestructuras, S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit, control and sustainability committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit, control and sustainability committee of the entity, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit, Control and Sustainability Committee

The opinion expressed in this report is consistent with our additional report to the Company's audit, control and sustainability committee dated 27 February 2024.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 21 April 2020 for a period of three years, from the year ended 31 December 2021.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Manuel Blanco Vera
On the Spanish Official Register of Auditors ("ROAC") with No. 17698

27 February 2024

ABERTIS INFRAESTRUCTURAS, S.A.

Annual Accounts and Directors' Report
for the year ended 31 December 2023

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

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Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Balance sheet at 31 December
(in thousands of euros)

ASSETS	Notes	2023	2022
NON-CURRENT ASSETS			
Intangible assets	6	**3,886,963**	**4,663,580**
Goodwill		3,882,417	4,658,901
Computer software		4,546	4,679
Property, plant and equipment	7	**5,595**	**6,154**
Land and buildings		3,064	3,144
Plant and other items of property, plant and equipment		2,531	3,010
Non-current investments in Group companies and associates	8	**12,864,622**	**11,147,010**
Equity instruments		12,864,622	10,891,028
Loans to companies	19-c	-	255,982
Non-current financial assets		**229,095**	**379,169**
Derivative financial instruments	10	-	378,059
Other financial assets	9	229,095	1,110
Deferred tax assets	16-c	**242,960**	**164,370**
TOTAL NON-CURRENT ASSETS		**17,229,235**	**16,360,283**
CURRENT ASSETS			
Trade and other receivables		**25,507**	**22,935**
Trade receivables from Group companies and associates	19-c	12,400	9,973
Sundry accounts receivable		13,069	12,881
Employee receivables		9	6
Tax receivables other than income tax receivables		29	75
Current investments in Group companies and associates	8/19-c	**124,104**	**161,146**
Loans to companies		108,331	159,414
Other financial assets		15,773	1,732
Current financial investments		**57,042**	**12,162**
Derivative financial instruments	10	-	10,509
Other financial assets	9	57,042	1,653
Current prepayments and accrued income		**127**	**49**
Cash and cash equivalents	11	**2,208,145**	**2,350,909**
TOTAL CURRENT ASSETS		**2,414,925**	**2,547,201**
TOTAL ASSETS		**19,644,160**	**18,907,484**

Theses balance sheets should be read in conjunction with the Notes included on pages 10 to 113.

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Balance sheet at 31 December
(in thousands of euros)

EQUITY AND LIABILITIES	Notes	2023	2022
EQUITY			
Shareholders' equity	12	**1,491,109**	**3,012,913**
Share capital		1,531,430	2,133,063
Reserves		565,938	576,742
Prior years' losses		(667,145)	(597,518)
Other shareholder contributions		991,400	991,400
(Treasury shares)		(21,147)	(21,147)
Profit (loss) for the year		(909,367)	(69,627)
Valuation adjustments		**9,241**	**82,251**
Hedges	10	9,241	82,251
TOTAL EQUITY		**1,500,350**	**3,095,164**
NON-CURRENT LIABILITIES			
Long-term provisions		**68,106**	**65,443**
Other provisions	15	68,106	65,443
Non-current payables	13	**13,752,742**	**11,629,718**
Debt instruments and other marketable securities		9,827,609	9,387,278
Bank borrowings		3,913,965	2,227,798
Derivative financial instruments	10	11,162	14,636
Other financial liabilities		6	6
Non-current payables to Group companies and associates	19-c	**2,410,731**	**2,298,526**
Deferred tax liabilities	16-c	**300,461**	**341,769**
TOTAL NON-CURRENT LIABILITIES		**16,532,040**	**14,335,456**
CURRENT LIABILITIES			
Current payables	13	**1,246,761**	**1,020,795**
Debt instruments and other marketable securities		823,580	749,721
Bank borrowings		423,181	271,074
Current payables to Group companies and associates	19-c	**328,582**	**429,224**
Trade and other payables		**36,427**	**26,845**
Sundry accounts payable		21,361	14,787
Remuneration payable		7,708	8,521
Tax payables other than income tax payables		802	765
Other payables		6,556	2,772
TOTAL CURRENT LIABILITIES		**1,611,770**	**1,476,864**
TOTAL EQUITY AND LIABILITIES		**19,644,160**	**18,907,484**

Theses balance sheets should be read in conjunction with the Notes included on pages 10 to 113.

Abertis Infraestructuras, S.A.

Statement of profit or loss for the years ended
31 December (in thousands of euros)

STATEMENT OF PROFIT OR LOSS	Notes	2023	2022
Revenue	17-a	**849,097**	**1,447,640**
Provision of services		48,592	46,930
Revenue from investments in equity instruments of Group companies and associates	19-c	800,505	1,400,710
Other operating income		**2,985**	**1,493**
Non-core and other current operating income		2,985	1,493
Staff costs	17-b	**(31,859)**	**(27,951)**
Wages, salaries and similar expenses		(20,577)	(17,218)
Employee benefit and other costs		(11,282)	(10,733)
Other operating expenses		**(45,651)**	**(33,436)**
Outside services		(45,198)	(33,258)
Taxes other than income tax		(453)	(178)
Depreciation and amortisation charge	6/7	**(779,279)**	**(778,725)**
Impairment and gains or losses on disposals of fixed assets	8/17-c	**(600,654)**	**(424,662)**
Impairment and other losses		(655,967)	(445,697)
Gains or losses on disposals and other		55,313	21,035
PROFIT (LOSS) FROM OPERATIONS		**(605,361)**	**184,359**
Finance income	17-d	**105,771**	**36,772**
From marketable securities and other financial instruments		105,771	36,772
Group companies and associates	19-c	4,200	4,387
Third parties		101,571	32,385
Finance costs	17-d	**(489,316)**	**(354,819)**
On debts to Group companies and associates	19-c	(89,826)	(76,329)
On debts to third parties		(399,490)	(278,490)
Changes in fair value of financial instruments	17-d	**(7,035)**	**(17,549)**
Held-for-trading financial assets/liabilities and other		(7,035)	(17,549)
Exchange differences	17-d	**(13,502)**	**19,550**
NET FINANCE INCOME (EXPENSE)		**(404,082)**	**(316,046)**
PROFIT/(LOSS) BEFORE TAX		**(1,009,443)**	**(131,687)**
Income tax	16-b	**100,076**	**62,060**
LOSS FOR THE YEAR		**(909,367)**	**(69,627)**

These statements of profit or loss should be read in conjunction with the Notes included on pages 10 to 113.

Abertis Infraestructuras, S.A.

Statements of changes in equity for the years ended 31 December
(in thousands of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Notes	2023	2022
Profit (Loss) per statement of profit or loss		**(909,367)**	**(69,627)**
Income and expense recognised directly in equity		**(86,613)**	**282,205**
Arising from cash flow hedges	10	(115,432)	376,325
Arising from actuarial gains and losses and other	14-b	(52)	(52)
Tax effect		28,871	(94,068)
Transfers to profit or loss		**13,564**	**10,440**
Arising from cash flow hedges	10	19,832	15,667
Tax effect		(6,268)	(5,227)
TOTAL RECOGNISED INCOME AND EXPENSE		**(982,416)**	**223,018**

These statements of recognised income and expense should be read in conjunction with the Notes included on pages 10 to 113.

Abertis Infraestructuras, S.A.

Statements of changes in equity for the years ended 31 December
(in thousands of euros)

B) STATEMENT OF CHANGES IN TOTAL EQUITY

	Registered capital	Reserves	Prior years' result	Other shareholder contributions	(Treasury shares)	Profit (loss) for the year	Valuation adjustments	TOTAL
2022 CLOSING BALANCE	**2,133,063**	**576,742**	**(597,518)**	**991,400**	**(21,147)**	**(69,627)**	**82,251**	**3,095,164**
Total recognised income and expense	-	(39)	-	-	-	(909,367)	(73,010)	(982,416)
Distribution of prior year's result	-	-	(69,627)	-	-	69,627	-	-
Transactions with shareholders:								
- Capital reduction (Note 12-a)	(601,633)	(10,765)	-	-	-	-	-	(612,398)
- Treasury share transactions (net)	-	-	-	-	-	-	-	-
2023 CLOSING BALANCE	**1,531,430**	**565,938**	**(667,145)**	**991,400**	**(21,147)**	**(909,367)**	**9,241**	**1,500,350**

These statements of changes in equity should be read in conjunction with the Notes included on pages 10 to 113.

Abertis Infraestructuras, S.A.

Statements of changes in equity for the years ended 31 December
(in thousands of euros)

B) STATEMENT OF CHANGES IN TOTAL EQUITY

	Registered capital	Reserves	Prior years' result	Other shareholder contributions	(Treasury shares)	Profit (loss) for the year	Valuation adjustments	TOTAL
2021 CLOSING BALANCE	**2,734,696**	**574,139**	**-**	**-**	**(20,991)**	**(597,518)**	**(210,433)**	**2,479,893**
Total recognised income and expense	-	(39)	-	-	-	(69,627)	292,684	223,018
Distribution of prior year's result	-	-	(597,518)	-	-	597,518	-	-
Transactions with shareholders:								
- Capital reduction (Note 12-a)	(601,633)	2,642	-	-	-	-	-	(598,991)
- Other contributions (Note 12-c)	-	-	-	991,400	-	-	-	991,400
- Treasury share transactions (net)	-	-	-	-	(156)	-	-	(156)
2022 CLOSING BALANCE	**2,133,063**	**576,742**	**(597,518)**	**991,400**	**(21,147)**	**(69,627)**	**82,251**	**3,095,164**

These statements of changes in equity should be read in conjunction with the Notes included on pages 10 to 113.

Abertis Infraestructuras, S.A.

Statement of cash flows for the years ended
31 December
(in thousands of euros)

	Notes	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		**456,316**	**1,334,338**
Profit (Loss) for the year before tax		(1,009,443)	(131,687)
Adjustments for:			
Depreciation and amortisation charge	6/7	779,279	778,725
Impairment losses	17-c	655,967	445,697
Changes in provisions and allowances		-	-
Net gains or losses on derecognition and disposal of non-current assets	17-c 17-d	(55,313)	(21,035)
Finance income	17-d	(105,771)	(36,772)
Finance costs	17-d	489,316	354,819
Exchange differences	17-d	13,502	(19,550)
Changes in fair value of financial instruments		7,035	17,549
Uncollected dividend income		(14,309)	-
Changes in working capital:			
Trade and other receivables		(2,572)	2,023
Other current assets		(78)	(48)
Trade and other payables		13,357	(22,679)
Other non-current assets and liabilities		-	-
Other cash flows from (used in) operating activities:			
Interest paid		(464,906)	(359,835)
Interest received		106,217	9,642
Income tax recovered/(paid)		80,310	229,247
Other amounts paid (received)		(36,275)	88,242
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**(2,519,089)**	**635,376**
Payments due to investments			
Group companies and associates	8	(2,856,959)	(284,900)
Intangible assets	6	(1,743)	(3,015)
Property, plant and equipment	7	(622)	(942)
Other financial assets		(43,476)	-
Other assets		-	-
Proceeds from disposal			
Group companies and associates	8	383,449	893,768
Property, plant and equipment	7	262	-
Other financial assets		-	30,465

These statements of cash flows should be read in conjunction with the Notes included on pages 10 to 113.

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Abertis Infraestructuras, S.A.

Statement of cash flows for the years ended
31 December
(in thousands of euros)

	Notes	2023	2022
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**1,920,009**	**(1,588,623)**
Receipts and payments for equity instruments			
Purchase of treasury shares	12-a	-	(156)
Disposal of treasury shares	12-a	(598,991)	(598,991)
Proceeds and payments relating to financial liability instruments:			
Issue	13		
Debt instruments and other marketable securities	13	1,089,288	-
Bank borrowings	13	1,888,675	-
Payables to Group companies and associates	19-c	258,387	20,220
Repayment and redemption of			
Debt instruments and other marketable securities	13	(600,000)	-
Bank borrowings	13	(48,750)	(630,000)
Payables to Group companies and associates	19-c	(68,600)	(373,660)
Other payables		-	(6,036)
Effect of foreign exchange rate changes		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(142,764)**	**381,091**
Cash and cash equivalents at beginning of year	11	2,350,909	1,969,818
Cash and cash equivalents at end of year	11	2,208,145	2,350,909

These statements of cash flows should be read in conjunction with the Notes included on pages 10 to 113.

NOTES TO THE ANNUAL ACCOUNTS FOR 2023

1. GENERAL INFORMATION

Abertis Infraestructuras, S.A. (**Abertis** or the Company) was incorporated in Barcelona on 24 February 1967. Its registered office is located at Paseo de la Castellana, 89, floor 9 (Madrid).

The corporate object of **Abertis** is the construction, upkeep and operation (or simply the upkeep and operation) of toll roads under concession arrangements; the management of road concessions in Spain and abroad; the construction of road infrastructure; the operation of service areas; ancillary activities for the construction, upkeep and operation of toll roads and service stations; and any other activity related to transport and communications and/or telecommunications infrastructure for the mobility and transport of people, goods and information, with such authorisation as might be required for those purposes. It also includes the preparation of studies, reports, designs and contracts, as well as the management and provision of advisory services in relation to the aforementioned activities.

The Company may pursue its corporate object, especially its concession activity, directly or indirectly through its ownership interests in other companies, subject, in this respect, to the legal provisions in force at any given time.

Abertis is the head of a Group (Note 8) engaging in the management of mobility and communications infrastructure, and currently operates in the toll road concessions sector.

Abertis is obliged under current legislation to prepare consolidated annual accounts separately. The consolidated annual accounts of the Abertis Group for 2023 were formally prepared by its directors at the Board of Directors Meeting held on 27 February 2024.

Also, the consolidated annual accounts for 2022 were approved by the shareholders at the Annual General Meeting of Abertis Infraestructuras, S.A. held on 28 March 2023 and were filed at the Madrid Mercantile Registry.

Also, since 29 October 2018 the Company and the other Group companies have formed part of the Mundys Group, the parent of which is Mundys, S.p.A. (previously Atlantia, S.p.A., with registered office at Piazza San Silvestro, 8, Rome, Italy), which was delisted from the Italian Stock Exchange on 9 December 2022 and which, in turn, forms part of the group the parent of which is Edizione S.p.A. (previously Edizione, S.r.l., with registered office at Piazza del Duomo, 19, Treviso, Italy).

The main aggregates in those consolidated annual accounts of Abertis Infraestructuras, S.A. and subsidiaries for 2023, prepared in accordance with Final Provision Eleven of Law 62/2003, of 30 December, applying International Financial Reporting Standards as adopted by European Union Regulations, are as follows:

	2023
Total assets	49,492,327
Equity (attributable to the Parent)	6,568,968
Equity (attributable to non-controlling interests)	4,003,404
Consolidated operating income	5,532,093
Result for the year attributable to the Parent	236,615
Result for the year attributable to non-controlling interests	394,651

The figures contained in all the accounting statements accounts forming part of the annual accounts (balance sheet, statement of profit or loss, statement of changes in equity, statement of cash flows) and in the notes to the annual accounts are expressed in thousands of euros (the euro is the Company's presentation and functional currency), unless otherwise indicated.

2. BASIS OF PRESENTATION

a) Regulatory financial reporting framework applicable to the Company

The accompanying annual accounts were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code, the Spanish Limited Liability Companies Law (Ley de Sociedades de Capital), the Law on structural changes to companies formed under the Spanish Commercial Code and all other Spanish corporate law.

- The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, Royal Decree 1159/2010, of 17 September, Royal Decree 602/2016, of 2 December, and Royal Decree 1/2021, of 12 January, making certain amendments to the Spanish National Chart of Accounts, together with the rules approved by the Spanish National Securities Market Commission.

- The mandatory rules approved by the Spanish Accounting and Audit Institute (ICAC) in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, the Spanish Securities Market Law and the rules issued by the Spanish National Securities Market Commission.

- All other applicable Spanish accounting legislation.

b) Fair presentation

These annual accounts, which were prepared on the basis of the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein. They were prepared by the Company's directors in order to present fairly its equity and financial position, the results of its operations, the changes in its equity and its cash flows during the reporting period, in accordance with the aforementioned legislation in force.

The Company's annual accounts will be submitted for approval at the Annual General Meeting by the legally established deadline. The Company's directors consider that these annual accounts will be approved without any changes.

The Group's consolidated annual accounts for the year ended 31 December 2022 were approved by the shareholders at the Annual General Meeting of the Parent held on 28 March 2023.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. The directors formally prepared these annual accounts taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

d) Key issues in relation to the measurement and estimation of uncertainty

In preparing these annual accounts, the Company's directors were required to make certain accounting estimates and to consider certain factors on the basis of which to make judgements. These estimates and judgements, which are assessed on an ongoing basis, are based on historical experience and other factors including expectations regarding future events that are considered to be reasonable in the circumstances.

The principal estimates and judgements made in preparing the consolidated annual accounts related to:

- The useful lives of intangible assets and property, plant and equipment (Note s 4.1, 4.2, 6 and 7).

- Possible impairment of intangible assets and property, plant and equipment (Note s 4.1, 4.2, 4.3, 6 and 7). And if there are signs of impairment, the recoverable amount of those assets.

- Possible impairment of equity investments in Group companies and associates and of the loans granted to them (Note s 4.6 and 8). And if there are signs of impairment, the recoverable amount of those assets.

- The fair value of derivative and other financial instruments (Note s 4.7 and 10).

- Estimates of income tax expense, the method used to recognise deferred taxes and the recoverable amount of the deferred tax assets (Note s 4.10 and 16).

- The evaluation of lawsuits, provisions, obligations and contingent assets and liabilities at year-end (Note 4.12).

Although the aforesaid estimates and judgments were based on the best information available at the date of authorisation for issue of these annual accounts, in accordance with IAS 8, any change in estimates in the future would be applied prospectively from that time, and the effect of the change in the estimates would be recognised on the consolidated statement of profit or loss for the period in question.

e) Comparative information

For comparison purposes, the figures in the annual accounts for the prior year are presented alongside the figures for 2023 for each item in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows.

f) Changes in accounting policies

In 2023 there were no significant changes in accounting policies with respect to those applied in 2022.

g) Correction of errors

In preparing the accompanying annual accounts no significant errors were detected that would have made it necessary to restate the amounts included in the annual accounts for 2022.

h) Grouping of items

Certain items in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the annual accounts.

3. PROPOSED ALLOCATION OF PROFIT OR LOSS

The proposed allocation of the loss for 2023 that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

Basis of distribution (Profit or Loss)	**(909,367)**
Application:	
Prior years' losses	(909,367)
	(909,367)

The Board of Directors will also propose to shareholders at the Annual General Shareholders' Meeting scheduled for 9 April 2024 to repay EUR 601,633 thousand of contributions to shareholders through a reduction of Abertis Infraestructuras, S.A.'s capital by decreasing the nominal value of shares from EUR 1.68 to EUR 1.02. This Board of Directors resolution will be submitted for approval by the shareholders at the Annual General Meeting of **Abertis**.

At 31 December 2023, no interim dividend had been paid out of the profit for 2023.

If on a dividend distribution date **Abertis** holds shares that do not carry dividend rights, the amount payable on those shares is transferred to voluntary reserves.

4. ACCOUNTING POLICIES

The principal accounting policies used by the Company in preparing the annual accounts for 2023 and 2022, in accordance with the regulatory financial reporting framework applicable to the Company described in Note 2-a, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are stated at acquisition or production cost less accumulated amortisation and any impairment losses, and their useful life is evaluated on the basis of prudent estimates.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable, as described in Note 4.3.

a) Goodwill

Goodwill represents the excess of the acquisition cost of a business combination, on the acquisition date, over the fair or market value of the identifiable net assets acquired in the transaction. Consequently, goodwill is only recognised when it has been acquired for consideration and corresponds to future economic benefits from assets that are not capable of being individually identified and separately recognised (Note 6).

After initial recognition, goodwill is measured at cost, less any accumulated amortisation and any accumulated impairment losses recognised. Pursuant to the applicable legislation, goodwill is amortised on a straight-line basis over ten years.

Also, at least once a year an assessment is made as to whether there are any signs that the related cash-generating units might have become impaired. If any such indication exists, the cash-generating units are tested for impairment using the methodology described below and, where appropriate, are written down.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

b) Computer software

Computer software mainly refers to the amounts paid for title to or the right to use computer programs, only when the software is expected to be used over several years.

Software is stated at acquisition cost and is amortised on a straight-line basis over its useful life (between three and five years).

Staff costs and other expenses directly attributable to intangible assets are capitalised as part of the acquisition cost until the assets are ready for their intended use.

Computer software maintenance costs are charged to the statement of profit or loss for the year in which they are incurred.

4.2 Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production cost less the related accumulated depreciation and any impairment losses recognised, as described in Note 4.3.

Staff costs and other expenses directly attributable to property, plant and equipment are capitalised as part of the acquisition cost until the assets are ready for their intended use.

The costs of renewal, expansion or betterment of items of property, plant and equipment are capitalised to the asset only when this leads to increased capacity or productivity or to a lengthening of the useful lives of the property, plant and equipment and provided that it is possible to ascertain or estimate the carrying amount of the items that are derecognised because they have been replaced.

The costs of major repairs are capitalised and depreciated over the estimated useful life thereof, whereas recurring upkeep and maintenance costs are charged to the statement of profit or loss for the year in which they are incurred.

Depreciation of property, plant and equipment, except for land, which is not depreciated, is calculated systematically using the straight-line method over the estimated useful life of the respective assets, based on the actual decline in value caused by their use and by wear and tear.

The rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

	Depreciation rate
Buildings and other structures	2-8 %
Plant and other items of property, plant and equipment	5 – 30 %

When the carrying amount of an asset exceeds its estimated recoverable amount, that carrying amount is reduced immediately to its recoverable value, and the impact is recognised in the statement of profit or loss for the year (Note 4.3).

4.3 Impairment losses on non-financial assets

At each reporting date the Company assesses whether there are any signs that any of the assets may have become impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the higher of fair value less costs of disposal and value in use.

In assessing the recoverable amount of an asset, the estimated future cash inflows are discounted to their present value using a discount rate that reflects the long-term time value of money and the risks specific to the asset and, where applicable, any costs of disposal.

Where the asset does not generate cash flows that are independent from other assets (the case of goodwill), the Company estimates the recoverable amount of the cash-generating unit (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) to which the asset belongs.

If a cash-generating unit becomes impaired, the carrying amount of any goodwill assigned to it is written down first, followed by that of the other assets in proportion to each asset's carrying amount with respect to the total carrying amount of the cash-generating unit.

Impairment losses (carrying amount of the asset higher than its recoverable amount) are recognised in the statement of profit or loss for the year.

With the exception of goodwill, the impairment losses on which are irreversible, at each reporting date, if the Company has recognised impairment losses on assets in prior years, it is assessed whether there are indications that such losses have ceased to exist or have been reduced and, where appropriate, the recoverable amount of the impaired asset is estimated.

An impairment loss recognised in prior periods is only reversed if there has been a change in the estimates used to determine the recoverable amount of an asset since the most recent impairment loss was recognised. If an impairment loss is reversed, the carrying amount of the related asset is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss for the year.

4.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases:

a) Operating lease

Expenses resulting from operating leases are charged to income in the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

At the reporting date, the main operating leases related to the properties at which the Company carries on its activities, and the Company had not contracted with tenants for significant minimum lease payments.

b) Finance lease

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the statement of profit or loss for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

4.5 Cash and cash equivalents

For the purposes of determining the statement of cash flows, "Cash and Cash Equivalents" includes the Company's cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

4.6 Financial assets

As a general rule, financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary, the fees paid to tax advisers and other professionals relating to the acquisition of the investment are recognised directly in profit or loss.

The financial assets held by the Company are classified as:

a) Loans and receivables

Loans and receivables are financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

"Loans and Receivables" relates mainly to:

- Loans granted to Group companies, associates and related parties, which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

- Deposits and guarantees, which are recognised at their nominal value, which does not differ significantly from their fair value.

- Trade accounts receivable, which are measured at the nominal value of the debt, which is similar to the fair value at initial recognition. This value is reduced, where necessary, by the corresponding adjustment for impairment (impairment loss on the asset) whenever there is objective evidence that the amount owed will only be partially collected or will not be collected at all, and this amount is charged to the statement of profit or loss for the year.

At each reporting date the necessary impairment losses are recognised if there is objective evidence that not all the amounts receivable will be collected.

b) <u>Equity investments in Group companies, associates and jointly controlled entities</u>

For these purposes, Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

They are measured at cost less any accumulated impairment losses and are adjusted, if they have been designated as a hedge of a net investment in a foreign operation, by the portion of the hedge that meets the criteria to be considered effective. However, where the Company holds an investment in the investee prior to its classification as a Group company, jointly controlled entity or associate, the cost of the investment is considered to be its carrying amount prior to its classification as such. Any previous valuation adjustments recognised directly in equity are retained in equity until the related investments are derecognised. Moreover, the hierarchy level is Level 3.

If there is objective evidence that the carrying amount of an investment is not recoverable, an impairment loss is recognised for the difference between its carrying amount and its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use, measured mainly as the amount expected to be received in the form of dividends from the investee. Impairment losses and any reversals of impairment losses are recognised in the statement of profit or loss for the year in which they arise.

The Group derecognises financial assets when they expire or when the rights to the cash flows are assigned and the risks and benefits derived from the ownership of the asset are substantially transferred.

The assets designated as hedged items are subject to hedge accounting measurement requirements (Note 4.7).

4.7 Financial derivatives and hedge accounting

The Company uses derivative financial instruments to manage its financial risk arising mainly from fluctuations in interest rates and exchange rates (Note 5). These derivative financial instruments, whether classified as hedges or not, are recognised at fair value (both on initial recognition and on subsequent measurement) using valuations taken from a discounted cash flows analysis using assumptions based mainly on the market conditions at the reporting date for unquoted derivative instruments.

At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items, as well as its risk management objectives and the strategy for undertaking various hedges. The Company also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged items.

The fair value of the derivative financial instruments is disclosed in Note 10.

The criteria used to account for these instruments are as follows:

a) Fair value hedges

Changes in the fair value of designated derivatives that meet the conditions to be classified as fair value hedges of assets or liabilities are recognised in the statement of profit or loss for the year under the same heading as the change in the fair value of the hedged asset or liability attributable to the hedged risk. These relate primarily to the derivative financial instruments arranged by the Company to convert fixed-rate borrowings into floating-rate borrowings.

b) Cash flow hedges

The effective portion of the gain or loss on the measurement of derivatives classified as cash flow hedges is recognised in equity under "Hedges", net of the related tax effect, until the underlying matures or is sold or it is no longer probable that the transaction will take place, at which point the accumulated gains or losses recognised in equity are transferred to the statement of profit or loss for the year.

Any ineffective portion of the gain or loss on the remeasurement of derivatives is recognised directly in the statement of profit or loss for the year under "Changes in Fair Value of Financial Instruments".

These hedges relate mainly to derivative financial instruments arranged by the Company to convert floating-rate borrowings into fixed-rate borrowings.

c) Hedge of a net investment in a non-euro currency

In order to reduce foreign currency risk, the Company may finance certain of its foreign investments in the same functional currency as that in which they are denominated. This is done by obtaining financing in the corresponding currency or by entering into cross currency interest rate swaps.

Hedges of net investments in foreign operations relating to subsidiaries, jointly controlled entities and associates are treated as fair value hedges of the foreign currency component.

Changes in the fair value of designated derivatives that meet the conditions to be classified as hedges of net investments in non-euro currencies are recognised in the statement of profit or loss for the year under "Changes in Fair Value of Financial Instruments", together with any change in the fair value of the hedged investment in the subsidiary, jointly controlled entity or associate attributable to the hedged risk.

d) Derivatives that do not qualify for hedge accounting as financial or accounting hedges

If a derivative does not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the derivative are recognised directly in the statement of profit or loss for the year.

e) Fair value and fair value measurement techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Classification of derivative financial instruments as current or non-current items in the balance sheet depends on whether at year-end the hedging relationship expires within less than or more than one year.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

At 31 December 2023 (as in 2022), the Company had designated certain derivative financial instruments as financial or accounting hedges. In the case of the effective portion of cash flow hedges, changes in fair value were recognised in equity (net of the related tax effect), and in the case of the other hedges, such changes were recognised in the statement of profit or loss.

4.8 Equity

The costs relating to the issue of new shares or options are recognised directly in equity as a reduction of reserves.

If own shares are acquired, they are recognised under "Treasury shares", are deducted from equity and are measured at their acquisition cost (including any directly attributable incremental costs) without recognising any valuation adjustment.

When these shares are sold or reissued, any amount received is taken to equity, net of directly attributable incremental transaction costs and of the related income tax effect.

4.9 Financial liabilities

This category includes trade and non-trade payables. These payables are classified as current liabilities unless the Company has the unconditional right to defer repayment of the debt for at least 12 months from the reporting date. Trade payables maturing within 12 months where there is no contractual interest rate are stated, on both initial recognition and subsequent measurement, at face value when the effect of not discounting the cash flows is not material.

Borrowings are recognised initially at fair value, including the costs incurred in obtaining them. In subsequent periods, they are measured at amortised cost, i.e., any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if material, is recognised in profit or loss over the term to maturity of the debt using the effective interest rate.

If existing debts are renegotiated, it is considered that the terms of the financial liability are not substantially different when the lender in the new loan is the same as that which granted the initial loan, the characteristics of the financial liability are not significantly different from the initial liability and the present value of the cash flows, including fees paid net of fees received, does not differ by more than 10% from the discounted present value of the remaining cash flows of the original financial liability calculated using that same method.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.10 Income tax

The income tax expense (income) comprises current tax expense (income) and deferred tax expense (income).

Both the current and deferred tax expense (income) are recognised in profit or loss. However, the tax effect relating to items recognised directly in equity is also recognised in equity.

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts.

The recoverable amount of deferred tax assets is assessed when they arise, and at the end of each reporting period, based on the estimates of accounting profit projected in its business plan and in that of its tax group.

The Company files consolidated income tax returns as part of the consolidated tax group controlled by Abertis Holdco, S.A. In this connection, taking into consideration the private legal nature of the consolidation agreement, the companies included in the tax group record the respective income tax receivables or payables for the year as accounts receivable from or payable to Abertis HoldCo, S.A. as the parent of the tax group.

The income tax expense is determined by taking into account, in addition to the aforementioned parameters to be considered for the purposes of individual taxation, and the ICAC Resolution of 9 February 2016 establishing the rules for the recognition, measurement and preparation of annual accounts to account for income tax, the following items:

- The permanent and temporary differences brought about by the elimination of results arising from the determination of the consolidated taxable profit or tax loss.

- The tax credits and tax relief of each company in the consolidated tax group; for these purposes, the tax credits or tax relief are allocated to the company that performs the activity or obtains the income required to qualify for the tax credit or tax relief.

- The portion of the tax losses reported by certain companies in the tax group that has been offset by the other companies in that group, as indicated above, gives rise to an account receivable from the parent of the tax group. The portion of the tax losses that has not been offset by other companies in the tax group is recognised by the company that incurred them as a deferred tax asset, as indicated above.

4.11 Employee benefits

Under the corresponding collective agreements, the Company has the following obligations to employees:

a) Post-employment obligations

- Relating to defined contribution employee benefit instruments (employee pension plans and group insurance policies).

In relation to defined contribution employee benefit instruments, the Company makes fixed contributions to a separate entity and does not have any legal or effective obligation to pay further contributions if the entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The annual expense recognised is the contribution corresponding to the year.

b) Other long-term benefits

The Company has obligations to certain employees in relation to a multi-year incentive plan tied to the degree of achievement of certain business and social responsibility objectives. The cost of the plan is charged to the statement of profit or loss as staff costs on an accrual basis based on the probability that the objectives established will be fulfilled.

c) Severance indemnities

The Company recognises these benefits when it is demonstrably committed to terminate serving employees.

4.12 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation, whether legal, contractual or constructive, as a result of past events and that are likely to require an outflow of funds to settle the obligation in an amount that cannot be estimated reliably.

Provisions are measured at the present value of the disbursements expected to be required to settle the obligation. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

Provisions for obligations maturing within one year for which the effect of discounting is not material are not discounted.

Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset, provided that it is virtually certain that reimbursement will be received.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognised, but are disclosed (Note 18).

4.13 Classification of financial assets and liabilities as current or non-current items

In the balance sheet, financial assets and liabilities maturing within no more than 12 months from the reporting date are classified as current items and those maturing within more than 12 months are classified as non-current items.

4.14 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised in the statement of profit or loss when the right to receive payment has been established. However, if the dividends are paid out of profit earned unequivocally prior to the date of acquisition, they are not recognised as income, but rather the carrying amount of the related investment is reduced.

Pursuant to Ruling 2 of ICAC Official Gazette (BOICAC) no. 79, since the Company's object relates to that of a holding company, the dividend income it receives from its investees and associates is recognised under "Revenue".

The Company centralises a portion of the financing transactions of the Group of which it is the parent and, therefore, the finance income associated with loans granted to the other investees is considered to be a component of the financial profit or loss so that it presents fairly the Company's operations.

4.15 Transactions in non-euro currencies

Transactions in a currency other than the euro are translated to the Company's functional currency (the euro) using the exchange rates prevailing at the date of the transactions. Any exchange gains and losses arising on settlement of these transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in a non-euro currency are recognised in profit or loss.

4.16 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

For balance sheet presentation purposes, Group companies refers to those in the Group controlled by **Abertis** as Parent associates are the companies controlled by Edizione S.p.A. (Note 1); and, lastly, other related companies are those companies that have significant influence over the Abertis HoldCo, S.A., majority shareholder of the Company and over Edizione S.p.A.(Note 12-a).

4.17 Activities affecting the environment

Each year, payments made in order to comply with legal environmental requirements are either recognised as an expense or as an investment, depending on their nature. The amounts capitalised are amortised over the years of useful life of the related asset.

Also, a provision for environmental contingencies and charges is recognised if there are obligations relating to the protection of the environment.

Given the business activity it carries on, the Company does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the annual accounts.

4.18 Mergers between Group companies

In mergers, spin-offs and non-monetary contributions between Group companies directly or indirectly involving the parent of the Group or the parent of a subgroup and its subsidiary, the equity items contributed are measured at their carrying amount in the consolidated annual accounts of the ultimate Spanish parent that presents consolidated annual accounts. Any difference between the separate and consolidated carrying amounts is taken to a reserve balance at the receiving company. All merger and spin-off transactions between Group companies are effective for accounting purposes from the beginning of the reporting period in which the transaction is approved, provided that this date is later than the date on which the companies had been included in the Group. Otherwise, such transactions are effective for accounting purposes from the date of their inclusion in the Group.

Also, pursuant to Royal Decree 1159/2010, of 17 September, information relating to the accounting effects of mergers or spin-offs is not included in the comparative information if the merger and spin-off transactions occur between companies that formed part of the same group prior to the start of the previous reporting period.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The activities of the Company and of the Group of which it is the parent are exposed to various financial risks, namely foreign currency risk, interest rate risk , credit risk, liquidity risk and inflation risk. The Company uses derivative financial instruments to hedge a portion of these risks.

Financial risk management is controlled by the General Financial Department, subject to authorisation from the CEO of **Abertis**, within the framework of the relevant risk policy approved by the Board of Directors.

a) Foreign currency risk

Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk on the net assets in the Company's transactions in currencies other than the euro is managed in accordance with the policies defined, using, where appropriate, borrowings denominated in the corresponding foreign currencies and/or cross currency interest rate swaps.

The foreign currency risk hedging strategy in the Company’s investments in non-euro currencies must comply with the interest rate and foreign currency risk policy.

b) Interest rate risk

The Company's interest rate risk arises from non-current borrowings.

Borrowings subject to floating rates expose the Company to interest rate risk on its cash flows, whereas borrowings arranged at a fixed rate expose the Company to interest rate risks in relation to fair value.

The purpose of interest rate risk management is to achieve a balance in the debt structure that makes it possible to minimise volatility in the statement of profit or loss over a multi-year time horizon.

In this connection, and based on various estimates and objectives regarding the debt structure, in order to manage interest rate risk on cash flows, hedging transactions are carried out through the arrangement of derivative financial instruments consisting of floating-to-fixed interest rate swaps.

These swaps have the economic effect of converting borrowings bearing floating interest rates into borrowings bearing fixed rates, such that the Company undertakes with other parties to exchange, at certain intervals, the difference between fixed interest and floating interest calculated on the basis of the main notional amounts arranged (Note 10).

Furthermore, in order to meet the aforementioned objectives, the Company is also prepared to arrange fixed-to-floating interest rate swaps to hedge fair value interest rate risk.

c) Credit risk

Credit risk arises mainly from cash and cash equivalents, derivative financial instruments and deposits at banks and financial institutions, as well as other debts, including outstanding accounts receivable and committed transactions.

In this connection, in order to mitigate the aforementioned credit risk, the derivative transactions and spot trades are only performed with banks of proven creditworthiness acknowledged by international rating agencies. This creditworthiness, expressed by the rating categories of each entity, is reviewed periodically in order to actively manage counterparty risk.

The credit limits were not exceeded during the reporting periods.

d) Liquidity risk

The Company manages its liquidity risk prudently, which entails ensuring the availability of sufficient financing through committed credit lines and the ability to settle market positions. The General Financial Department of **Abertis** aims to maintain financing flexibility by ensuring the availability of the committed credit lines (Note 13).

Abertis continues taking steps to maintain proactive cash flow management and ensure its liquidity.

e) Inflation risk

The revenue of most of the toll road concessions arises from tolls tied directly to inflation. Consequently, a scenario of increased inflation would lead to an increase in the fair value of these projects.

f) Climate change

As signatory of the United Nations Global Compact in 2005 that has explicitly incorporated the Agenda 2030 goals into its corporate strategy and business model, **Abertis** annually publishes information on its environmental, social and governance performance, disclosing the progress made implementing its 2022-2030 Sustainability Strategy designed, among other reasons, to respond to climate change risks and impacts.

Abertis has also been part of the Carbon Disclosure Project programme since 2010, completing the questionnaire on climate change to openly publish specific information concerning both its approach to tackling climate change and its annual performance regarding greenhouse gas emissions and progress made identifying and measuring the risks associated with climate change for all **Abertis'** investors and stakeholders to see.

In 2023, progress continued in implementing the project to formally identify risks and opportunities due to climate change using a methodology aligned with the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). In this regard, **Abertis** has deepened this analysis, broadening the coverage of locations and including new climate scenarios and the risk of drought. During the year, an indepth study was also conducted into the possible financial impacts of physical climate risks and of climate change transition. The evaluation was performed using the (Climanomics®) market tool. The methodology and results of the tool are fully aligned with the TCFD framework.

To address the impact of climate change, a battery of adaptation measures have been developed and implemented, based on a catalogue for each of the physical climate risks identified and for each of the categories of assets owned by **Abertis** (structural and non-structural measures), to reduce the physical climate risk identified.

On the basis of that catalogue, a plan of solutions for adapting to climate change has been agreed that includes a medium-term plan of action for prioritising those measures in order to achieve climate resilience for **Abertis'** assets. The Adaptation Plan takes into account the risk framework defined by the Intergovernmental Panel on Climate Change (IPCC), as well as the guidelines for adaptation set out in the European Taxonomy Regulation.

Furthermore, through the 2022-2024 ESG Plan, which forms part of the **Abertis** Sustainability Strategy, a number of actions have been carried out to promote decarbonisation and use of electric vehicles.

In this connection, during 2023, Abertis' greenhouse gas emissions reductions targets were validated by the Science Based Target Initiative (SBTI). Those targets are part of the 2022-2030 Sustainability Strategy, and were included in the first sustainable financing framework published in 2022 by **Abertis**.

Lastly, **Abertis** is subject to annual independent assessments by analysts with expertise in environmental, social and governance matters. The goals set in the organisation’s sustainable finance framework have also been assessed by an independent specialist.

In this regard, the associated estimated impacts have been factored into the Company’s projections based on current available information.

5.2 Fair value measurement

The fair value of the financial instruments traded in active markets is based on the market prices at the reporting date.

The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not traded on an active market is determined using valuation techniques. The Company employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date.

6. INTANGIBLE ASSETS

The detail of "Intangible Assets" and of the changes therein is as follows:

	Goodwill	Computer software	Total
At 31 December 2021			
Cost	7,764,834	6,833	7,771,667
Accumulated amortisation	(2,329,449)	(3,787)	(2,333,236)
Carrying amount	**5,435,385**	**3,046**	**5,438,431**
2022			
Opening carrying amount	5,435,385	3,046	5,438,431
Additions	-	3,015	3,015
Amortisation charge	(776,484)	(1,382)	(777,866)
Closing carrying amount	**4,658,901**	**4,679**	**4,663,580**
At 31 December 2022			
Cost	7,764,834	9,848	7,774,682
Accumulated amortisation	(3,105,933)	(5,169)	(3,111,102)
Carrying amount	**4,658,901**	**4,679**	**4,663,580**
2023			
Opening carrying amount	4,658,901	4,679	4,663,580
Additions	-	1,743	1,743
Amortisation charge	(776,484)	(1,876)	(778,360)
Closing carrying amount	**3,882,417**	**4,546**	**3,886,963**
At 31 December 2023			
Cost	7,764,834	11,591	7,776,425
Accumulated amortisation	(3,882,417)	(7,045)	(3,889,462)
Carrying amount	**3,882,417**	**4,546**	**3,886,963**

a) Goodwill

The merger of **Abertis** with Abertis Participaciones, S.A.U. in 2019 gave rise to goodwill amounting to EUR 7,765 million. The related amortisation charge recorded in the 2023 and 2023 statements of profit or loss, based on the straight-line amortisation of the goodwill over ten years, was EUR 776 million.

In addition, as described in Note 4.1-a, the Company analyzes whether there are signs of impairment of the goodwill of **Abertis**, understood as growth platform for concession assets, and, if there are, or at least annually, impairment testing is conducted using the methodology described below and the related impairment adjustment is made.

In this context, and in the framework of impairment testing conducted for the consolidated annual accounts, the Company also tested the goodwill that arose in the merger process for impairment. To do so, it considered that the most appropriate methodology was the valuation of a projected finite period of five years (2024-2028) together with an estimation of the terminal value of the Group of which it is the parent taken as a whole.

Before preparing the revenue and expense projections, the Abertis Group checked, inter alia, the changes in the most significant variables included in the impairment test for 2022, and the achievement of the key assumptions used in that test, against the results obtained in 2023, in order to assess any possible variances.

In this regard, in 2023 the changes in net operating income of the Group controlled by the Company as parent fuelled the sharp recovery in activity recorded in practically all countries in which the Group operates. The Group's activity (ADT) was up +3.4% (2022: +8.2%), with the consequent effects on the operating projections considered in the impairment testing.

The increase in activity (ADT) in 2023 is broken down below by country:

Activity (ADT)	2023	2022
Spain	1.8%	9.8%
France	2.5%	10.7%
Italy	3.2%	10.1%
Brazil	4.9%	3.2%
Chile	(2.8)%	11.5%
Mexico	3.1%	7.6%
USA	4.0%	1.4%
Puerto Rico	4.8%	(0.3%)
Argentina	6.8%	18.2%
India	6.9%	12.2%
Abertis	3.4%	8.2%

Based on the budgets and the most recent long-term projections of the Abertis Group, which underpin the Group’s financial capacity to carry out new acquisitions, the preparation of the impairment test on goodwill at 31 December 2023 was based on:

- The cash projections obtained from the projection of income and expenses for the Abertis Group (as described in Note 8-c) as a whole for 2024-2028 prepared by management and considered by the Board of Directors, which take into account recent historical developments.

- To determine terminal value, on the one hand, as in 2022, growth of 2% was assumed for free operating cash flows after tax for the last projected year, i.e., 2028 (or unified treatment of those flows in the case of acquisitions made during the year in order to reflect their projected performance), and a cash outflow was considered for investments to perpetuity equal to the amortisation charge for the aforementioned period.

In 2023, the weighted discount rate applied (WACC in euros) to the cash flow projections was 5.95% (2022: 5.77%), determined using the following methodology (see the breakdown by country in local currency in Note 8-c):

i) Risk-Free Rate: the interest rate offered by long-term sovereign bonds. It is determined using current market data and estimates of equilibrium levels (using standard econometric models) in which the interest rates should be located, thus adjusting the returns that are at low rates due to the significant influence of public debt purchases carried out by central banks;

ii) Enterprise Risk Premium (ERP): measures the additional risk that is demanded of equities over and above the return on risk-free assets. It is determined using a combination of historical approaches (ex post), backed by external publications and studies of series of past yields, and prospective approaches (ex ante), based on market publications, taking into account medium and long-term profit expectations depending on the degree of maturity and development of each country; and

iii) Beta Coefficient: the multiplier of the market risk premium, considered as a systemic risk. It was estimated using series of historical prices of shares of comparable companies that were publicly traded, determining the correlation between the yield of the shares of the companies and the yield of the general index of the stock exchange of the country where those shares were listed. The main underlying data used in these calculations are obtained from external public sources of independent information of acknowledged prestige.

In the case of the residual value, the WACC applied was increased by 2% (2022: 2%).

In relation to the result of the impairment test on goodwill, the recoverable amount obtained (determined based on fair value as indicated above) exceeds the carrying amount of the goodwill, which will make it possible to recover the carrying amount recognised at 31 December 2023 and, therefore, there is no need to recognise any impairment losses.

Also, the most significant aspects of the sensitivity analysis are that it would withstand an increase (in all events higher than the projected increase) in the discount rate of 100 basis points or an annual drop in the projected cash flows of likewise 100 basis points. This is a reasonable buffer against possible more adverse effects in the future.

b) Other disclosures

At 31 December 2023, no significant intangible asset items were subject to ownership restrictions or had been pledged as security for liabilities.

The Company takes out all the insurance policies considered necessary to cover the possible risks to which its intangible assets are subject.

As described in Note 4.1, at year-end the Company tests its intangible assets to ascertain whether there are any indications of impairment in order to recognise any possible impairment losses.

7. PROPERTY, PLANT AND EQUIPMENT

The detail of "Property, Plant and Equipment" and of the changes therein is as follows:

	Land and buildings	Plant and other items of property, plant and equipment	Total
At 31 December 2021			
Cost	3,463	5,314	8,777
Accumulated depreciation	(240)	(2,466)	(2,706)
Carrying amount	**3,223**	**2,848**	**6,071**
2022			
Opening carrying amount	3,223	2,848	6,071
Additions	-	942	942
Depreciation charge	(79)	(780)	(859)
Carrying amount	**3,144**	**3,010**	**6,154**
At 31 December 2022			
Cost	3,463	6,256	9,719
Accumulated depreciation	(319)	(3,246)	(3,565)
Carrying amount	**3,144**	**3,010**	**6,154**
2023			
Opening carrying amount	3,144	3,010	6,154
Additions	-	622	622
Decreases	-	(262)	(262)
Depreciation charge	(80)	(839)	(919)
Carrying amount	**3,064**	**2,531**	**5,595**
At 31 December 2023			
Cost	3,463	6,616	10,079
Accumulated depreciation	(399)	(4,085)	(4,484)
Carrying amount	**3,064**	**2,531**	**5,595**

At 31 December 2023, "Land and buildings" included EUR 615 thousand in respect of the cost of land and EUR 2,848 thousand for the cost of buildings (2022: EUR 615 thousand and EUR 2,848 thousand, respectively). The accumulated depreciation in this line item is entirely in respect of buildings.

a) Other disclosures

In 2023 and 2022 no impairment losses on separate items of property, plant and equipment were either recognised or reversed.

At 31 December 2023, no significant items of property, plant and equipment were subject to ownership restrictions or had been pledged as security for liabilities.

The Company takes out all the insurance policies considered necessary to cover the possible risks to which its property, plant and equipment might be subject.

8. INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The key information in relation to investments in Group companies, jointly controlled entities and associates at the end of 2023 and 2022 is as follows:

	Balance at 31/12/22	Additions/ disposals due to merger	Additions (Charge for the year)	Disposals (Reductions)	Balance at 31/12/23
Investments in Group companies and associates	12,349,698	68,756	2,826,695	(306,524)	14,938,625
Impairment losses	(1,458,670)	40,634	(687,965)	31,998	(2,074,003)
Loans to Group companies and associates	255,982	-	-	(255,982)	-
Total non-current	**11,147,010**	**109,390**	**2,138,730**	**(530,508)**	**12,864,622**
Loans to Group companies and associates and other financial assets	161,146	-	91,653	(128,695)	124,104
Total current	**161,146**	**-**	**91,653**	**(128,695)**	**124,104**

	Balance at 31/12/21	Additions (Charge for the year)	Disposals (Reductions)	Balance at 31/12/22
Investments in Group companies and associates	13,135,790	36,720	(822,812)	12,349,698
Impairment losses	(1,021,711)	(675,223)	238,264	(1,458,670)
Loans to Group companies and associates	-	255,982	-	255,982
Total non-current	**12,114,079**	**(382,521)**	**(584,548)**	**11,147,010**
Loans to Group companies and associates and other financial assets	395,410	121,560	(355,824)	161,146
Total current	**395,410**	**121,560**	**(355,824)**	**161,146**

The details of the direct and indirect ownership interests in Group companies and associates, together with the carrying amounts thereof, the breakdown of their equity and of the dividends received from them are presented in the Appendix.

a) Equity instruments

On 5 October 2023, a merger was executed involving the takeover of Abertis Telecom Satélites, S.A., Sociedad Unipersonal and Abertis Internacional, S.A., Sociedad Unipersonal (companies absorbed) by Abertis Infraestructuras, S.A. (absorbing company). That integration was intended to simplify the corporate structure, facilitate the allocation of resources and achieve cost reductions.

Given that the merger involved an absorbing company that owns 100% of the share capital of the two companies absorbed, it was carried out via the simplified merger process, using the audited balance sheets at 31 December 2022 of the companies involved as the merger balance sheet, per the consolidated values at that date. The common draft terms of merger were prepared by the Board of Directors of the three companies on 20 June 2023 and the merger was validly registered in the Madrid Mercantile Registry on 30 October 2023.

The merger had accounting effect as from 1 January 2023 and legal effect as from 26 October 2023.

The merger by takeover between **Abertis** and Abertis Telecom Satélites, S.A. has given rise to the elimination of the Company's previous shareholding in said investee of EUR 290,402 thousand, offset by the equity of that investee of EUR 291,084 thousand, generating a positive merger reserve of EUR 682 thousand.

Likewise, the merger by takeover between **Abertis** and Abertis Internacional, S.A. has given rise to the elimination of the Company's previous shareholding in that investee of EUR 274,141 thousand, offset by the investee's equity of EUR 206,246 thousand and by the revaluation of its assets by EUR 53,807 thousand, generating a negative merger reserve of EUR -14,088 thousand.

As a result of the merger of **Abertis** and Abertis Internacional, S.A. and the consequent inclusion as from 1 January 2023 of the consolidated values at that date, there was an increase of EUR 673,933 thousand in “Investments in Group companies and associates”, specifically in Abertis Italia, S.r.l., Abertis India, S.L. and Abertis India Tollroad Services, LLP.

The main additions in 2023 relate to the following transactions:

- On 10 March 2023, **Abertis** incorporated the company Puerto Rico Tollroads, LLC via several contributions totalling USD 1,556,629 thousand (EUR 1,441,072 thousand) to fund the acquisition of four privatised toll roads in Puerto Rico, which were awarded to the new company on 14 December 2023. These shares secure that company's debt.

- On 27 December 2023, **Abertis** acquired 100% of Abertis SH 288 Holdco Spain, S.L., Sociedad Unipersonal (previously Desarrollo de Concesiones Viarias Dos, S.L., Sociedad Unipersonal), which, in turn, was indirect owner of 56.76% of Blueridge Transportation Group, LLC, for a total of USD 1,532,520 thousand (EUR 1,385,016 thousand). That acquisition made **Abertis** the majority shareholder (holding 56.76%) and gave it control of the Blueridge Transportation (Btg) group.

- On 14 December 2023, **Abertis** made a capital contribution of EUR 607 thousand to MP Operator, LLC.

The reductions in 2023 were due mainly to the following:

- The capital of a number of Group companies was also reduced in 2023. In accordance with the Resolution of 5 March 2019 of the Spanish Accounting and Audit Institute (ICAC), the reduction in the ownership interest to be recognised equates to the percentage resulting from comparing the underlying book value of the shares, factoring in the existing unrealised gain, before the capital reduction with the underlying book value of the shares after the capital reduction. The impact on profit or loss is therefore equal to the difference between the cash received and the part of the investment that is written off the balance sheet. The capital reductions executed in 2023 were as follows:

    - On 14 November 2023, the Group company Holding d'Infrastructure de Transport S.A.S. approved a reduction of capital of EUR 190,000 thousand, of which EUR 159,439 thousand has been allocated to the shareholding in that company and EUR 30,561 thousand to "Gains or losses on disposals and other" on the accompanying statement of profit or loss (Note 17-c).

    - On 24 March 2023, the Group company Infraestructuras Viarias Mexicanas, S.A. de C.V. (IVM) approved a capital reduction of EUR 113,940 thousand, EUR 91,841 thousand of which has been allocated to the equity stake held in this company, and EUR 22,099 thousand to "Gains or losses on disposals and other" on the accompanying statement of profit or loss (Note 17-c).

- Reduction of capital of Abertis USA HoldCo, LLC of EUR 39,916 thousand, EUR 36,850 thousand of which has been allocated to the equity stake held in this company, and EUR 3,066 thousand to "Gains or losses on disposals and other" on the accompanying statement of profit or loss (Note 17-c).

- Reduction of the capital of Autopistas Metropolitanas de Puerto Rico, LLC (Metropistas) of EUR 27,273 thousand, EUR 18,394 thousand of which has been allocated to the equity stake held in this company, and EUR 8,879 thousand to "Gains or Losses on Disposals and Other" on the consolidated statement of profit or loss (Note 17-c).

Lastly, during 2023, the cost of the shareholding in Societat d'Autopistes Catalanes, S.A., with a net carrying value of EUR 1,032,959 thousand, was reclassified to the investment in Abertis Autopistas España, S.A. as a result of the merger of the two companies during that year.

Also, the main additions in 2022 were as follows:

- On 22 March and 21 July 2022 the capital of Holding d'Infraestructures de Transport 2 (Hit 2) was increased by a total of EUR 28,000 thousand.

- On 16 September 2022, a non-refundable cash contribution of EUR 918 thousand was made to Partícipes en Brasil, S.A. That contribution did not modify the percentage equity stake held in that investee (51%).

The reductions in 2022 were due mainly to the following:

- Reimbursements of contributions from the investee Abertis Autopistas España, S.A.U. of EUR 450,972 thousand, which was allocated to the ownership interest held, since it is not a profit generated by the investee since its acquisition.

- Reimbursements of contributions from Societat d'Autopistes Catalanes, S.A.U. for EUR 230,179 thousand, which was allocated to the ownership interest held, since it was not a profit generated by the investee since its acquisition.

- Also, during 2022 several reductions of share capital were carried out in different Group companies. In accordance with the Resolution of 5 March 2019 of the Spanish Accounting and Audit Institute (ICAC), the reduction in the ownership interest to be recognised equates to the percentage resulting from comparing the underlying book value of the shares, factoring in the existing unrealised gain, before the capital reduction with the underlying book value of the shares after the capital reduction. The impact on profit or loss is therefore equal to the difference between the cash received and the part of the investment that is written off the balance sheet. The capital reductions executed in 2022 were as follows:

    - On 24 November 2022, the Group company Holding d'Infrastructures de Transport S.A.S. approved a capital reduction of EUR 80.909 thousand. In accordance with the Resolution of 5 March 2019 of the Spanish Accounting and Audit Institute, EUR 77,435 thousand was allocated to the equity stake held in this company, and EUR 3,474 thousand to "Gains or losses on disposals and other" on the accompanying statement of profit or loss (Note 17-c).

    - On 19 December 2022, the Group company Infraestructuras Viarias Mexicanas, S.A. de C.V. (IVM) approved a capital reduction of EUR 50,116 thousand, EUR 42,763 thousand of which was allocated to the equity stake held in this company, and EUR 7,353 thousand to "Gains or losses on disposals and other" on the accompanying statement of profit or loss (Note 17-c).

    - Reduction of the capital of Autopistas Metropolitanas de Puerto Rico, LLC (Metropistas) of EUR 18,043 thousand, EUR 11,897 thousand of which was allocated to the equity stake held in this company, and EUR 6,146 thousand to "Gains or losses on disposals and other" on the consolidated statement of profit or loss (Note 17-c).

On 15 November 2022, the equity stakes in the investees Concesionaria Vial de los Andes, S.A. and Constructora de Infraestructura Vial, S.A.S. were disposed of in their entirety. These disposals generated a total cash inflow of EUR 1,442 thousand and a net gain of EUR 614 thousand recognised on the Company's 2022 statement of profit or loss (Note 17-c). The cost of the holding that was derecognised was EUR 9,599 thousand, with an accumulated provisions of EUR 8,771 thousand.

Lastly, in 2022 the hedge of net investments in foreign operations of Partícipes en Brasil, S.A. resulted in a EUR 7,835 thousand increase in the cost of the investment (2021: reduction of EUR 420 thousand). This change was recognised with a balancing entry in the statement of profit or loss for the year resulting from the exchange rate effect of the effective portion of the hedge, with the aforementioned impact offset by the effect of the hedges arranged and which expired in 2022 (Note 10).

b) Loans to Group companies and associates

Loans to Group companies and associates (Note 19-c) mature as follows:

	31 December 2023							
	Current	**Non-current**						
	2024	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Total**	**Total**
Loans and other financial assets – Group companies and associates	124,104	-	-	-	-	-	-	124,104

	31 December 2022							
	Current	**Non-current**						
	2023	**2024**	**2025**	**2026**	**2027**	**Subsequent years**	**Total**	**Total**
Loans and other financial assets – Group companies and associates	161,146	-	-	255,982	-	-	255,982	417,128

The short-term loans granted to Group companies and associates are automatically renewable on the basis of the cash needs of the specific Group companies and associates and are arranged on an arm's length basis.

The main changes in 2023 in current loans to Group companies and associates were the result of the consolidated taxation of the tax group headed up by Abertis HoldCo, S.A. (Note 19.c).

In 2022, the main changes in current loans to Group companies and associates were in respect of (i) the collection of dividends approved by the investee Societat d'Autopistes Catalanes, S.A.U. (EUR 65,470 thousand) at the end of 2021 that had not yet been received at yearend and (ii) the consolidated taxation of the tax group headed by which Abertis HoldCo, S.A. (Note 19-c).

Also, the movement in 2022 in non-current loans to Group companies and associates was in respect of the cash-pooling arrangement set up in 2022 between the Group company Abertis Internacional, S.A. and Abertis Infraestructuras, S.A., which at the end of 2023 totalled EUR 255,982 thousand. The cash pooling was eliminated as a result of the merger between **Abertis** and Abertis Internacional, S.A. described in section a) above.

c) Impairment

As described in Note 4.6, at year-end the Company tests the investments on its books and, where appropriate, their recoverable amounts, to ascertain whether there are any signs of impairment in order to recognise any possible impairment losses. In this connection, at each year-end the Company updates the estimates of future cash flows generated by its investments in Group companies and associates based, in turn, on the cash flow projections, prepared on the basis of the updated budgets and long-term plans, considering the concession term of each of the investees, the main assumptions of which relate to traffic, tolls, operating costs and investment expenditure.

Based on the estimate of future cash flows, the recoverable amount of each investment is measured by discounting the expected cash flows for shareholders, using a discount rate that reflects the cost of own capital based on a risk-free interest rate of the country in which the Company operates, adjusted by a risk premium for the business activity.

The main assumptions in the impairment testing performed at 31 December 2023 for the main investments held by the Company are as follows:

2023		Cumulative annual growth (2024 – End of concession)					
Investments in Group companies	Last year projected (concession term)	CPI	Tolls	Activity (ADT)	Expenses	Capital discount rate (foreign currency)	Asset discount rate (foreign currency)
Unae							
Aucat	2039	2.2%	2.1%	1.5%	1.4%	7.8%	5.8%
Iberpistas/ castellana	2029	2.0%	2.0%	2.0%	4.5%	7.8%	5.8%
Avasa	2026	1.9%	2.1%	2.2%	3.3%	7.8%	5.8%
Túnels	2037	2.2%	2.1%	1.4%	3.3%	7.8%	5.8%
Spain							
HIT							
Sanef	2031	1.9%	1.2%	1.7%	1.7%	7.2%	4.8%
Sapn	2033	1.9%	1.1%	1.5%	1.0%	7.2%	4.8%
Bip&Go	2033	1.9%	-	-	1.4%	7.2%	4.8%
France							
Abertis Italia							
Austostrada A4	2026	1.7%	2.1%	1.1%	1.8%	6.9%	5.7%
Italia							
Partícipes							
Arteris Subgroup	2031-47	3.2%	3.7%	4.0%	1.1%	9.9%	8.4%
Brazil							
Invin							
Rutas del Pacífico	2025	3.0%	3.2%	3.1%	2.1%	8.2%	6.5%
Andes	2036	2.6%	6.2%	4.0%	2.6%	8.2%	6.5%
Libertadores	2026	2.7%	3.1%	3.5%	2.5%	8.2%	6.5%
Autopista Central	2034	2.6%	2.7%	4.3%	4.6%	8.2%	6.5%
Chile							
IVM							
RCO	2048	2.9%	3.5%	2.7%	3.1%	8.6%	7.4%
Coviqsa	2026	3.4%	3.8%	2.0%	3.3%	8.6%	7.4%
Conipsa	2025	3.6%	3.8%	2.0%	3.7%	8.6%	7.4%
Cotesa	2046	2.9%	2.1%	2.4%	4.0%	8.6%	7.4%
Autovim	2039	3.0%	3.0%	2.6%	1.5%	8.6%	7.4%
Mexico							
Abertis USA HoldCo							
ERC	2070	2.1%	3.5%	0.8%	2.0%	7.2%	6.2%
Btg	2068	2.1%	4.0%	1.5%	1.1%	7.2%	6.2%
United States							
Metropistas	2061	2.0%	3.6%	0.9%	1.5%	9.1%	7.3%
APR	2044	2.0%	1.1%	0.6%	9.7%	9.1%	7.3%
Puerto Rico Tollroads	2063	2.0%	2.9%	1.3%	4.3%	9.1%	7.3%
Puerto Rico							
Abertis India							
TTPL	2027	4.4%	3.8%	7.6%	4.2%	9.9%	8.5%
JEPL	2026	4.4%	4.3%	7.2%	6.7%	9.9%	8.5%
India							

2022		Cumulative annual growth (2023 – End of concession)					
Investments in Group companies	Last year projected (concession term)	CPI	Tolls	Activity (ADT)	Expenses	Capital discount rate (foreign currency)	Asset discount rate (foreign currency)
Unae							
Socaucat							
Aucat	2039	2.1%	2.1%	1.5%	1.9%	6.9%	5.0%
Iberpistas/ castellana	2029	1.8%	2.4%	1.7%	4.3%	6.9%	5.0%
Avasa	2026	1.7%	3.1%	2.5%	3.2%	6.9%	5.0%
Túnels	2037	2.1%	2.1%	1.4%	3.6%	6.9%	5.0%
Spain							
HIT							
Sanef	2031	1.8%	1.4%	1.6%	1.4%	6.0%	4.2%
Sapn	2033	1.9%	1.2%	1.5%	1.4%	6.0%	4.2%
Bip&Go	2033	1.9%	-	-	1.4%	6.0%	4.2%
France							
Abertis Internacional							
Austostrada A4	2026	1.3%	2.1%	1.3%	1.8%	6.4%	5.1%
Italy							
Partícipes							
Arteris Subgroup	2033-47	3.2%	4.0%	3.5%	1.1%	12.1%	9.2%
Brazil							
Invin							
Rutas del Pacífico	2024	3.0%	3.0%	2.8%	2.2%	9.2%	6.6%
Andes	2036	2.7%	6.2%	3.2%	2.9%	9.2%	6.6%
Libertadores	2026	3.0%	3.0%	1.5%	2.4%	9.2%	6.6%
Autopista Central	2034	2.7%	2.7%	3.2%	4.5%	9.2%	6.6%
Chile							
IVM							
RCO	2048	2.8%	3.5%	2.6%	3.2%	9.7%	8.0%
Coviqsa	2026	3.5%	4.1%	2.6%	3.2%	9.7%	8.0%
Conipsa	2025	3.5%	4.1%	2.3%	4.0%	9.7%	8.0%
Cotesa	2046	2.9%	2.3%	2.3%	4.2%	9.7%	8.0%
Autovim	2039	2.9%	3.1%	2.1%	1.5%	9.7%	8.0%
Mexico							
Abertis USA HoldCo							
ERC	2070	2.0%	3.7%	0.8%	1.9%	7.3%	5.8%
United States							
Metropistas	2061	2.0%	3.3%	1.1%	1.3%	13.7%	9.8%
APR	2044	2.0%	1.2%	0.6%	9.4%	13.7%	9.8%
Puerto Rico							
TTPL	2026	4.7%	4.7%	6.9%	5.0%	10.8%	8.1%
JEPL	2026	4.7%	4.9%	6.9%	5.3%	10.8%	8.1%
India							

(1) Concessions expiring in 2022, so the accumulated growth percentages correspond to those of 2022, which, in the case of activity (ADT) and expenses, are affected by the impact of Covid-19 and subsequent recovery.

Based on the impairment testing conducted, at 31 December 2023 impairment losses of EUR 282,565 thousand, 138,034 thousand, 131,935 thousand, 130,010 thousand and 5,421 thousand have been recognised in the investments in the Group companies Holding d'Infrastructure de Transport S.A.S., Abertis Autopistas España, S.A.U., Inversora de Infraestructuras S.L., Abertis Italia, S.L. and Autopistas del Sol, S.A., respectively. Part of the provisions recorded in Partícipes en Brasil, S.A. has been reversed (EUR 31,998 thousand).

In 2022, the impairment testing conducted led to the recognition at 31 December 2022 of impairment of EUR 486,589 thousand and EUR 171,239 thousand in the Group companies Abertis Autopistas España, S.A.U. and Partícipes en Brasil, S.A., respectively.

Part of the provisions recorded in Societat d'Autopistes Catalanes, S.A.U. (EUR 96,258 thousand), Inversora de Infraestructuras, S.L. (EUR 89,984 thousand) and Abertis Internacional, S.A. (EUR 37,869 thousand) were also reversed.

Measurement of the recoverable amount of Abertis Autopistas España, S.A.

In relation to the ownership interest held in Abertis Autopistas España, S.A. and the assessment of its recoverable amount, several aspects must be taken into consideration in relation to its wholly owned investees Autopistas, Concesionaria Española, S.A. (Acesa) and Infraestructures Viàries de Catalunya, Societat Anònima Concessionària de la Generalitat de Catalunya (Invicat), companies that in 2023 were absorbed by Abertis Autopistas España, S.A.:

a) Autopistas, Concesionaria Española, S.A. (Acesa)

Acesa, held the administrative concession for construction, maintenance and operation of the following stretches of motorways and tolls: a) AP-7 La Jonquera – Salou, b) AP-2 Zaragoza – Mediterráneo and c) AP-2 Molins de Rei - El Papiol. Royal Decree 457/2006 approved the Agreement between the Spanish Government and Acesa to amend certain terms of this concession.

This Agreement envisaged, inter alia, the building of an additional lane on certain stretches of the AP-7 toll road, implementing a closed-toll system and granting free transit and discounts in certain cases, as well as Acesa's waiver of its right to claim any possible indemnities as a result of the effect that the construction of second lanes on the N-II and CN-340 roads might have on traffic.

The Agreement established that the difference in revenue resulting from the variance between actual traffic and the amount of traffic specified in the Royal Decree until the end of the concession would be added to or subtracted from the investments made in the compensation account created to restore the economic and financial feasibility that was altered by the obligations assumed by Acesa. The adjusted amount in this compensation account would be received by the concession operator at the end of the concession, once the term of the concession would be expired, if the economic and financial feasibility has not been restored.

The grantor thus secured the undertaking of the concession operator to carry out expansion works not included in the concession agreement, to waive any indemnity that it might be entitled to receive as a result of parallel roads and to give certain rebates and discounts. The grantor is not, however, required to make any payment for the projects and waivers, although it was required to assume a risk relating to the possibility that traffic might not exceed certain thresholds.

Previously, Royal Decree 457/2006 and the Agreement that it approved received favourable reports from the various technical services of the Ministry of Transports, Mobility and Urban Agenda (previously Ministry of Public Works and the Ministry of Finance) as well as from the Government Advisory Council. The latter expressly stated that it had no objections to the lawfulness of the contractual amendment, but did warn of its uniqueness based on the transfer of the traffic risk.

From the approval of said Agreement until 2010, the administrative review performed by the government delegation in the toll motorway concessionaire companies of the Ministry of Transport, Mobility and the Urban Agenda certified the annual accounts of Acesa without issuing any qualifications. In 2011, however, that review posed interpretative differences with respect to the agreement, in particular, in relation to the compensation balance. Those differences were maintained in the reviews in 2013-2021 (last year of the concession).

In this connection, pursuant to said review of 2011, the Ministry of Transport, Mobility and the Urban Agenda requested diverse reports/opinions in order to resolve, both the interpretative differences posed and the possibility of unilateral modification of the agreement signed with Acesa.

Acesa and the Group, having obtained legal opinions from law firms of recognised prestige supporting the Group's position, and given the interpretative differences maintained by the parties, initiated diverse administrative and court proceedings in relation to those reviews and to the interpretation of the agreement, the most significant results of which were as follows:

- A written request was submitted to the Spanish Council of Ministers on 29 June 2015 (through the Government Delegation in National Toll Road Concessionaire Companies) asking that it exercise its powers of interpretation regarding Acesa's concession agreement with respect to the correct understanding of the compensation clause included in the Agreement approved by Royal Decree 457/2006 to the effect of including the guaranteed traffic expressly agreed in the agreement in the compensation account.
- The Government Delegation in National Toll Road Concessionaire Companies initiated on 28 March 2017 a proceeding relating to the interpretation of the Agreement approved by Royal Decree 457/2006, and a reply brief was filed by Acesa and sent to the Government Advisory Council for it to issue its opinion on the matter.
- On 3 July 2017, the Spanish Cabinet announced that it had adopted a decision that differed from the interpretation of the Agreement by Acesa.
- This decision by the Spanish Council of Ministers confirmed, therefore, the presumed decision to reject the request for interpretation previously challenged at the Supreme Court and can only be perceived for legal purposes as being included in the obligation incumbent upon any government to decide on proceedings brought by the interested parties, since rejection by administrative silence does not release the Administration from the obligation to comply with its duty to formally express a decision.

In view of the above, Acesa requested from the Supreme Court that its appeal extended to the content of the decision formally expressed by the Spanish Cabinet, which was accepted by the Supreme Court, giving rise to the reopening of the initial submissions proceeding at the Court. In this connection, on 4 June 2019 the Supreme Court handed down a judgement whereby the resolution was postponed until August 2021 (when Acesa's concession ended), taking the view that no interpretation could be properly made until the end of the concession, and therefore not expressly accepting the interpretation offered by the Ministry of Transport, Mobility and Urban Agenda.

Once the administrative concession ended on 31 August 2021, the corresponding administrative processes were followed as contemplated in "Royal Decree 457/2006" until the sums claimed by Acesa had been completely recovered in 2022. The following actions are of special note:

- Acesa calculated that the total settlement of the compensation balance receivable according to Royal Decree 457/2006 was EUR 4,147 million (excluding the tax effect). This was the result of applying on its own terms the mathematical formula for determining the compensation balance established in Annex 3 of the Agreement approved by Royal Decree 457/2006, which Acesa demanded payment of.
- As a result, on 10 February 2022 the concession grantor issued a report on the settlement compensation balance deriving from the Agreement approved by Royal Decree 457/2006, of 7 April, excluding the component corresponding to the operating margin spread (i.e. the difference between the benchmark margin and the actual margin) from the calculation of the compensation balance based on its specific interpretation of the Agreement. Acesa openly disputes this approach. The amount payable to Acesa to settle the compensation balance was therefore set at EUR 1,070 million (including the tax effect of EUR 144 million).
- On 14 February 2022, Acesa filed its objections to this report, challenging the concession grantor's calculation and reiterating the legitimacy of recognising and paying the aforementioned settlement compensation balance calculated by Acesa. These objections were rejected by the Ministry in a report issued on 15 February 2022.
- After the aforementioned amount of EUR 1,070 million was approved as the final settlement balance by the Spanish Council of Ministers on 18 February 2022, this sum was paid to Acesa on 25 February 2022.

On 25 March 2022, Acesa filed an appeal for judicial review at the Supreme Court against the Spanish Council of Ministers' 18 February 2022 resolution, having requested on a timely basis that the whole settlement balance claimed via an appeal be recognised (EUR 4,309 million, including the tax effects). For its part, the State Attorney's Office (Abogacía del Estado) replied to the claim in September 2022 and, after the evidentiary phase was completed, on 21 April 2023, Acesa submitted its conclusions to the Supreme Court, with the State Attorney's Office doing likewise on 26 May 2023.

The Supreme Court was thus in a position to hand down its judgment and scheduled its vote and decision for 9 January 2024.

On 29 January 2024, the Supreme Court issued a judgment partially recognising the settlement balance claimed by the Abertis Group. Specifically, the judgement recognised only part of the outstanding balance of compensation for the investments made (EUR 32,935 thousand) and its related financial compensation (estimated at EUR 38,813 thousand), before considering any interest that would accrue from the payment date specified in the agreement until the payment is made effective. Consequently, the difference between the balances recorded in the balance sheet in relation to the RD 457/2006 agreement and the aforementioned balances resulting from the judgment has been written down.

The Supreme Court therefore did not uphold the main petition lodged by **Abertis** based on its right to compensation for the difference between the actual and the projected traffic, holding that the Agreement did not stipulate a redistribution of the traffic risk between the concession grantor and the concessionaire.

Abertis does not agree with the Supreme Court's construction of the R.D. 457/2006 Agreement and is studying possible challenges in the defence of its rightful interests and those of its shareholders.

b) Infraestructures Viàries de Catalunya, Societat Anònima Concessionària de la Generalitat de Catalunya (Invicat)

Royal Decree 483/1995 sets forth the Agreement entered into in January 2010 between Invicat and the Catalonia Autonomous Community Government and includes a schedule containing a framework cooperation agreement setting forth the general conditions for modifying and adapting the stretch of the C-32 toll road between Palafolls and the junction with the GI-600 road that is being widened, in addition to other road and mobility management improvements linked to the toll road and its operation in the Maresme corridor.

In the framework of the aforementioned Agreement, on 19 March 2015 a new Agreement was entered into to include the construction, upkeep and operation of a new toll-free access road connecting the toll road with Blanes and Lloret de Mar.

The investments to be made were initially estimated to total EUR 96 million (at 2010 prices).

This Agreement provided that any additional revenue stemming from the investments made would be used for restoring the economic and financial balance altered by the work provided for in the Agreement. It set out the procedure for calculating the economic compensation that the concession operator would receive if, once the concession term had ended, the economic and financial balance had not been restored. It also established the formula for calculating the settlement balance each year, which would consist of the investment made, the operating margin spread and the corresponding interest cost.

On 31 July 2020, the Catalonia Autonomous Community Government reimbursed the accumulated balance of the Government Agreement 39/2015 as of 31 December 2019 for a total amount of EUR 6,804 thousand in favour of Invicat. In this regard, at 2021 year-end the investment made pending payment by the Catalonia Autonomous Community Government amounted to EUR 23,383 thousand.

The preliminary review of the 2020 accounts was issued on 17 June 2021, with the Catalonia Autonomous Community Government questioning the legitimacy of the payment of all of the balance deriving from the 2010 Maresme Framework Agreement on the basis that not all the conditions for the whole balance being applicable had been fulfilled, particularly the margin spread.

Furthermore, concerning the aforesaid Agreement, on 3 August 2021 Invicat received a report from the Sub-directorate General of Relations with Road Infrastructure Management Companies (a public agency of the Catalonia Autonomous Community Government responsible for monitoring the concession arrangement) indicating that the company's proposal for compensation for the balance deriving from the Maresme Agreement would be EUR 65.8 million, in the understanding that the part of the balance corresponding to the margin spread in the compensation formula of this Agreement was inapplicable (a conclusion that Invicat had not been informed of in the preliminary reviews). The Sub-directorate General established a period during which objections could be lodged, which Invicat did on 9 August 2021.

Moreover, after the administrative concession ended on 31 August 2021 and following the corresponding administrative processes set forth in the "Framework agreement for collaboration between the Administration of the Catalonia Autonomous Community Government and the concession operator on various work on the C-32 as it passes through the Maresme" of 29 January 2010, on 7 October 2021 Invicat issued the final settlement of the balance deriving from the Maresme Framework Agreement of January 2010 amounting to EUR 432 million (including the tax effects) to the concession grantor. In this regard, on 21 December 2021 the Catalonia Autonomous Community Government agreed to pay Invicat a sum of EUR 65.8 million to settle the balance resulting from the Maresme Agreement. However, no explicit administrative decision was issued in 2021 on the settlement of the Maresme Agreement that led to objections being lodged by Invicat.

Consequently, in light of the developments in 2021 and considering no formal administrative decision had been issued at the end of that year regarding the Maresme Agreement settlement balance and, consequently, regarding whether said balance will include the operating margin spread, Invicat expected that the concession grantor's final response regarding the final settlement would echo that given in the report received on 3 August 2021 (rejection of the margin spread compensation). At the end of 2021, a provision of EUR 210 million was recognised for the operating margin spread compensation balance and EUR 59 million for the related interest cost booked (net impact of EUR 202 million on 2021 profit or loss).

It should be noted in relation to the aforementioned Agreement and other compensation receivable that on 18 January 2022 the Catalonia Autonomous Community Government paid Invicat a total sum of EUR 94.1 million, EUR 65.8 million of which to settle the balance resulting from the Maresme Agreement, pursuant to the aforementioned agreement of the Catalonia Autonomous Community Government of 21 December 2021.

Since the Catalonia Autonomous Community Government did not explicitly respond to the calculation of the settlement balance deriving from the Maresme Agreement proposed by Invicat, on 25 March 2022 the latter filed an appeal for judicial review at the Catalonia High Court challenging the implied rejection due to administrative silence of the total balance claimed by Invicat on 7 October 2021.

Subsequently, in the understanding that no balances remained payable under the Maresme Agreement, Invicat broadened its appeal of the 7 June 2022 Resolution of the Catalonia Autonomous Community Government that determined as outright the final financial settlement for the Invicat concession. Invicat lodged a claim in December 2022, which the Catalonia High Court had yet to pass judgement on at the date of authorisation for issue of these accompanying annual accounts.

Regarding the Agreement signed in January 2010 between Invicat and the Catalonia Autonomous Community Government, the account receivable recorded in the balance sheet does not include the impact of the compensation of the tax effect already paid or that should be paid as a consequence of the settlement of the Agreement (nor its grossing up to ensure a neutral tax impact for the concession operator as per the terms of the Agreement), which will be accrued, according to the tax criteria applied by the Group, at the time of collection.

In any event, and notwithstanding the impairment allowance recognised in prior years by Invicat and the settlement of the Agreement estimated by the Catalonia Autonomous Community Government, **Abertis** and Invicat understand that there are sufficiently robust legal grounds to claim the entire settlement balance and, as always, will defend them in the courts.

d) Other disclosures

The Company does not have any obligations to its investees other than the financial investments made, with the exception of the matters discussed in Note 18 and the balances with those companies indicated in Note 19-c.

Lastly, it should be noted that various companies in which **Abertis** has direct and indirect ownership interests have financial debts secured by certain guarantees for the lenders, which include pledges or promises to pledge the shares of those subsidiaries or the concession assets they operate for a total of EUR 8,558 million in 2023 (2022: EUR 6,686 million).

9. NON-CURRENT AND CURRENT FINANCIAL ASSETS

The breakdown, by category, of financial assets is as follows:

	Loans, receivables and other investments		Derivative financial instruments	
	2023	2022	2023	2022
Derivative financial instruments (Note 10)	-	-	-	388,568
Other current and non-current financial assets	286,137	2,763	-	-
Total	286,137	2,763	-	388,568

None of the unmatured loans and receivables were renegotiated in 2023.

"Other current and non-current financial assets" mainly records an account receivable of EUR 282,301 thousand in relation to the exercise of various interest rate swaps, as detailed in Note 10-a, scheduled to be settled between 2024 and 2029.

The carrying amounts of financial assets are denominated mainly in euros.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The detail of the fair value of the derivative financial instruments at year-end is as follows:

	2023		**2022**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps:				
Cash flow hedges	-	-	378,059	-
Non-euro cross currency interest rate swaps and exchange rate swaps:				
Cash flow hedges	-	11,162	10,509	14,636
Hedges of net investments in foreign operations	-	-	-	-
Derivative financial instruments	**-**	**11,162**	**388,568**	**14,636**

The Company has arranged cross currency interest rate swaps.

Shown below is a breakdown of the derivative financial instruments at 31 December, by type of swap and showing their notional or contractual values, expiry dates and fair values:

31 December 2023	**Notional value**	**2024**	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Net fair value**
Interest rate swaps: Cash flow hedges	-	-	-	-	-	-	-	-
Non-euro cross currency interest rate swaps and exchange rate swaps: Cash flow hedges	567,180	-	-	567,180	-	-	-	(11,162)
	567,180	**-**	**-**	**567,180**	**-**	**-**	**-**	**(11,162)**

31 December 2022	**Notional value**	**2023**	**2024**	**2025**	**2026**	**2027**	**Subsequent years**	**Net fair value**
Interest rate swaps: Cash flow hedges	3,991,000	-	766,000	1,000,000	750,000	1,475,000	-	378,059
Non-euro cross currency interest rate swaps and exchange rate swaps: Cash flow hedges	567,180	100,000	-	-	467,180	-	-	(4,127)
	4,558,180	**100,000**	**766,000**	**1,000,000**	**1,217,180**	**1,475,000**	**-**	**373,932**

a) Interest rate swaps

Between March and July 2022, **Abertis**, in anticipation of debt issues to be carried out in the coming years pursuant to the Group’s business plan, arranged interest rate swaps for a total of EUR 3,991 million. These mete the requirements for accounting given, inter alia, that these debt issues were considered to be highly probable transactions. At 31 December 2022, those Interest rate swaps had a value of EUR 388,568 thousand (Note 9).

During 2023 debt issues were carried with maturities between 2028 and 2030, with all of the aforesaid financial swaps having been exercised.

The impact on the statement of profit or loss of the settlements of these derivative financial instruments is recognised under "Finance income" or "Finance costs" on the accompanying statement of profit or loss (Note 17-d).

b) Non-euro cross currency interest rate swaps and exchange rate swaps

Between February and March of 2023, Company arranged a forward rate agreement on the Mexican peso exchange rate with a euro countervalue of EUR 115,724 thousand to hedge the collection of the dividend to be received in March.

At the end of March 2023, **Abertis** arranged a hedge of USD 107,900 thousand (equivalent euro value of EUR 100,000 thousand), to hedge the risk of a multi-currency loan that was renewed in that month for the same amount.

Between July and September of 2023, the Company arranged hedges in US dollars of USD 2023 thousand (equivalent euro value of EUR 1,398 thousand), instrumented in various exchange rate forward rate agreements, to hedge practically the whole of the disbursement envisaged in relation to the investment commitment acquired for the acquisition of the Btg Group that was expected to take effect in the fourth quarter of 2023.

In October 2023, the Company arranged hedges of USD 1,520 thousand (equivalent euro value of EUR 1,435 thousand), instrumented in various exchange rate forward rate agreements, to hedge part of the disbursement envisaged in relation to the investment commitment acquired in that same month of October 2023 in relation to the privatisation of four toll roads in Puerto Rico that was expected to take effect in December 2023.

Abertis no longer has any cross currency interest rate swaps to hedge its investment in the Brazilian Arteris Group. These hedges had a nominal value of BRL 259,692 thousand and an equivalent euro value of EUR 80,000 thousand and expired in 2022.

Until their expiry, as described in Note 4.7-c, hedges of net investments in foreign operations relating to subsidiaries, jointly controlled entities and associates were accounted for as fair value hedges of the foreign currency component, i.e., the changes in fair value are recognised in profit or loss (Note 17-d).

The amount recognised in this connection as net investment hedges on investments in Group companies under "Changes in fair value of financial instruments" in the 2022 statement of profit or loss (Note 17-d) represented a net finance cost of EUR 678 thousand, offset by the related increase in the investment (Note 8-a).

c) Other disclosures

With regard to the derivative financial instruments arranged by the Company in force at 31 December 2023 and 2022, the details of the expected net settlements, excluding credit risk adjustments, over the coming years are as follows:

	31 December 2023			31 December 2022		
	2024	2025-26	Subsequent years	2023	2024-25	Subsequent years
Projected net settlements (*)	6,498	(17,397)	-	15,532	40,786	322,439

(*) Excluding adjustments for credit risk.

11. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at 31 December 2023 and 2022 is as follows:

	2023	2022
Cash on hand	24	23
Cash at banks	753,121	321,660
Bank deposits maturing within three months	1,455,000	2,029,226
Cash and cash equivalents	**2,208,145**	**2,350,909**

12. SHAREHOLDERS' EQUITY

a) Capital and treasury shares

The amounts and movements of these line items were as follows:

	Share capital	Treasury shares	Total
At 1 January 2022	**2,133,063**	**(20,991)**	**2,112,072**
Acquisition of treasury shares	-	(156)	(156)
At 31 December 2022	**2,133,063**	**(21,147)**	**2,111,916**
Capital reduction	(601,633)	-	(601,633)
Acquisition of treasury shares	-	-	-
At 31 December 2023	**1,531,430**	**(21,147)**	**1,510,283**

Share capital

At the Annual General Shareholders' Meeting of **Abertis** on 28 March 2023 shareholders approved the repayment of EUR 601,633 thousand of contributions to shareholders through a reduction of Abertis Infraestructuras, S.A.'s capital by decreasing the nominal value of shares from EUR 2.34 to EUR 1.68.

Consequently, at 31 December 2023, the share capital of **Abertis** consisted of 911,565,371 fully subscribed and paid ordinary shares, all of the same class and series, represented by book entries, of EUR 1.68 nominal value each (EUR 2.34 at 2022 year-end).

The shares of **Abertis** are represented by book entries and, according to the available information, at 31 December 2023 and 31 December 2022 the shareholdings that had given rise to the appointment of directors were as follows:

	2023	**2022**
Abertis HoldCo, S.A. (1)	98.70%	98.70%
	98.70%	**98.70%**

(1) Company in which Mundys S.p.A. holds an ownership interest of 50% (2022: 50% plus one share), Actividades de Construcción y Servicios, S.A. (ACS) holds an ownership interest of 30% plus one share (2022: 30%) and Hochtief Aktiengesellschaft holds an ownership interest of 20% minus one share.

Treasury shares

Abertis can carry out transactions with its own shares under the authorisation granted by the shareholders at their General Meeting of 28 March 2023, which approved, among other resolutions, authorisation for the Board of Directors of Abertis to engage in derivative acquisitions, directly or indirectly through other entities, of own shares of the Company during a maximum of five years, that is, until 28 March 2028 (until that time, such transactions were done under the authorisation granted by the shareholders at the General Meeting of 25 July 2018, which authorised, among other resolutions, the acquisition of own shares for a maximum price of 18.36 euros per share during a maximum term of five years, that is, through 25 July 2023).

In this connection, during 2023, unlike what happened in 2022, **Abertis** did not purchase any own shares.

As a result, the own shares held as treasury stock at 31 December 2023 represented 0.44% of the Abertis Infraestructuras, S.A. share capital (also 0.44% at year-end 2022).

In any case, the use given to the treasury shares held at year-end will depend on such resolutions as might be adopted by the Group's governing bodies.

The changes in the treasury share portfolio in 2023 and 2022 were as follows:

	Number	Nominal value	Cost of Acquisition
At 1 January 2023	4,003,611	9,368	21,147
Sale of own shares	(1)	-	-
Capital reduction	-	(2,642)	-
At 31 December 2023	**4,003,610**	**6,726**	**21,147**

	Number	Nominal value	Cost of Acquisition
At 1 January 2022	3,954,617	11,864	20,991
Acquisition of treasury shares	48,994	146	156
Capital reduction	-	(2,642)	-
At 31 December 2022	**4,003,611**	**9,368**	**21,147**

b) Reserves

Shown below is the composition of reserves at 31 December 2023 and 31 December 2022:

	2023	**2022**
Legal and bylaw reserves:		
- Legal reserve	306,286	426,613
	306,286	426,613
Other reserves:		
- Voluntary reserves	259,653	150,129
	259,653	150,129
	565,939	**576,742**

Legal reserve

Under Article 274 of the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of a company's liquidation.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Except as mentioned above, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2023 (as at the 2022 year-end), this reserve had reached the legally required minimum. During 2023, the part of the voluntary reserves in respect of the capital reduction completed in that year was reclassified from the legal reserve to voluntary reserves (EUR 120,326 thousand).

In 2022, the Company reclassified the part in respect of the capital reduction carried out that year (EUR 120,326 thousand) from the legal reserve to voluntary reserves.

Voluntary reserves

During 2023, the same as in 2022, the Company reclassified as voluntary reserve the part of the legal reserve set aside at year-end 2022 in respect of the capital reduction made during 2023 (EUR 120,326 thousand, the same amount as 2022).

Furthermore, in that same line item the Company has recorded a negative impact of EUR -13,406 thousand as a consequence of the merger between **Abertis** and its investees Abertis Telecom Satélites, S.A. and Abertis Internacional, S.A. described in Note 8-a.

Dividends

The Company has distributed the following dividends in the last five years:

	Thousands of euros				
	2023	2022	2021	2020	2019
Charge to profit	-	-	-	-	-
Charge to reserves	-	-	601,633	875,103	9,963,410
Dividends paid	**-**	**-**	**601,633**	**875,103**	**9,963,410**

c) Other shareholder contributions

At the Extraordinary General Meeting held on 29 November 2022, the shareholders of Abertis Infraestructuras, S.A. resolved for the majority shareholder, Abertis HoldCo, S.A., to make a non-monetary contribution of EUR 1,000 million to Abertis Infraestructuras, S.A.'s equity. This contribution consisted of the credit right under a loan agreement existing between the two parties, after a loan novation agreement was signed with banks for said sum and transferred from Abertis Infraestructuras, S.A. to Abertis HoldCo, S.A. (Note 13).

This contribution was recognised net of the amount corresponding to Abertis Infraestructuras, S.A.'s minority shareholders of EUR 991 million. The part corresponding to minority interests was recorded under "Interest and other income" on the accompanying statement of profit or loss (EUR 8,600 thousand).

There were no variations in this heading in 2023.

In addition to the above, on 30 January 2024 the Extraordinary General Meeting of shareholders of Abertis Infraestructuras, S.A. (called by the Board of Directors of **Abertis** under the Board resolution of 11 December 2023) resolved for Abertis HoldCo, S.A. (majority shareholder of the Company) to make, on its own, a cash contribution of EUR 1,300 million to **Abertis'** equity.

That cash contribution was made and disbursed by Abertis HoldCo, S.A. on 15 February 2024 and has been recorded net of the part corresponding to the minority shareholders of Abertis Infraestructuras, S.A. (EUR 1,289 million) in 2024.

13. NON-CURRENT AND CURRENT PAYABLES

The composition of non-current and current payables is as follows:

	Accounts payable		Derivative financial instruments	
	2023	2022	2023	2022
Debt instruments and other marketable securities	10,651,189	10,136,999	-	-
Bank borrowings	4,337,146	2,498,872	-	-
Derivative financial instruments (Note 10)	-	-	11,162	14,636
Other financial liabilities	6	6	-	-
Total	**14,988,341**	**12,635,877**	**11,162**	**14,636**

The breakdown by maturity of the accounts payable at the end of each reporting period is as follows:

	31 December 2023							
	Current	Non-current						
	2024	2025	2026	2027	2028	Subsequent years	Total	Total
Debt instruments and other marketable securities	823,580	1,064,231	1,448,706	1,495,367	1,940,091	3,879,214	9,827,609	10,651,189
Bank borrowings (loans and credit facilities)	423,181	1,022,500	958,888	43,750	695,930	1,192,897	3,913,965	4,337,146
Other financial liabilities	-	-	-	-	-	6	6	6
Total	**1,246,761**	**2,086,731**	**2,407,594**	**1,539,117**	**2,636,021**	**5,072,117**	**13,741,580**	**14,988,341**

	31 December 2022							
	Current	Non-current						
	2023	2024	2025	2026	2027	Subsequent years	Total	Total
Debt instruments and other marketable securities	749,721	675,862	1,056,132	1,437,764	1,493,246	4,724,274	9,387,278	10,136,999
Bank borrowings (loans and credit facilities)	271,074	520,000	934,605	773,193	-	-	2,227,798	2,498,872
Other financial liabilities	-	-	-	-	-	6	6	6
Total	**1,020,795**	**1,195,862**	**1,990,737**	**2,210,957**	**1,493,246**	**4,724,280**	**11,615,082**	**12,635,877**

The carrying amounts and fair values of the non-current payables are as follows:

	Carrying amount		Fair value	
	2023	**2022**	**2023**	**2022**
Bank loans	3,913,965	2,227,798	4,349,941	2,140,519
Debt instruments and other marketable securities	9,827,609	9,387,278	10,216,929	8,234,247
Other financial liabilities	6	6	6	6
	13,741,580	**11,615,082**	**14,566,876**	**10,374,772**

Financial liabilities are stated at their amortised cost. The fair values are measured using cash flows discounted at a rate based on a borrowing rate of 3.661% (2022: 4.544%).

At 31 December 2023, the same as at 31 December 2022, the Company's debts were denominated in euros, except for 400 million denominated in pounds sterling (GBP) and 108 million in US dollars (USD).

At year-end 2023 and 2022, the Company had the following undrawn credit facilities:

	2023	**2022**
Floating rate:		
- maturing at less than one year	100,000	100,000
- maturing at more than one year	2,946,699	2,893,612
	3,046,699	**2,993,612**

At year-end 2023 the Company had credit facilities with an undrawn limit of EUR 3,047 million (2022: EUR 2,994 million), EUR 2,947 million of which matures at more than one year. At year-end 2023 there were no drawn credit facilities (2022: EUR 0 million).

Of the EUR 3,047 million in credit facilities of Abertis Infraestructuras, S.A., EUR 1,664 million (2022:EUR 1,626 million) can be drawn down in euros or in other currencies (for the related equivalent amount). The credit facilities denominated in euros bear interest at Euribor plus a spread and the credit facilities denominated in currencies other than the euro bear interest at Libor plus a spread.

The main debt developments during 2023 were as follows:

- During the year **Abertis** cancelled debt of EUR 1,099 million (2022: EUR 630 million), some EUR 600 million of which was for bonds that fell due in June 2023 and the remaining EUR 499 million in respect of bank debt that was refinanced for EUR 450 million. The difference of EUR 49 million reflects partial repayments of bank loans.
- **Abertis** signed two syndicated loans of EUR 1,200 EUR million and EUR 700 million for the acquisition of four toll roads in Puerto Rico and of the Btg Group, respectively (Note 8-a).
- Also, **Abertis** took steps to optimise the Group's liquidity and reduce borrowing costs by renegotiating credit facilities amounting to EUR 2,045 million (2022: EUR 1,576 million) (Note 8-a).

During 2023, as in 2022, **Abertis** also had access to the following financing programmes:

- A Euro Medium Term Note Programme (EMTN) approved by the Board of Directors of **Abertis** on 26 February 2019 for a maximum total of EUR 7,000 million, registered with the Central Bank of Ireland (CBI) in Dublin on 6 March 2019, and the maximum total of which, as approved by the Board of Directors of **Abertis**, on 13 January 2020 was increased to EUR 12,000 million.

  During 2023 the Company carried out two issues, one in February for EUR 600 million, with maturity in August 2029 and a coupon of 4.125%, and the other in July for EUR 500 million, with a coupon of 4.125% and maturing in January 2028.

  At 31 December 2023, the total amount of debt issues carried out under the aforementioned Bond Programme was EUR 7,926 million (2022: EUR 6,826 million).
- A Euro Commercial Paper Programme (ECP) registered with the Central Bank of Ireland (CBI) in Dublin on 28 June 2019 for EUR 1,000 million, which expired in September 2023. None of this has been drawn on at 2023 year-end (as was the case at 2022 year-end).

In 2022 the main matters of note were as follows:

- During 2022, **Abertis** repaid debt of EUR 630 million (2021: EUR 855 million), EUR 485 million as prepayment of the first instalment of the Club Deal due in 2024; EUR 40 million to service a line of credit that had been drawn down in the previous year; EUR 100 million to repay one bilateral loan; and EUR 5 million to partially repay another bilateral loan.
- **Abertis** signed a bank debt novation agreement for EUR 1,000 million, which was transferred from Abertis Infraestructuras, S.A. to Abertis HoldCo, S.A. (Note 12-c).
- Also, **Abertis** took steps to optimise the Group's liquidity and reduce borrowing costs by renegotiating credit facilities amounting to EUR 1,576 million (2021: EUR 1,750 million).

a) Bond issues and bank borrowings

The composition of bond issues and non-current bank borrowings at 31 December 2023 is shown below:

Instrument	Initial nominal value	Arrangement date	Maturity date	Currency	Interest rate	Amount drawn down at 31/12/2023 (1)
Bonds	250,000	19/03/2014	19/03/2024	EUR	Fixed	250,000
Bonds	600,000	27/03/2019	27/06/2024	EUR	Fixed	256,100
Bonds	160,000	01/02/2005	21/12/2024	EUR	Floating	160,000
Bonds	700,000	27/06/2014	27/02/2025	EUR	Fixed	575,400
Bonds	700,000	15/07/2019	15/07/2025	EUR	Fixed	503,200
Bonds	100,000	31/03/2014	31/03/2026	EUR	Fixed	100,000
Bonds	1,150,000	20/05/2016	20/05/2026	EUR	Fixed	894,900
Bonds	467,181	27/03/2019	27/11/2026	GBP	Fixed	460,273
Bonds	500,000	17/11/2016	27/02/2027	EUR	Fixed	500,000
Bonds	1,000,000	27/03/2019	27/09/2027	EUR	Fixed	1,000,000
Bonds	500,000	05/07/2023	31/01/2028	EUR	Fixed	500,000
Bonds	600,000	07/02/2020	07/02/2028	EUR	Fixed	600,000
Bonds	850,000	26/09/2019	26/03/2028	EUR	Fixed	850,000
Bonds	900,000	30/06/2020	29/03/2029	EUR	Fixed	900,000
Bonds	600,000	15/07/2019	15/07/2029	EUR	Fixed	600,000
Bonds	600,000	07/02/2023	07/08/2029	EUR	Fixed	600,000
Bonds	1,000,000	27/03/2019	27/03/2031	EUR	Fixed	1,000,000
Bonds	650,000	26/09/2019	26/03/2032	EUR	Fixed	650,000
Bonds	125,000	14/05/2008	14/05/2038	EUR	Fixed	125,000
Loans	165,000	28/11/2018	28/03/2024	EUR	Floating	165,000
Loans	100,000	10/01/2019	10/07/2024	EUR	Floating	100,000
Loans	50,000	16/11/2018	15/11/2024	EUR	Floating	50,000
Loans	90,000	10/01/2020	10/01/2025	EUR	Floating	90,000
Loans	50,000	17/12/2019	20/03/2025	EUR	Floating	35,000
Loans	150,000	31/10/2018	10/05/2025	EUR	Floating	150,000
Loans	50,000	24/07/2020	24/07/2025	EUR	Floating	50,000
Loans	200,000	21/07/2017	15/01/2026	EUR	Floating	200,000
Loans	175,000	11/05/2017	11/05/2026	EUR	Floating	75,000
Loans	970,000	27/12/2018	13/01/2025	EUR	Floating	485,000
Loans	130,000	28/04/2020	28/04/2025	EUR	Floating	130,000
Loans	100,000	13/12/2019	31/03/2026	USD	Floating	97,467
Loans	500,000	19/02/2021	19/02/2026	EUR	Floating	500,000
Loans	150,000	03/12/2019	28/05/2027	EUR	Floating	306,250
Loans	700,000	12/12/2023	12/12/2028	EUR	Floating	700,000
Loans	1,200,000	29/11/2023	05/01/2029	EUR	Floating	1,200,000

(1) Amount corresponding to the contractual cash flows, translated at the closing exchange rate or, where appropriate, the rate set in the associated hedge, which differ from their carrying amount due to the effect of applying the amortised cost criteria established in the applicable financial reporting framework, including the impact of the PPA after Mundys obtained control of Abertis and the subsequent merger of Abertis with Abertis Participaciones explained in Note 6 to the 2019 annual accounts.

The composition of the bond issues and non-current bank borrowings at 31 December 2022 is shown below:

Instrument	Initial nominal value	Arrangement date	Maturity date	Currency	Interest rate	Amount drawn down at 31/12/22 [(1)]
Bonds	600,000	20/06/2013	20/06/2023	EUR	Fixed	600,000
Bonds	250,000	19/03/2014	19/03/2024	EUR	Fixed	250,000
Bonds	600,000	27/03/2019	27/06/2024	EUR	Fixed	256,100
Bonds	160,000	01/02/2005	21/12/2024	EUR	Floating	160,000
Bonds	700,000	27/06/2014	27/02/2025	EUR	Fixed	575,400
Bonds	700,000	15/07/2019	15/07/2025	EUR	Fixed	503,200
Bonds	100,000	31/03/2014	31/03/2026	EUR	Fixed	100,000
Bonds	1,150,000	20/05/2016	20/05/2026	EUR	Fixed	894,900
Bonds	467,181	27/03/2019	27/11/2026	GBP	Fixed	450,994
Bonds	500,000	17/11/2016	27/02/2027	EUR	Fixed	500,000
Bonds	1,000,000	27/03/2019	27/09/2027	EUR	Fixed	1,000,000
Bonds	600,000	07/02/2020	07/02/2028	EUR	Fixed	600,000
Bonds	850,000	26/09/2019	26/03/2028	EUR	Fixed	850,000
Bonds	900,000	30/06/2020	29/03/2029	EUR	Fixed	900,000
Bonds	600,000	15/07/2019	15/07/2029	EUR	Fixed	600,000
Bonds	1,000,000	27/03/2019	27/03/2031	EUR	Fixed	1,000,000
Bonds	650,000	26/09/2019	26/03/2032	EUR	Fixed	650,000
Bonds	125,000	14/05/2008	14/05/2038	EUR	Fixed	125,000
Loans	100,000	12/12/2019	31/03/2023	USD	Floating	110,398
Loans	150,000	03/12/2019	03/06/2023	EUR	Floating	150,000
Loans	200,000	20/12/2018	20/03/2024	EUR	Floating	200,000
Loans	165,000	28/11/2018	28/03/2024	EUR	Floating	165,000
Loans	100,000	10/01/2019	10/07/2024	EUR	Floating	100,000
Loans	50,000	16/11/2018	15/11/2024	EUR	Floating	50,000
Loans	90,000	10/01/2020	10/01/2025	EUR	Floating	90,000
Loans	50,000	17/12/2019	20/03/2025	EUR	Floating	40,000
Loans	150,000	31/10/2018	10/05/2025	EUR	Floating	150,000
Loans	50,000	24/07/2020	24/07/2025	EUR	Floating	50,000
Loans	200,000	21/07/2017	15/01/2026	EUR	Floating	200,000
Loans	175,000	11/05/2017	11/05/2026	EUR	Floating	75,000
Loans	970,000	27/12/2018	13/01/2025	EUR	Floating	485,000
Loans	130,000	28/04/2020	28/04/2025	EUR	Floating	130,000
Loans	500,000	19/02/2021	19/02/2026	EUR	Floating	500,000

(1) Amount corresponding to the contractual cash flows, translated at the closing exchange rate or, where appropriate, the rate set in the associated hedge, which differ from their carrying amount due to the effect of applying the amortised cost criteria established in the applicable financial reporting framework, including the impact of the PPA after Mundys obtained control of Abertis and the subsequent merger of Abertis with Abertis Participaciones explained in Note 6 to the 2019 annual accounts.

At 31 December 2023 and 2022, the Company had outstanding bonds traded on different markets in Spain and Ireland.

Also, at the end of 2023, 70% of the borrowings bore a fixed interest rate or a rate fixed through hedges (2022: 79%).

Lastly, it should be noted that in relation to the main financing agreements in force at 31 December 2023, no financial assets in relation to these annual accounts had been pledged as security for liabilities or contingent liabilities (nor at the end of 2022).

There are no obligations or covenants associated with the financing agreements that at the date of these annual accounts might give rise to the liabilities that would be immediately claimable by the lender.

In this regard, at the date of authorisation for issue of these annual accounts, the clauses or obligations included in the bond issues and loans had been fulfilled. Also, a portion of the borrowings arranged by the Company, amounting to approximately EUR 12,063 million, includes covenants relating to changes in control, in relation to EUR 11,478 million of which the change of control must occur together with a material negative impact on the credit rating (loss of the investment grade category). In this regard, at the date of authorisation for issue of these annual accounts, there had been no impact in relation to those covenants.

b) Rating

As at the date of formal preparation of these annual accounts, **Abertis** holds a long-term "BBB" investment-grade adequate credit quality rating awarded by the international credit rating agency Standard and Poor's Credit Market Services Europe Ltd. The short-term credit rating at that date was "A-3".

In addition, **Abertis** holds a long-term "BBB+" rating awarded by the international credit rating agency Fitch Ratings Ltd. and a short-term "F3" rating.

14. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

Among the obligations to its employees, the Company has defined contribution pension obligations and sponsors an occupational pension plan.

The economic and actuarial information on the existing liability relating to the Company's pension obligations to its employees is as follows:

a) Defined contribution obligations

The staff costs recognised in the statement of profit or loss for the year in relation to defined contribution obligations totalled EUR 1,808 thousand (2022: EUR 1,724 thousand) (Note 17-b).

b) Other obligations

Together with the aforementioned obligations, the Company has obligations to its employees pegged to the degree of achievement of certain business objectives. The change in these obligations mainly includes the allocation of the relevant portion of the obligation associated with the "2022-2024 Incentive Plan" (Note 19-a).

15. OTHER PROVISIONS

At 31 December 2023, **Abertis** had provisions set aside to cover the risks associated with its ordinary operations.

16. INCOME TAX AND TAX MATTERS

a) Tax-related disclosures

Since 1 January 2019, the Company has filed consolidated income tax returns as part of the tax group headed by Abertis Holdco, S.A. (until 2018 the head of the tax group was Abertis Infraestructuras, S.A.).

Also, since 1 January 2019 the Company has filed consolidated VAT returns as part of the tax group likewise controlled by Abertis Holdco, S.A. (until 2018 the parent of the tax group was Abertis Infraestructuras, S.A.).

At 31 December 2023, the Company had open for review by the tax authorities all the taxes for which its liability was not time barred by the limitation period.

At the date of signing the accompanying annual accounts, no decision had been handed down at the respective administrative or court body processing each one of the tax assessments issued to the tax group, which were signed on a contested basis and appealed, with respect to income tax for 2010 to 2013 and VAT for July 2011 to December 2013, along with the contested assessments in relation to income tax for 2014 to 2016 and VAT from June 2014 to December 2016.

In this regard, the Company considers that the proceedings associated with the tax assessments signed on a contested basis and the possible differences in the way current tax legislation is interpreted in relation to the years open for review will not have a significant impact reflected in these annual accounts.

Also, the Company as the parent of the tax group, challenged in 2020 and 2021 both the consolidated income tax returns and the instalment payments for 2016 to 2018 based on the possible unconstitutionality of both Royal Decree-Law 3/2016, which set the cap on the prior years' tax losses offset to 25%, among other modifications, and Royal Decree-Law 2/2016 which increased the amount of the instalment payments. In 2020 the Constitutional Court issued a judgement on 1 July 2020 stating the unconstitutionality of Royal Decree-Law 2/2016, which led to the Tax Agency recognising and refunding the amounts claimed by the Group in relation to the instalment payments of 2016 and 2017. The other years and items were pending resolution in different courts and bodies at the date of authorisation for issue of these annual accounts. It is not estimated that significant impacts could arise for the Company.

Lastly, it should be noted that in 2007 the European Commission initiated an investigation against the Kingdom of Spain in relation to State aid relating to Article 12.5 of the former Consolidated Spanish Corporate Income Tax Law. In this connection, the Commission adopted Decision 2011/5/EC of 28 October 2009 (First Decision) on acquisitions within the EU and Decision 2011/282/EU of 12 January 2011 (Second Decision) on foreign shareholding acquisitions, stating that the deduction regulated by Article 12.5 constituted unlawful State aid. In addition to the foregoing, the Commission adopted Decision 2015/314/EU of 15 October 2014 (Third Decision) also classifying as State aid the deductions that applied under Article 12.5 of the Consolidated Spanish Corporate Income Tax Law in the case of indirect acquisitions (Third Decision). On 1 April 2015, **Abertis** filed an action for annulment at the General Court of the European Union against the Third Decision of the Commission, a proceeding that was immediately stayed by the Court until judgements had been handed down on the cassation appeals filed by the Commission against two judgements of the General Court on the Decisions of 2009 and 2011 on this issue.

After the cassation appeals against the First and Second Decisions were upheld, in the first quarter of 2017 the General Court of the European Union ordered the end of the stay of all the actions for annulment against the Third Decision and the re-initiation of the proceedings affected, including the one brought by **Abertis**. Therefore, on 24 March 2017 the European Commission submitted its response to the General Court, following which **Abertis** filed its reply on 30 May 2017.

In this connection, on 15 November 2018 the General Court dismissed the appeals against the First and Second decisions of the Commission, upholding that the amortisation of goodwill for tax purposes constituted State aid incompatible with the internal market, although it confirmed the existence of legitimate expectations in the cases of acquisitions prior to 21 December 2007. Cassation appeals were filed against these judgements with the European Court of Justice, which rejected them outright in 2021. With respect to the appeal lodged against the Third Decision by **Abertis**, on 27 September 2023 a favourable judgment was handed down by the General Court of the European Union that was appealed by the European Commission before the Court of Justice of the European Union on 14 December 2023.

Consequently, at the date of authorisation for issue of these annual accounts, there is still no final judgment on this matter. In any event, the resolution of this matter is not expected to have a negative impact on the Company's equity because either it has already returned the amount involved plus late-payment interest, or because it has already recognised a deferred tax liability associated with the goodwill deducted to date which has not yet been actually returned to the Spanish tax authorities in relation to the acquisition of the Group company Holding d'Infraestructures de Transport S.A.S.

In 2023 the Company was involved in a corporate transaction in which it chose to apply the special tax regime provided for in Chapter VIII of Title VII of Spanish Corporate Income Tax Law 27/2014, of 27 November. The transaction consisted of a merger-takeover of the companies Abertis Telecom Satélites, S.A. and Abertis Internacional, S.A. (companies absorbed) with Abertis Infrestructuras, S.A. (absorbing company), with the consequent winding up without liquidation of Abertis Telecom Satélites, S.A. and Abertis Internacional, S.A., and the assignment en bloc of all of their assets and liabilities to the Company, which thus acquired by universal succession all of the rights and obligations of the companies taken over. The information on the that transaction is found in Note 8-a.

Also, in 2019 the Company was directly or indirectly involved in various corporate transactions in which it was chosen to apply the special tax regime provided for in Chapter VIII of Title VII of the Spanish Corporate Income Tax Law 27/2014, of 27 November. The information relating to these transactions is disclosed in the notes to the annual accounts for 2019 (Notes 6 and 9-a to the 2019 annual accounts). The transactions were as follows:

- The merger of the company Abertis Infraestructuras, S.A. by means of the takeover and total absorption of Abertis Participaciones, S.A. Sociedad Unipersonal, executed in a public instrument on 14 March 2019.

- On 30 December 2019, the merger of Inversora de Infraestructuras S.L. with Abertis Infraestructuras Chile, Spa, through the absorption in full of the latter by the former, was executed in a public deed.

In 2002, 2003 and 2004 the Company also carried out various corporate transactions to which the special tax regime provided for in Chapter VIII of Title VII of Legislative Royal Decree 4/2004 (in 2002 and 2003 Chapter VIII of Title VIII of the Spanish Corporate Income Tax Law) was applied. The information relating to these transactions is disclosed in the annual accounts for 2002, 2003 and 2004. The transactions were as follows:

- The non-monetary contribution to Autopistas Concesionaria Española, S.A. (Sole-Shareholder Company) of the line of business relating to the toll road concessions operated by the Company (2002) and the capital increase at the investee Abertis Logística, S.A. subscribed by the Company through the non-monetary contribution of shares of various investees (2002).

- The capital increase at the Company, in order to perform the share exchange established as consideration in the tender offer launched by the Company for the shares of Ibérica de Autopistas, S.A. (2002).

- The merger by absorption of Aurea, Concesiones de Infraestructuras, S.A. (2003) and Ibérica de Autopistas, S.A. (2004) into Abertis Infraestructuras, S.A. and the consequent dissolution without liquidation of the former two companies.

Lastly, in December 2022 the European Union approved Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, which is scheduled to come into effect for the 2024 tax year. In this respect, the Abertis Group has explicitly committed to applying the associated OECD Pillar Two guidelines. It also declares that it conforms with the principles and actions proposed by the OECD and is working to review its actual tax position jurisdiction by jurisdiction to establish a Group compliance, control and management system that allows it to duly comply with the rules in due time and form. At the date of authorisation for issue of these annual accounts, taking into account the estimates made, the Abertis Group does not expect those regulations will have material impact in any jurisdiction.

b) Income tax expense

The standard income tax rate for 2023 and 2022 was 25%.

The reconciliation of the accounting profit (loss) for the year with the taxable profit (tax loss) for income tax purposes for 2023 and 2022 is as follows:

2023	Profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Profit (Loss) after tax for the year			(909,367)			(73,049)
Income tax for the year	-	-	(100,076)	-	-	(22,616)
Permanent differences	1,466,949	(859,880)	607,069	-	-	-
Temporary differences:						
- arising in the year	6,158	(74,115)	(67,957)	95,613	-	95,613
- arising in prior years	-	(32,645)	(32,645)	-	-	-
Total			**(502,976)**			**(52)**
50% adjustment individual tax loss			**251,514**			
Tax loss to be included in the consolidated tax base			**(251,514)**			

2022	Profit or loss			Income and expense recognised directly in equity		
	Increase	Decrease	Total	Increase	Decrease	Total
Profit (Loss) after tax for the year			(69,627)			292,645
Income tax for the year	-	-	(62,060)	-	-	99,282
Permanent differences	1,455,821	(1,600,207)	(144,386)	-	-	-
Temporary differences:						
- arising in the year	6,049	(74,115)	(68,066)	391,979	-	(391,979)
- arising in prior years	-	(65,460)	(65,460)	-	-	-
Total			**(409,599)**			**(52)**
Tax loss to be included in the consolidated tax base			**(409,651)**			

The main components of income tax expense for 2023 and 2022 are as follows:

	2023		
	Profit or loss	**Equity**	**Total**
Current tax	(44,827)	(13)	**(44,840)**
Deferred tax	(59,231)	(22,630)	**(81,834)**
Prior years' taxes/Other	3,982	-	**3,982**
Total	**(100,076)**	**(22,616)**	**(122,693)**

	2022		
	Profit or loss	**Equity**	**Total**
Current tax	(107,589)	(13)	**(107,602)**
Deferred tax	34,620	99,295	**133,915**
Prior years' taxes/Other	10,909	-	**10,909**
Total	**(62,060)**	**99,282**	**37,222**

The income tax expense or income reflected in the Company's statement of profit or loss is calculated using the following parameters:

- The permanent differences were considered mainly to include 95% of the dividends and gains received from companies that meet the requirements provided for in Article 21 of the Spanish Corporate Income Tax Law (EUR 822,135 thousand), the amortisation of the goodwill that was recognised as a result of the merger by absorption of Abertis Participaciones that was not tax deductible for the Company (EUR 776,483 thousand), and the impairment losses on the investments in the equity of Group companies (EUR 687,965 thousand and EUR 31,998 thousand, respectively) (Note 8-c).

- The consolidated tax group assumed the right to fully offset the tax loss recorded in 2023.

- In 2023, the Company generated deductions (EUR 3,466 thousand) in respect of tax paid abroad, the pursuit of research and development and technological innovation, reversal of temporary measures according to the terms of Transitional Provision Thirty-Seven of Corporate Income Tax Law 27/2014 of 27 November 2014, employer contributions to employee welfare plans and donations.

− Taxes similar to income tax paid abroad and the adjustment to the income tax expense incurred in 2022, along with other adjustments, increased the income tax expense by EUR 3,981 thousand (2022: EUR 10,910 thousand).

The tax withholdings made amount to EUR 5,218 thousand and no pre-payments were made (2022: EUR 303 thousand).

c) Deferred taxes

The breakdown of deferred taxes at 31 December 2023 and 2022 is as follows:

	2023	2022
Deferred tax assets:	**242,960**	**164,370**
- Tax loss carryforwards	27,812	12,781
- Provisions for employee benefit obligations	10,069	8,487
- Impairment of the ACDL/APDC/SPI investment portfolio	908	908
- Timing differences	16	31
- Inclusion of deductible impairment of financial assets	1,878	1,878
- Derivatives	64,221	69,861
- Revaluation of loans	24,708	32,013
- Credit for deductions	3,467	866
- Inclusion of result of ERC tax group	47,014	37,666
- Other	(11)	(121)
- Non-inclusion 50% tax loss	62,878	-
Deferred tax liabilities:	**(300,461)**	**(341,769)**
- Gains from transfer of concession operators	(70,734)	(70,734)
- Amortisation of financial goodwill	(81,527)	(100,055)
- Inclusion of result of ERC tax group	(47,841)	(37,666)
- Derivatives	(64,742)	(94,174)
- Other	(35,617)	(39,140)
Deferred taxes	**(57,501)**	**(177,399)**

The changes in deferred tax assets and liabilities during 2023 and 2022 were as follows:

	2023		2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	**164,370**	**(341,769)**	**162,226**	**(206,658)**
Amount charged/(credited) to profit or loss	57,060	(19,335)	(10,614)	(22,770)
Amount charged/(credited) to equity	(5,640)	29,431	(4,780)	(94,515)
Tax loss and tax credit carryforwards	21,505	-	(1,236)	-
Other amounts charged/(credited) (adjustment prior year's income tax)	5,665	31,212	18,774	(17,826)
At 31 December	**242,960**	**(300,461)**	**164,370**	**(341,769)**

In accordance with the criteria described in Note 4.10, each company in the tax group recognised in its balance sheet for 2015, 2020 and 2023 the deferred tax asset corresponding to the portion of the tax losses that had not been offset by the other tax Group companies, as well as that corresponding to tax deductions not applied by the Group.

In this regard, at 31 December 2015 the Company recognised a deferred tax asset of EUR 23,168 thousand (individual tax loss of EUR 92,673 thousand), which was increased by EUR 575 thousand in the definitive income tax return for 2015 filed in July 2016. At 31 December 2023, deferred tax assets of EUR 9,773 thousand were pending reversal, after having credited to profit or loss at year-end and in the final returns for 2016 to 2022 an aggregate amount of EUR 13,624 thousand, after the regularisation of EUR 1,078 thousand as a result of the additional setoff of tax losses arising from a procedure for the recovery of State aid from 2019 and 2020 that was brought against the parent company of the tax group in those years (Abertis HoldCo, S.A.) and after the inclusion of EUR 732 thousand in respect of the deferred tax asset existing in Abertis Telecom Satélites, S.A. and Abertis Internacional, S.A. as a result of the corporate transactions described above.

Furthermore, at 31 December 2020, the Company recorded a deferred tax asset of EUR 1,149 thousand (on a tax loss of EUR 4,596 thousand) for the portion of the tax loss not set off by the Group, which was increased in the final 2020 Income Tax return filed in July 2021 by EUR 685 thousand. The Company also recorded deductions of EUR 1,990 thousand, which was increased in the final 2020 Income Tax return filed in in July 2021 by EUR 88 thousand. At 31 December 2023, there were no deferred tax assets pending reversal in respect of tax loss carryforwards or deductions, after having reversed the whole of the deferred tax asset subsequent to the regularisation applied as a result of the proceedings to recover State aid for the years 2019 and 2020 brought against the parent of the tax group in those years (Abertis Holdco, S.A.).

Lastly, at 31 December 2023, the Company recorded a deferred tax asset of EUR 18,039 thousand for the part of the tax loss not set off by the Group and EUR 3,467 thousand in respect of deductions.

The deferred tax assets indicated above were recognised in the accompanying balance sheet because the Company’s directors considered that, based on their best estimate of the consolidated tax group's future earnings and pursuant to Spanish Law 27/2014 and other applicable legislation, and to the Resolution of 9 February 2016 of the Spanish Accounting and Audit Institute (ICAC), it is probable that these assets will be recovered.

Under the reforms passed in 2016, the time limit for offsetting tax losses has been abolished, although certain limits have been set on the amount that can be offset. Specifically, for the tax group to which the Company belongs the limit is 25% of taxable income. Nevertheless, on 18 January 2024 the Company learned that the Spanish Constitutional Court has ruled that the reforms approved in 2016 are unconstitutional. Consequently, it is not expected that those measures will have any impact on the Company.

A new reform was also approved in 2022 imposing a cap in 2023 alone of 50% on the individual tax loss carryforwards of companies in a tax group that can be offset. The tax group of which the Company forms a part considers that this legal change will not affect the recoverability of deferred tax assets recognised by the various Group companies.

The deferred tax liabilities recognised at 2023 year-end relate mainly to the tax effect associated with the amortisation of the financial goodwill under to Article 12.5 of the previous Spanish Corporate Income Tax Law.

17. INCOME AND EXPENSES

a) Revenue

Abertis operates in the toll road concessions sector, as described in Note 1. As the parent of the Group, the Company's revenue relates mainly to dividends and the provision of services to Group companies (Note 19-c).

The breakdown, by geographical market, of the Company's revenue in 2023 and 2022 is as follows:

	%	
Market	**2023**	**2022**
Spain	22.2	45.1
Rest of Europe	74.9	44.5
Latin America and USA	2.9	10.4
India	0.0	0.0
	100.00	**100.00**

b) Staff costs

The composition of staff costs incurred in 2023 and 2022 is as follows:

	2023	2022
Wages and salaries	20,577	17,218
Social security contributions	2,606	2,280
Pension costs:		
- Defined contribution plans (Note 14-a)	1,808	1,724
Other obligations	4,500	4,500
Other items	2,368	2,229
	31,859	**27,951**

The average number of employees, by category, in 2023 and 2022 was as follows:

	2023	2022
Permanent employees:		
- Directors	1	1
- Senior managers	14	12
- Middle management and junior managers	87	75
- Other employees	49	56
Temporary employees	1	2
	152	**146**

Shown below is a breakdown of the Company's personnel at the end of 2023 and 2022:

	2023			2022		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Permanent employees:						
- Directors	1	-	1	1	-	1
- Senior managers	10	4	14	9	3	12
- Middle management and junior managers	48	41	89	46	35	81
- Other employees	19	35	54	22	37	59
Temporary employees	-	-	-	-	1	1
	78	**80**	**158**	**78**	**76**	**154**

The average number of employees during in 2023 and 2022 with disability of 33% or greater, by category, was as follows:

	2023	2022
Permanent employees:		
- Directors	-	-
- Senior managers	-	-
- Middle management and junior managers	-	-
- Other employees	2	2
Temporary employees	-	-
	2	**2**

Also, it should be noted that the shareholders at the Extraordinary General Meeting held on 28 June 2022 set the number of members of the Board of Directors of **Abertis** at nine (until then set at five or nine as agreed at the General Meeting of 10 December 2018). At 31 December 2023, the Board of Directors was composed of nine members (likewise nine at 2022 year-end), all of whom were male, with all the seats on the Board occupied.

In this regard, note that at their Extraordinary General Meeting of 30 January 2024 the shareholders fixed the number of members of the Board of Directors of **Abertis** at 12 (eleven men and one woman as at the date of these annual accounts), with all directorships filled at that date.

c) Impairment and gains or losses on disposals of fixed assets

Details of impairment and gains or losses on disposals of non-current assets during 2023 and 2022 are as follows:

	2023	2022
Net change in the provision for impairment and other losses	(655,967)	(445,697)
Gains or losses on disposals of fixed assets	55,313	21,035
Total	**(600,654)**	**(424,662)**

The amount recorded in "Net change in the provision for impairment and other losses" mainly reflects the allocation made in respect of part of the holdings in Holding d'Infrastructure de Transport S.A.S. (EUR 282,565 thousand, Abertis Autopistas España, S.A.U. (EUR 138,034 thousand), Inversora de Infraestructuras S.L. (EUR 131,935 thousand), Abertis Italia, S.r.l. (EUR 130,010 thousand) and Autopistas del Sol, S.A., (EUR 5,421 thousand). Part of the provision recognised for Partícipes en Brasil, S.A. (EUR 31,998 thousand) has also been reversed (Note 8-c).

Similarly, the amount recorded the previous year was in respect of the allocation for part of the holdings in Abertis Autopistas España, S.A.U. (EUR 486,589 thousand) and Partícipes en Brasil, S.A. (EUR 171,239 thousand). Part of the provision set aside by Societat d'Autopistes Catalanes, S.A.U. (EUR 96,258 thousand), Inversora de Infraestructuras, S.L. (EUR 89,984 thousand) and Abertis Internacional, S.A. (EUR 37,869 thousand) was also reversed (Note 8-c).

The amount recognised under "Gains or losses on disposals of fixed assets" mainly records the positive impact on profit or loss of booking the capital reductions agreed during 2023 by some of **Abertis'** investees of EUR 64,605 thousand (2022: EUR 16,973 thousand) In accordance with the Resolution of 5 March 2019 of the Spanish Accounting and Audit Institute. In addition, that same line item also included an impact of EUR 9,237 thousand from the reduction of the cash flow hedge reserves associated with the acquisition of Infraestructuras Viarias Mexicanas, S.A. DE C.V. (IVM), which must be applied inasmuch as the value of those flows affects the statement of profit or loss (Note 8-a).

It also included a gain of EUR 3,448 thousand related with the sale in 2021 of Abertis Motorways UK, Ltd, and a gain of EUR 614 thousand for the sale of Concesionaria Vial de los Andes, S.A. and Constructora de Infraestructura Vial, S.A.S. (Note 8-c).

d) Net finance income (expense)

Shown below is a breakdown of finance income and costs in 2023 and 2022:

	2023	2022
Income from loans to Group companies and associates (Note 19-c)	4,200	4,387
Interest and other income	79,658	14,014
Income from settlement of derivative financial instruments (Note 10)	21,913	18,371
Finance income	**105,771**	**36,772**
Interest on loans from Group companies and associates (Note 19-c)	(89,826)	(76,329)
Interest on bank loans and other	(367,418)	(252,435)
Costs of settlement of derivative financial instruments (Note 10)	(32,072)	(26,055)
Finance costs	**(489,316)**	**(354,819)**

The composition of "Changes in fair value of financial instruments" in 2023 and 2022 is as follows:

	2023	2022
Gain (Loss) on hedging instruments	(7,035)	(17,549)
	(7,035)	**(17,549)**

This line item primarily includes the net impacts of cash flow hedge accounting (Note 10), with a negative impact of EUR 7,035 thousand (2022: EUR 16,871 thousand).

The breakdown by class of financial instrument of the exchange differences recognised in 2023 and 2022 is shown below:

	2023	2022
Transactions settled in the year:		
Loans and commercial transactions	(360)	2,474
	(360)	**2,474**
Outstanding and unmatured balances:		
Loans and other	(13,142)	17,076
	(13,142)	**17,076**
	(13,502)	**19,550**

e) Transactions in non-euro currencies

Shown below are the details of transactions performed in non-euro currencies in 2023 and 2022:

	2023	2022
Services received	13,182	3,420
Services rendered	5,366	12,157
Finance costs	22,348	18,370
Finance income	24,289	25,723

Pursuant to Royal Decree 1558/2012, of 15 November, the Company states that it complies with the disclosure obligation concerning assets and rights located abroad, through the individual recognition in ancillary accounting records of the assets and rights held abroad, which are duly identified and recognised in a manner consistent with the accompanying annual accounts.

18. CONTINGENCIES, COMMITMENTS AND OBLIGATIONS

a) Contingent liabilities

At 31 December 2023, the Company had provided collateral and other guarantees to third parties amounting to EUR 56,474 thousand (2022: EUR 70,150 thousand), which relate mainly to guarantees provided by banks to the public authorities in connection with certain obligations (investments, operation of services, financing, taxes, etc.) assumed by the Company itself and by investees. No significant liabilities are expected to arise as a result of these guarantees that have not been provisioned for at present.

Also, the Company acts as guarantor in relation to the financing agreements entered into by Aulesa for EUR 20,044 thousand (2022: EUR 22,647 thousand) and Abertis Infraestructuras BV for an equivalent euro value of EUR 2,227,934 thousand (2022: EUR 2,242,187 thousand).

The EUR 1,000 million loan novation agreement entered into in 2022 between **Abertis** and its majority shareholder Abertis HoldCo, S.A. (Note 13-c) includes the granting of a guarantee by Abertis Infraestructuras, S.A. securing the novated debt and any possible rollovers and/or refinancing thereof.

The Company also acts as guarantor in relation to the operating agreements entered into by Emovis for EUR 23,700 thousand (2022: EUR 63,583 thousand) and, at 2022 year-end, by Eurotoll for EUR 4,600 thousand. The latter was disposed of in 2022.

b) Commitments and obligations

Lastly, as part of the agreement with the French Government for the "Plan Relance" for French toll roads, the shareholders of the French concession operators agreed to create a fund to develop infrastructure of a clearly environmental nature ("Fonds de Modernisation Ecologique des Transports", FMET). In this regard, having obtained a 100% ownership interest in the French subgroup **Hit/Sanef**, the contribution of Abertis as the shareholder is estimated at around EUR 50 million, which will be disbursed as the various investment projects to be carried out are approved. In the year ended 31 December 2023, contributions of EUR 7,310 thousand were made in this connection (2022: EUR 10,300 thousand), and the accumulated contributions at 2023 year-end amounted to EUR 39,325 thousand (2022: EUR 32,015 thousand).

19. RELATED PARTY TRANSACTIONS

a) Directors and senior executives

As stipulated in article 25 of the Bylaws, directorships are not remunerated, except for the CEO and non-executive Board Secretary, who earned remuneration of EUR 130 thousand in 2023 (the same as in 2022). Therefore, directors earned no remuneration in 2023 (as in 2022) for their directorships, and only the CEO earned remuneration.

In 2023, the CEO received EUR 2,309 thousand (2022: EUR 1,998 thousand) in fixed and variable compensation for his senior management duties. In the second quarter of the year, EUR 2,970 thousand was paid out for achieving the multi-year targets set in the 2019-2021 Incentive Plan.

The CEO has also accrued EUR 516 thousand in pension benefits (2022: EUR 480 thousand) and other remuneration in kind amounting to EUR 51 thousand (2022: EUR 63 thousand).

The remuneration in 2023 of senior executives, understood to be general managers and similar officers of **Abertis** who in that year discharged management duties while reporting directly to the Board of Directors or the CEO of Abertis Infraestructuras, S.A., totalled EUR 2,964 thousand (2022: EUR 2,777 thousand). In the second quarter of 2022, EUR 3,905 thousand was paid out for achieving the multi-year targets set in the 2019-2021 Incentive Plan.

In addition, senior executives earned as other benefits, contributions related to social welfare obligations and other remuneration in kind amounting of EUR 363 thousand and EUR 165 thousand, respectively (2022: EUR 348 thousand and EUR 170 thousand, respectively).

Also, in accordance with the Company's remuneration policy the Group has in place a multi-year "ILP 2022-2024" incentive plan, pegged to the achievement of the targets in the Group's three-year plan for that period.

It also bears noting that at 31 December 2023 (as at year-end 2022), there were no balances pending payment except sums in respect of variable remuneration.

Lastly, it should be noted that pursuant to Royal Decree 602/2016, of 2 December, the information required in relation to the amount of the third-party liability insurance policies of **Abertis**' directors for damage caused or omissions, which totalled EUR 219 thousand (2022: EUR 330 thousand), are disclosed.

b) Other disclosures concerning the Board of Directors

Pursuant to Article 229 of the Spanish Limited Liability Companies Law, the directors have not reported any direct or indirect conflict of interest that they (or any persons related to them) might have with the Company's interests.

c) Group companies and associates

The composition of the financial assets and liabilities, excluding equity instruments (Note 8-b), held by the Company with Group companies and associates (Note 8-a) is as follows:

	31 December 2023				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Debts	
	Non-current	Current	Current	Non-current	Current
Edizione	-	-	8	-	-
Abertis HoldCo	-	56,443	1,014	-	1,299
Abertis Aut. Spain	-	-	-	-	152,352
Acesa	-	-	-	-	102
Castellana	-	-	-	-	26
Avasa	-	-	-	-	9
Aucat	-	-	117	-	-
Túnel del Cadí	-	-	-	-	2
Hit 2	-	-	-	-	10,477
Sanef	-	-	3,802	-	17
Emovis	-	-	346	-	3
Emovis Operations	-	-	-	-	3
Abertis Mobility services	-	-	67	-	505
Abertis Finance BV	-	51,888	-	2,195,402	157,968
Invin	-	1,421	-	-	-
Metropistas	-	56	8	-	-
Ausol	-	(13)	210	-	-
Gco	-	-	50	-	-
Arteris	-	-	249	-	20
Abertis Italia	-	-	-	215,329	5,791
A4 Mobility	-	-	415	-	9
A4 Holding	-	-	3,203	-	-
A4 Trading	-	-	-	-	26
Abertis India Toll Road	-	-	147	-	-
Jadche, JEPL	-	-	188	-	-
Trichy, TTPL	-	-	215	-	-
Infraestructuras Viarias Mexicanas	-	-	-	-	(27)

	31 December 2023				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Debts	
	Non-current	Current	Current	Non-current	Current
RCO	-	-	794	-	-
Puerto Rico Tollroads	-	-	1,567		
ERC Opco, LLC	-	14,309	-	-	-
Total	**-**	**124,104**	**12,400**	**2,410,731**	**328,582**

	31 December 2022				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Debts	
	Non-current	Current	Current	Non-current	Current
Mundys	-	-	143	-	-
Abertis HoldCo	-	109,426	-	-	61,517
Abertis Aut. Spain	-	5,397	94	-	321
Acesa	-	-	-	-	121
Avasa	-	-	-	-	17
Societat Autopistes Catalanes	-	9,234	-	-	174
Aucat	-	-	-	-	19
Túnel del Cadí	-	-	-	-	3
Hit 2	-	-	-	-	17,725
Sanef	-	-	3,172	-	13
Emovis	-	-	424	-	903
Abertis Mobility services	-	-	40	-	29
Abertis Tel. Satélites	-	-	-	-	290,429
Abertis Finance BV	-	34,870	-	2,298,526	57,967

	31 December 2022				
	Financial assets			Financial liabilities	
	Loans and other financial assets		Trade receivables from Group companies and associates	Debts	
	Non-current	Current	Current	Non-current	Current
Abertis Internacional	255,982	540	-	-	-
Invin	-	1,421	-	-	-
Vías Chile	-	-	581	-	-
Autopista Central	-	-	225	-	-
Metropistas	-	56	-	-	-
Ausol	-	(13)	857	-	-
Gco	-	145	81	-	-
Arteris	-	-	329	-	-
Partícipes en Brasil	-	-	10	-	-
Partícipes en Brasil II	-	-	10	-	-
A4 Mobility	-	-	124	-	-
A4 Holding	-	-	1,029	-	-
Abertis India Toll Road	-	-	525	-	-
Jadche, JEPL	-	-	524	-	-
Trichy, TTPL	-	-	610	-	-
Infraestructuras Viarias Mexicanas	-	-	-	-	(27)
RCO	-	-	985	-	-
ERC Opco, LLC	-	-	162	-	-
Other items	-	70	48	-	13
Total	**255,982**	**161,146**	**9,973**	**2,298,526**	**429,224**

During 2021, Abertis Infraestructuras Finance, B.V. issued two perpetual subordinated bonds secured by Abertis Infraestructuras, S.A. for an aggregate amount of EUR 750,000 thousand, redeemable on or after the fifth anniversary of the payment date. An early redemption option rests with the issuer. **Abertis** therefore had an intercompany balance payable to Abertis Infraestructuras Finance, B.V. for the same sum.

On 24 November 2020, intercompany borrowings amounting to EUR 1,250 million and maturing in 2026 were arranged between **Abertis** and Abertis Infraestructuras Finance, B.V. This debt is for the same amount of the issue of perpetual subordinated bonds by the aforementioned subsidiary on that same date.

Abertis has non-current balances payable to Abertis Infraestructuras Finance, B.V. maturing in 2024 and 2039.

Abertis Infraestructuras, S.A. has a full and unconditional guarantee of the issues placed by Abertis Infraestructuras Finance, B.V., as described in Note 18.a.

Abertis has also granted a guarantee securing the novated debt of EUR 1,000 million, and its possible rollovers and/or refinancing, to its majority shareholder, Abertis HoldCo, S.A., as described in Note 18-a.

Loans and borrowings between Group companies accrue interest at market rates and are arranged per market conditions and therefore reasonably considered to be arm’s length.

All commercial transactions are likewise performed on an arm's length basis.

The payables to Group companies and associates mature as follows:

31 December 2023

	Current	**Non-current**						
	2024	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Total**	**Total non-current and current**
Payables to Group companies and associates	328,582	-	1,246,690	741,456	-	422,585	2,410,731	2,739,313

31 December 2022

	Current	**Non-current**						
	2023	**2024**	**2025**	**2026**	**2027**	**Subsequent years**	**Total**	**Total non-current and current**
Payables to Group companies and associates	429,224	108,746	3,611	1,248,659	742,466	195,044	2,298,526	2,727,750

Details of the transactions carried out by the Company in 2023 and 2022 with Group companies and associates (Note 4.16) are shown below:

	31 December 2023				
	Revenue			**Expenses**	
	Services rendered and other income	**Interest received**	**Return on equity (dividends)**	**Services received**	**Interest paid**
Edizione	8	-	-	-	-
Abertis HoldCo	-	1,022	-	-	2,705
Abertis Autopistas España	2,138	106	83,483	228	2,769
Acesa	-	-	-	101	-
Castellana	1,397	-	-	26	-
Avasa	1,941	-	-	(10)	-
Aulesa	78	-	-	-	-
Aucat	1,190	-	-	11	-
Túnel del Cadí	-	-	-	21	-
HIT	-	-	560,000	-	-
HIT 2	-	-	-	-	483
Sanef	20,612	-	-	9	-
Emovis	232	347	-	(21)	-
Emovis Ope.	-	-	-	4	-
A. Puerto Rico	22	-	5,615	-	-
Metropistas	31	-	607	-	-
Gco	96	2	-	-	-
Ausol	751	-	-	-	-
Vías Chile	5,738	-	-	-	-
Invin	112	-	79,600	-	-
Autopista Central	233	-	-	-	-
Abertis Finance BV	-	2,724	-	-	74,685
Arteris	1,012	-	-	14	-
Participes en Brasil	110	-	-	-	-
Participes en Brasil II	110	-	-	-	-
Abertis Mobility Services	278	-	8,000	575	-
Abertis Italia	-	-	52,700	-	9,184

	31 December 2023				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity (dividends)	Services received	Interest paid
A4 Mobility	465	-	-	9	-
A4 Holding	4,144	-	-	-	-
A4 Trading	-	-	-	26	-
Abertis India Toll Road	294	-	-	-	-
Abertis India	-	-	10,500	-	-
Trichy,TTPL	98	-	-	-	-
Jadche, JEPL	112	-	-	-	-
RCO	7,238	-	-	-	-
ERC Opco, LLC	1,335	-	-	-	-
Puerto Rico Tollroads	1,567	-	-	-	-
Total	**51,468**	**4,200**	**800,505**	**993**	**89,826**

	31 December 2022				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity (dividends)	Services received	Interest paid
Abertis HoldCo	-	93	-	-	191
Abertis Autopistas España	2,094	7	582,894	204	401
Acesa	14	-	-	118	-
Castellana	1,336	-	-	-	-
Avasa	1,777	-	-	15	-
Aulesa	73	-	-	-	-
Societat d’Autopistes Catalanes	-	8	-	-	559
Aucat	968	-	-	24	-
Infraestructures Viàries de Catalunya	(115)	-	-	-	-
Túnel del Cadí	-	-	-	19	-

	31 December 2022				
	Revenue			Expenses	
	Services rendered and other income	Interest received	Return on equity (dividends)	Services received	Interest paid
HIT	-	-	619,091	-	-
HIT 2	-	-	-	-	67
Sanef	20,386	-	-	42	-
Emovis	213	373	-	170	-
Eurotoll	52	42	-	13	-
A. Puerto Rico	-	-	7,978	-	-
Metropistas	139	-	-	-	-
Gco	103	-	-	-	-
Ausol	929	-	1,141	-	-
Abertis telecom Satélites	-	-	-	-	904
Vías Chile	5,707	-	-	(14)	-
Invin	106	-	125,786	-	-
Autopista Central	225	-	-	-	-
Abertis Finance BV	-	1,472	-	-	74,207
Abertis Internacional	-	2,392	30,813	-	-
Arteris	1,047	-	-	-	-
Participes en Brasil	104	-	-	-	-
Participes en Brasil II	104	-	-	-	-
Abertis Mobility Services	306	-	33,007	24	-
A4 Mobility	405	-	-	-	-
A4 Holding	3,872	-	-	-	-
Abertis India Toll Road	255	-	-	-	-
Trichy,TTPL	226	-	-	-	-
Jadche, JEPL	196	-	-	-	-
RCO	6,633	-	-	-	-
ERC Opco, LLC	1,063	-	-	-	-
Total	**48,218**	**4,387**	**1,400,710**	**618**	**76,329**

d) Other related parties

Other related parties, as defined by the Spanish National Chart of Accounts, means those shareholders (in addition to the Group companies and subsidiaries mentioned in the preceding section) of Abertis Infraestructuras, S.A. with significant influence over the Company (Note 4.16).

At 31 December 2023, as at 31 December 2022, the significant shareholders of **Abertis** were Mundys, ACS and Hochtief, as described in Note 12-a.

Also, at 31 December 2023, as at 31 December 2022, **Abertis** did not have any balances with related entities corresponding to: (i) bond issues, loans and credit lines received; (ii) financial swaps arranged; (iii) financing of retirement obligations; (iv) assets purchased and services received; (v) obligations and contingencies; or (vi) other items.

In addition to the dividends paid to shareholders, the breakdown of the balances and transactions with significant shareholders is as follows:

i) <u>Bond issues, loans and credit lines received, obligations and contingencies</u>

At 31 December 2023, as at 31 December 2022, **Abertis** had not issued any bonds and had not arranged any loans or guarantee lines with related entities.

In 2023, as in 2022, no finance income received from or finance costs paid to related entities were recognised.

ii) <u>Financial swaps arranged</u>

At 2023 December, as at 31 December 2022, the Company had not arranged any financial swaps with related banks in relation to foreign currency and/or interest rate hedges.

iii) <u>Financing of employee benefit obligations</u>

In 2023 (as at 31 December 2022) the Company did not make any contributions to insurance policies that the Group may have arranged with any related entity in order to meet the defined benefit obligations to the Group's employees. Also, no plan assets were held in relation to these policies in either of those years.

iv) <u>Assets purchased and services received</u>

During 2023 (the same as in 2022), the Company made no asset purchases from related parties.

Lastly, in 2023 services amounting to EUR 246 thousand were received from related entities (2022: EUR 0 thousand).

v) <u>Other items</u>

In addition, the following transaction was carried out with a related party:

- On 27 December 2023, the Company perfected the agreement reached during the year with Iridium Concesiones de Infraestructuras, S.A. (wholly owned by ACS Actividades de Construcción y Servicios, S.A.) for the acquisition of 56.76% of the US toll road group Blueridge Transportation Group LLC (Btg) for USD 1,533 million (EUR 1,385 million) (Note 8-a).

20. EVENTS AFTER THE REPORTING PERIOD

Apart from what is disclosed in Note 8-c in relation to the Supreme Court's decision on the RD 457/2006 compensation balance and in Note 12-d in relation to the cash contribution to **Abertis'** equity made by HoldCo, S.A. (majority shareholder of the Company) of EUR 1,300 million, which was disbursed on 15 February 2024, as at the date of authorisation for issue of these annual accounts for the year ended 31 December 2023, there have been no other significant events in relation to these accounts after that reporting date.

21. OTHER DISCLOSURES

a) Fees paid to auditors

In 2023 the fees for financial audit and other services provided by KPMG Auditores, S.L. amounted to EUR 158 thousand and EUR 201 thousand, respectively (2022: EUR 144 thousand and EUR 228 thousand, respectively). Other related services consisted of limited reviews of interim financial statements, agreed-upon procedures reports, a comfort letter on securities issues and procedures involving "ICFRS-related information" provided to the Company by KPMG Auditores, S.L.

In 2023 and 2022, the Company's auditor did not provide any other services which, if required according to auditing legislation, would have to be provided by the auditor.

Also, the fees billed by other companies that use the KPMG name in relation to tax advising and other services rendered to the Company amounted to EUR 0 thousand and EUR 194 thousand, respectively (2022: EUR 5 thousand and EUR 331 thousand, respectively).

The services provided in 2023 include the review per standard ISAE 3000 of the Consolidated Statement of Non-Financial Information of Abertis Infraestructuras, S.A.

b) Amendment or termination of agreements

There has been no conclusion, amendment or early termination of any agreement between the Company and any of its shareholders or directors, or any person acting on their behalf, in relation to transactions outside the ordinary course of the Company's business operations or transactions not performed on an arm's length basis.

c) Disclosures on the periods of payment to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July.

The following information is required by Additional Provision Three of Law 15/2010, of 5 July, amended by Final Provision Three of Law 18/2022, of 28 September, on measures to combat late payments in commercial transactions, published in the Official State Gazette on 19 October 2022. Among other matters, the amendment regulates the time limits for payments between businesses and between businesses and government, in accordance with the ICAC Resolution on disclosures to be included in the notes to annual accounts in relation to the average payment period for suppliers in commercial transactions:

	2023	**2022**
Average period of payment to suppliers (no. of days)	24	24
Ratio of transactions settled (no. of days)	25	25
Ratio of transactions not yet settled (no. of days)	22	19
Total payments made	43,318	28,704
Total payments made within the statutory deadline	43,087	28,679
% percentage of total payments made	99.5%	99.9%
Number of invoices paid within the statutory deadline	3,199	2,830
Percentage of total invoices	99.4%	99.8%
Total payments outstanding	658	2,860

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers who, because of their nature, are trade creditors for the supply of goods and services.

Abertis Infraestructuras, S.A.

Appendix to the notes to annual accounts for 2023
(in thousands of euros)

Direct ownership interests in group companies and associates

Company	Address	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year	Dividends received
				Net value	%				
Abertis Infraestructuras Finance, B.V.	Rapenburgerstraat 177 C, 1011 VM Amsterdam (Netherlands)	Financial services	Kpmg	-	100%	18	954,717	48,182	-

Operation of toll roads:

Company	Address	Line of business	Auditor	Net value	%	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year	Dividends received
Abertis Autopistas España, S.A.	Paseo de la Castellana, 89, planta 9, 28046 Madrid	Study, development and construction of civil infrastructure	Kpmg	2,660,130	100%	551,000	1,789,765	(283,944)	83,483
Inversora de Infraestructuras S.L. (INVIN)	Paseo de la Castellana, 89, planta 9, 28046 Madrid	Shareholding	Kpmg	1,413,965	80%	163,416	592,985	140,835	79,600
Autopistas del Sol, S.A. (AUSOL) (1) and (2)	Ruta Panamericana; 2451 Boulogne (B1609JVF) Buenos Aires (Argentina)	Toll road concessionaire	Kpmg	12,346	31.59%	21,513	79,414	113,459	-
Holding d'Infrastructures de Transport, S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Shareholding	Kpmg	3,187,532	100%	769,359	(402,809)	544,624	560,000
Holding d'Infrastructures de Transport, 2 S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Shareholding	Kpmg	46,316	100%	50,000	(2,934)	407	-
Abertis Italia, S.r.l.	Via Flavio Gioia 71, Verona	Shareholding	Kpmg	450,276	100%	341,000	103,242	60,052	52,700

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Appendix to the notes to annual accounts for 2023
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Company	Address	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year	Dividends received
				Net value	%				
Abertis Mobility Services, S.L.	Avenida Diagonal 611-613, 3ª planta, 08028 Barcelona	Design, development, implementation and maintenance of technological solutions for the management of transport infrastructure	Kpmg	39,760	100%	1,003	19,441	(87)	8,000
Autopistas Metropolitanas de Puerto Rico, LLC (1)	City View Plaza 500, Torre 1 Carretera 165 Núm. 48 Guaynabo, P.R. 00968 (Puerto Rico)	Toll road concessionaire	Kpmg	260,230	51.00%	287,556	(34,585)	53,766	607
Autopistas de Puerto Rico LLC (APR) (1)	Montellanos Sector Embalse San José - San Juan de Puerto Rico 00923 (Puerto Rico)	Infrastructure concession operator	Kpmg	-	100%	2,749	(9,474)	19,861	5,615
Puerto Rico Tollroads LLC	City View Plaza 500, Torre 1 Carretera 165 Núm. 48 Guaynabo, P.R. 00968 (Puerto Rico)	Toll roads	Kpmg	1,441,072	100%	1,408,715	(39,171)	(9,058)	-
MP Operator, LLC	City View Plaza 500, Torre 1 Carretera 165 Núm. 48 Guaynabo, P.R. 00968 (Puerto Rico)	Toll roads	Kpmg	607	51%	1,176	-	11	-
Sociedade Para Participação em Infraestructura, S.A. (1)	Avda Presidente Juscelino Kubitschek, 1455. 9º andar. Itaim Bibi. São Paulo. 04543-011 (Brazil)	Operation of concessions	Kpmg	-	51.00%	4,198	(3,426)	22	-

Abertis Infraestructuras, S.A.

Appendix to the notes to annual accounts for 2023
(in thousands of euros)

Company	Address	Line of business	Auditor	Ownership interest		Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year	Dividends received
				Net value	%				
Partícipes en Brasil, S.A.	Paseo de la Castellana, 89, planta 9, 28046 Madrid	Shareholding	Kpmg	90,445	51.00%	41,093	384,963	(306,326)	-
Infraestructuras Viarias Mexicanas, S.A. de CV	Oso 127 Int.104, Colonia del Valle, Del. Benito Juárez, C.P. 03104, Mexico City (Mexico)	Shareholding	Kpmg	1,247,793	99.9%	1,638,998	(863)	82,923	-
Abertis USA Holdco LLC	152 TUNNEL FACILITY DR, PORTSMOUTH, VA - 23707-1802	Shareholding	Kpmg	535,487	100%	588,656	(85)	(72)	-
Abertis SH 288 HoldCo Spain, S.L.	Paseo de la Castellana 89, planta 9, 28046 Madrid	Shareholding	Kpmg	1,385,016	100%	13	1,044,555	-	-
Abertis India, S.L.	Paseo de la Castellana, 89, planta 9, 28046 Madrid	Shareholding	Kpmg	93,623	100%	16,034	80,332	12,134	10,500
Abertis India Tollroad Services LLP	Express Towers, 03rd Floor, Nariman Point, Mumbai - 400 021, India	Shareholding	Kpmg	24	100%	2,014	(459)	148	-
				12,864,622					**800,505**

Abertis Infraestructuras, S.A.

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(in thousands of euros)

Indirect ownership interests

Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Through Abertis Autopistas España:								
Iberpistas, S.A.	Autopista AP-6 PK57 San Rafael Segovia	Toll road concessionaire	Kpmg	100%	Abertis Autopistas España, S.A.	54,000	383,493	179,786
Areamed 2000, S.A.	Avda. Diagonal, 579-587 5ª planta 08014 Barcelona	Operation of service areas	Other auditors	50.00%	Abertis Autopistas España	2,070	(752)	(33)
Bip&Drive E.DE., S.A.	Paseo de la Castellana 95, Torre Europa, Planta 16, 28046 Madrid	Marketing of tags	Other auditors	50.00%	Abertis Autopistas España	4,613	12,719	3,847
Abertis Gestión Viaria, S.A.	Av. Pedralbes, 17 Barcelona	Toll road concessionaire	Kpmg	100%	Abertis Autopistas España, S.A.	60	28	(5)
Ciralsa, S.A.C.E. (4)	Av. Maisonnave, 41 Alicante	Construction, upkeep and operation of toll roads	Kpmg	25.00%	Abertis Autopistas España, S.A.	-	-	-
Grupo Concesionario del Oeste, S.A. (Gco) (1) and (3)	Ruta Nacional no. 7, km25,92 Ituzaingó (Argentina)	Toll road concessionaire	Kpmg	48.60%	Abertis Autopistas España, S.A.	38,944	5,351	51,892
Autopista Terrassa-Manresa, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Autopista C-16, km 41. Barcelona	Toll road concessionaire	Other auditors	23.72%	Abertis Autopistas España, S.A.	83,411	276,094	31,583

Abertis Infraestructuras, S.A.

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(in thousands of euros)

Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Cataluña, S.A.	C. de Vallvidrera a San Cugat BV-1462 km 5.3 Barcelona	Toll road concessionaire	Kpmg	50.01%	Abertis Autopistas España, S.A.	60	77,738	24,970
Autopistes de Catalunya, S.A. Concessionària de la Generalitat de Catalunya	Av. Pedralbes, 17 Barcelona	Toll road concessionaire	Kpmg	100%	Abertis Autopistas España, S.A.	96,160	82,369	48,186
Castellana de Autopistas, S.A.C.E.	Autopista AP-6 PK57 Centro de Eplotación y Control 44410 San Rafel (Segovia)	Toll road concessionaire	Kpmg	100%	Iberpistas	100,500	155,843	85,457
Autopistas de León, S.A.C.E. (AULESA)	Ctra. Santa María del Páramo s/n Villadongos del Páramo, León	Toll road concessionaire	Kpmg	100%	Iberpistas	34,642	(17,877)	(929)
Autopista Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n 48410 Orozco. Vizcaya	Toll road concessionaire	Kpmg	100%	Iberpistas	237,095	6,397	55,712
Autopista Trados 45, S.A. (TRADOS-45)	Ctra. M-203 P.K. 0.280. Madrid	Toll road concessionaire	Kpmg	51.00%	Iberpistas	21,039	95,961	35,080
Alazor Inversiones, S.A. (4)	M-50 Ring Road, Km 67.5 Service Area in Atalaya Villaviciosa de Odón.Madrid	Shareholding	Kpmg	31.22%	Iberpistas	-	-	-
Infraestructuras y Radiales, S.A. (IRASA) (4)	M100 Alcalá de Henares a Daganzo Km 6.3 28806 Alcalá de Henares	Administration and management of infrastructure	Kpmg	30.00%	Iberpistas/ Avasa	-	-	-
M-45 Conservación, S.A. (4)	Ctra. M-203 P.K. 0.280. Madrid	Upkeep and maintenance of toll roads	Kpmg	25.50%	Trados 45	553	46	55

Abertis Infraestructuras, S.A.

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Accesos de Madrid, C.E.S.A. (4)	M-50 Ring Road, Km 67.5 Service Area in Atalaya Villaviciosa de Odón.Madrid	Toll road concessionaire	Kpmg	31.22%	Alazor Inversiones	-	-	-
Autopista del Henares, S.A.C.E. (HENARSA) (4)	M100 Alcalá de Henares a Daganzo Km 6.3 28806 Alcalá de Henares	Toll road concessionaire	Kpmg	30.00%	Infraestructuras y Radiales	-	-	-

Through Vías Chile and Inversora de Infraestructuras (1):

Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Vías Chile, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Promotion, upkeep and operation of all manner of construction projects	Kpmg	80.00%	Invin	95,446	(35,102)	156,471
Gestora de Autopistas, S.A. (GESA)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Management, maintenance and operation of roads, highways and toll roads	Kpmg	80.00%	Vias Chile	1,118	1,179	291
Sociedad Concesionaria del Elqui, S.A. (Elqui)	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concessionaire	Kpmg	80.00%	Vias Chile/ Gesa	2,553	(1,993)	2,735
Sociedad Concesionaria Rutas del Pacífico, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concessionaire	Kpmg	80.00%	Vias Chile/ Gesa	75,087	55,213	63,634
Sociedad Concesionaria Autopista de Los Andes, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concessionaire	Kpmg	80.00%	Vias Chile	36,299	(47,188)	9,087
Operavías, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Maintenance, management and operation of transport infrastructure	Kpmg	80.00%	Vias Chile	4,329	(1,759)	4,392

Abertis Infraestructuras, S.A.

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Sociedad Concesionaria Autopista Central, S.A.	San Bernardo 1145, comuna San Bernardo 8071144 (Chile)	Toll road concessionaire	Kpmg	80.00%	Vias Chile/ Gesa	78,495	81,071	163,401
Sociedad Concesionaria Autopista Los Libertadores, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concessionaire	Kpmg	80.00%	Gesa/ Vias Chile	16,711	17,685	12,812
Sociedad Concesionaria Autopistas del Sol, S.A.	Rosario Norte Nº407, Las Condes Santiago, (Chile)	Toll road concessionaire	Kpmg	80.00%	Gesa/ Vias Chile	5,077	1,851	(7,127)

Through Holding d'Infrastructures de Transport, S.A.S. (1):

SANEF, SA (Sociétés des Autoroutes du Nord-Est de la France)	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Toll road concessionaire	Kpmg	100%	Holding d'Infrastructures de Transport, S.A.S	53,090	727,995	746,610
SAPN S.A. (Société des autoroutes Paris-Normandie)	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Toll road concessionaire	Kpmg	99.97%	Sanef	14,000	242,695	167,248
Bip&Go S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Electronic toll device distributor	Kpmg	100%	Sanef	1	(1,697)	9,124
Leonord S.A.S.	Chemin de la Belle Cordière, 69300, Caluire-et-Cuire (France)	Management of operating contracts	Other auditors	35.00%	Sanef	697	40	144

Abertis Infraestructuras, S.A.

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Leonord Exploitation, S.A.S.	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Management of operating contracts	Kpmg	85.00%	Sanef	40	5	-
SE BPNL	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Maintenance, operation and upkeep of roads	Kpmg	100%	Sanef	40	92	218
Routalis S.A.S.	11, avenue du Centre 78280 Guyancourt. (France)	Management of ground transport infrastructure	Kpmg	30.00%	Sapn	40	4	470
Sanef 107.7, SAS	30, Boulevard Gallieni 92130 Issy-les-Moulineaux (France)	Radio sound broadcasting service operator	Kpmg	100%	Sanef	15	518	403

Through Abertis Mobility Services, S.L. (1):

Emovis S.A.S.	30, boulevard Gallieni, 92130 Issy-Les-Moulineaux (France)	Toll road systems operator and provider	Kpmg	100%	Abertis Mobility Services	11,782	36,015	11,115
AMS Mobility Services Spain, S.L.	Avenida Diagonal 611-613, 3ª planta 08028 Barcelona	Toll road systems operator and provider	Kpmg	100%	Abertis Mobility Services	-	-	-
Emovis Us Inc.	1600 Stewart Avenue, Westbury New York (USA)	Toll road operator	-	100%	Abertis Mobility Services	26	-	-
AMS Operations UK, Ltd.	St John Offices, Albion Street, Leeds (United Kingdom)	Processing of toll road transactions	Kpmg	100%	Abertis Mobility Services	-	-	-
Emovis Operations Ireland Ltd	2nd Floor Cape House, Westend Office Park, Blanchardstown, Dublin 15 (Ireland)	Toll road operator	Kpmg	100%	Emovis SAS	-	1,830	164

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Emovis Operations Mersey Ltd	Howard Court Manor park avenue Manor park Runcorn Cheshire, England WA7 1SJ	Toll road operator	Kpmg	100%	Emovis SAS	-	137	1,074
Emovis technologies US, Inc.	The Corporation Trust Incorporated, 2405 York Road, Suite 201, Lutherville Timonium, Maryland 21093-2264, USA	Toll road systems provider	Kpmg	100%	Emovis SAS	1	3,813	(526)
Emovis technologies UK Limited	7th Floor, 20 St Andrew Street, London, EC4A 3AG	Toll road systems maintenance	Kpmg	100%	Emovis SAS	1	6	(6)
Emovis technologies d.o.o.	Lovacki put 1a HR-21000 Split (Croatia)	Toll road systems provider	Kpmg	100%	Emovis SAS	314	670	495
Emovis technologies Ireland Limited	c/o UHY FDW Corporate Compliance Ltd, FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth, Ireland A91 RW26	Toll road systems maintenance	Kpmg	100%	Emovis SAS	-	(13)	13
Emovis Operations Leeds (UK)	St John Offices, Albion Street, Leeds L2 8LQ (United Kingdom)	Toll road operator	Kpmg	100%	Emovis SAS	-	1,789	1,301
Technologies Emovis Québec, Inc. (previously Emovis Technologies Québec, S.L.)	3700-800 Place Victoria Montreal Quebec H4Z1E9 (Canada)	Toll road systems operator	Kpmg	100%	Emovis SAS	-	(50)	9

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Emovis TAG Limited (UK)	St John Offices, Albion Street, Leeds L2 8LQ (United Kingdom)	Marketer of tags in the UK	Kpmg	100%	Emovis SAS	-	(422)	422
Emovis Chile, Spa	El Rosal 4557 Huechuraba Santiago (Chile)	Toll road systems operator	Kpmg	100%	Emovis SAS	184	58	52
Emovis Operations North America (previously Emovis Operations Puerto Rico, Inc.)	The Corporation Trust Incorporated, 2405 York Road, Suite 201, Lutherville Timonium, Maryland 21093-2264, USA	Toll road systems operator	Kpmg	100%	Emovis technologies US, Inc.	1	1,283	322

Through Abertis India:

Trichy Tollway Private Limited (TTPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concessionaire	Other auditors	100%	Abertis India	21,216	(10,491)	9,058
Jadcherla Expressways Private Limited (JEPL)	3rd Floor, 'C' Block, TSR Towers, 6-3-1090, Rajbhavan Road, Hyderabad - 500082, Telangana, India	Toll road concessionaire	Other auditors	100%	Abertis India	18,000	5,297	7,570

Through Abertis Italy:

A4 Holding S.p.A.	Via Flavio Gioia 71, Verona	Shareholding	Kpmg	91.26%	Abertis Italia	134,110	343,635	61,101
Autostrada Brescia Verona Vicenza Padova S.p.A.	Via Flavio Gioia 71, Verona	Toll road concessionaire	Kpmg	91.26%	A4 Holding S.p.A.	125,000	431,637	16,904

Abertis Infraestructuras, S.A.

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Serenissima Partecipazioni S.p.A.	Via Flavio Gioia 71, Verona	Construction and maintenance	Kpmg	91.26%	A4 Holding S.p.A.	-	(511)	511
A4 Trading S.r.l.	Via Flavio Gioia 71, Verona	Parking facility maintenance and development consulting services	Kpmg	91.26%	A4 Holding S.p.A.	3,700	8,564	1,144
Globalcar Services, S.p.a.	Via Alberto Dominutti 5, Verona	Lease of vehicles	Kpmg	91.26%	A4 Holding S.p.A.	500	7,000	1,256
A4 Mobility S.r.l.	Via Flavio Gioia 71, Verona	Maintenance, operation and upkeep of infrastructure	Kpmg	91.26%	A4 Holding S.p.A.	100	56,435	7,004
Mulhacen S.r.l.	Via Flavio Gioia 71, Verona	Preparation of insolvency agreement proposals	Kpmg	91.26%	A4 Holding, S.p.A.	10	68	1,881

Through Partícipes en Brasil (1):

PDC Participações, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º Andar- CEP 04543-011- São Paulo/ SP (Brazil)	Operation of concessions	Kpmg	51.00%	Partícipes en Brasil, S.A.	113,500	(83)	(15)
Partícipes en Brasil II, S.L.	Paseo de la Castellana, 89, planta 9, 28046 Madrid	Construction, upkeep and operation of toll roads under concession arrangements, or just their upkeep and operation and, generally, the management of road concessions in Spain and abroad	Kpmg	51.00%	Partícipes en Brasil, S.A.	3	219,134	(157,425)

Abertis Infraestructuras, S.A.

Appendix to the notes to annual accounts for 2023
(in thousands of euros)

Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
Arteris, S.A.	Avda Presidente Juscelino Kubitschek, 1455. 9º Andar- CEP 04543-011- São Paulo/ SP (Brazil)	Holdings of non-financial institutions	Kpmg	41.97%	Partícipes en Brasil II/ PDC Participações, S.A.	998,517	437,035	2,507
Arteris Participações, S.A.	Avda Presidente Juscelino Kubitschek, 510. 12º andar. Vila Nova Conceição- São Paulo/ SP (Brasil)	Shareholding	Kpmg	41.97%	Arteris Brasil, S.A.	13,772	(12,335)	13,452
Autovías, S.A.	Municipio de Ribeirão Preto, Estado de São Paulo, Rua David Capistrano da Costa Filho, 185, Jd. Ouro Branco, CEP 14079-795 (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Kpmg	41.97%	Arteris Brasil, S.A.	23,808	1,527	11,264
Centrovias Sistemas Rodoviários, S.A.	Rodovia Washington Luis, km 216.8 - Pista Sul - CEP 13530-000 - Itirapina - SP (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Kpmg	41.97%	Arteris Brasil, S.A.	18,427	24,672	2,734
Concessionária de Rodovias do Interior Paulista, S.A.	Rodovia Anhanguera- SP 330 Km 168 - Pista Sul- CEP 13602-040 (city) Araras – (state) SP. (Brazil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Kpmg	41.97%	Arteris Brasil, S.A./ Arteris Participações, S.A.	24,176	(234)	41,194
Vianorte, S.A.	Rodovia Anhanguera- SP 330 km 312,2- Pista Norte- CEP 14079-000 (city) Reiberão Preto (state) (Brasil)	Construction and operation of dual carriageway in São Paulo (Brazil)	Kpmg	41.97%	Arteris Brasil, S.A.	20,057	1,478	8,726

Abertis Infraestructuras, S.A.

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Company	Address	Line of business	Auditor	% of indirect ownership interest	Holder of indirect ownership interest	Share capital	Reserves (*) (interim dividend deducted)	Profit (loss) for the year
ViaPaulista S.A.	Rodovia Anhanguera - SP 330 km 312,2 - Pista Norte - CEP 14079-000 (city) Ribeirão Preto - (state) SP. (Brazil)	Road construction and operation	Kpmg	41.97%	Arteris Brasil, S.A.	268,825	23,698	18,299
Autopista Planalto Sul, S.A.	PC Praça de Pedágio de Rio Negro BR 116 Km 204 s/nº Bairro Roseira- Rio Negro- CEP 83880-990- PR (Brazil)	Road construction and operation	Kpmg	41.97%	Arteris Brasil, S.A.	205,077	(63,643)	(6,161)
Autopista Fluminense, S.A.	Rua XV de Novembro, nº4- sala 901, Torre Sul- Shopping Plaza Niterói- RJ- CEP 24466-315 (Brazil)	Road construction and operation	Kpmg	41.97%	Arteris Brasil, S.A.	192,993	(287,697)	(21,821)
Autopista Fernão Dias, S.A.	Rodovia BR-381, km 850,5 - Pista Norte - CEP 37550-000 - Bairro Ipiranga - Pouso Alegre - MG (Brazil)	Road construction and operation	Kpmg	41.97%	Arteris Brasil, S.A.	323,321	(137,681)	8,931
Autopista Régis Bittencourt, S.A.	Rodovia SP 139, nº 226, Bairro Sao Nicolau - CEP 11900-000 - Registro - SP (Brazil)	Road construction and operation	Kpmg	41.97%	Arteris Brasil, S.A.	182,175	(26,996)	(6,621)
Autopista Litoral Sul, S.A.	Rua Francisco Muñoz Madrid, nº625 módulos 402.2 e 403, bloco 4, Condominio Portal do Porto, Bairro Roseira- CEP 83070-152 São José dos Pinhais- PR (Brazil)	Road construction and operation	Kpmg	41.97%	Arteris Brasil, S.A.	586,402	(6,098)	21,415

Abertis Infraestructuras, S.A.

Appendix to the notes to annual accounts for 2023
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Through Infraestructuras Viarias Mexicanas:

Red de Carreteras de Occidente, S.A.B. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concessionaire	Kpmg	53.12%	Infraestucturas Viarias Mexicanas	18,051	25,842	240,075
Prestadora de Servicios RCO, S. de R. L. DE C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concession operator	Kpmg	53.12%	Red de Carreteras de Occidente	-	4,554	1,236
RCO Carreteras, S. de R.L. de C.V.	Autopista Guadalajara - Zapotlanejo Km. 9+000, C.P. 44610, Guadalajara, Jalisco	Toll road concession operator	Kpmg	53.12%	Red de Carreteras de Occidente	267	1,656	(55)
Concesionaria de Vías Irapuato Querétaro, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concessionaire	Kpmg	53.12%	Red de Carreteras de Occidente	65,517	63,145	41,411
Concesionaria Irapuato La Piedad, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concessionaire	Kpmg	53.12%	Red de Carreteras de Occidente	14,123	12,566	7,708
Concesionaria Tepic - San Blas, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concessionaire	Kpmg	53.12%	Red de Carreteras de Occidente	14,440	2,473	2,375
Autovías de Michoacán, S.A. de C.V.	Av. Américas No.1592 Piso 4, Colonia Country Club, C.P.44610, Guadalajara, Jalisco	Toll road concessionaire	Kpmg	53.12%	Red de Carreteras de Occidente	23,446	2,994	1,467

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Through Abertis USA Holdco:

Virginia Tollroad TransportCo LLC	152 Tunnel Facility Dr, Portsmouth, Virginia 23707, USA	Shareholding	Kpmg	55.20%	Abertis USA HoldCo	1,065,792	(3,816)	(27)
Elisabeth River Crossings Holdco, LLC	152 Tunnel Facility Dr, Portsmouth, Virginia 23707, USA	Toll road concessionaire	Kpmg	55.20%	Virginia Tollroad TransportCo	102,675	(13)	(12)
Elisabeth River Crossings Opco, LLC	152 Tunnel Facility Dr, Portsmouth, Virginia 23707, USA	Toll road concessionaire	Kpmg	55.20%	Elisabeth River Crossings Holdco	102,421	(177,525)	15,391

Through Abertis SH 288 Holdco:

SH 288 Investment Inc.	1 Alhambra Plaza, Suite 1200, Coral Gables, FL 33134	Toll roads	Kpmg	100%	Abertis SH 288 Holdco	70,101	(12,588)	-
SH 288 Holdings S.A.	Paseo de la Castellana 89, planta 9, 28046 Madrid	Toll roads	Kpmg	100%	Abertis SH 288 Holdco	59	717,777	-
SH 288 Share capital	1209 Orange Street, Wilmington, New Castle, Delaware 19801	Toll roads	Kpmg	100%	Abertis SH 288 Holdco	50,103	-	-
SH 288 Holdings LLC	1 Alhambra Plaza, Suite 1200, Coral Gables, FL 33134	Toll roads	Kpmg	100%	Abertis SH 288 Holdco	696,396	(1,110)	-
BTG Holdco	6538 South Frway Houston, TX, 77021. USA	Toll roads	Kpmg	56.76%	SH 288 Share capital / SH 288 Holdings LLC	277,931	-	-
Blueridge Transportation Group, LLC	6538 South Frway Houston, TX, 77021. USA	Toll roads	Kpmg	56.76%	BTG Holdco	264,366	27,984	-

Abertis Infraestructuras, S.A.

Appendix to the notes to annual accounts for 2023
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(*) Including valuation adjustments and excluding non-controlling interests.
(1) Information in accordance with IFRSs.
(2) The shares of Ausol are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2023 was ARS 1,376.36. At year-end, the market price was ARS 1,916.50. 49.92% of the voting rights are held.
(3) The shares of GCO are listed on the Buenos Aires Stock Exchange. The average market price in the last quarter of 2023 was ARS 556.03. At year-end, the market price was ARS 745. 19.86% of the voting rights are held.
(4) Information not available at 31 December 2023.
(5) Latest information available at 31 December 2020.

Abertis Infraestructuras, S.A.

2023 Directors' Report

2023 DIRECTORS' REPORT

1. Company information:

Abertis in 2023

The **Abertis** Group is a worldwide leader in infrastructure management and mobility services, operating close to 7,880 km of high-capacity, high-quality roads in 15 countries in Europe, the Americas and Asia, of which approximately 7,822 km are managed directly.

Abertis is a key toll road operator in countries such as Chile, Brazil, Mexico, Puerto Rico, and has a strong presence in others, such as France, Spain, Italy and the USA.

Abertis Infraestructuras, S.A. is the parent of a Group of companies in which, in some cases, it is the sole shareholder and, in others, the majority shareholder of holding companies in the various lines of business and geographical markets in which it operates. The **Abertis** structure at 31 December 2023 is shown below:

An itemisation of the Group companies directly and indirectly owned by **Abertis** at 31 December 2023 and the percentage ownership therein is shown in Appendix I to the consolidated annual accounts.

Abertis Infraestructuras, S.A.

2023 Directors' Report

Abertis and the other Group companies have since 2018 formed part of the Mundys Group, which is controlled by Mundys, S.p.A. as parent company (with registered office at Piazza San Silvestro, 8, 00187 Rome, Italy, formerly Atlantia S.p.A.), which was delisted from the Italian Stock Exchange on 9 December 2022 and which, in turn, forms part of the group controlled by Edizione S.p.A. (with registered office at Piazza del Duomo, 19, Treviso, Italy).

2023 Milestones

January-March

- New free-flow toll project in Netherlands: Emovis, the trade name of Abertis Mobility Services (AMS), is the tenderer selected to provide free-flow toll porticos and other services during the next eight years, a project valued at EUR 7 million.
- **Abertis** is finalist in the *Expansión* Award in the category of "Best compliance ethics initiative", which distinguishes businesses that foster an ethics culture and business models based on regulatory compliance.
- **Abertis** concludes its first issue of Sustainability-Linked Bonds (SLBs) for EUR 600 million and with maturity of 6.5 years. This new issue, which forms part of the Group's 2022-2030 Sustainability Plan and Strategy, underscores **Abertis'** efficiency in the active management of its debt and financial risks. The issue was closed with a coupon of 4.12%. Nevertheless, the final cost of this funding is substantially lower as it is offset by the gains recorded by the Group on its interest rates hedges arranged in 2022, bringing the percentage down to 2.78%.
- New ISO 37001 certification: Abertis Infraestructuras achieves recertification of ISO 37001 on risks relating to bribery and corruption.
- **Abertis** participates in publishing an article on graphene in the Italian journal *LeStrade*. The publication contributes to unlocking the value of using graphene as an innovative and sustainable material for roads.
- AMS inaugurates headquarters in Barcelona: the **Abertis** technology subsidiary has a new headquarters in the Prisma building, which has been designed in line with rigorous sustainability standards and placing a premium on employee well-being.
- New Breeam certification of Abertis Infraestructuras' facilities in Barcelona. Breeam certification attests to the presence of measures for energy efficiency, acoustic insulation and the use of paints and finishes with low levels of contaminants, among other sustainability considerations.

- Sanef, the French subsidiary, forms an alliance with two French groups, CEVA Logistics and ENGIE, to decarbonise road freight transport in Europe. The alliance, called ECTN Alliance, has a network of low-carbon energy supply terminals and IT tools for planning and boosting efficiency in transport routes.
- Sustainability training project for suppliers of Abertis Infraestructuras: with the aim of expanding alignment with Sustainable Development Goals, a sustainability training campaign is carried out for all suppliers in alliance with the organisation "Global Compact of Spain".
- Premier of the documentary "Vidas en movimiento" ("Lives in Motion"): in this documentary short, Fundación Abertis, AMS and Autopistas show how mobility allows more sustainable lifestyles, better connected environments and more inclusive opportunities.
- Brazilian subsidiary Arteris receives the award "Women in Leadership 22/23" which fosters gender equality.
- HIT places a EUR 500 million issue of 7-year bonds with a coupon of 4.25% (trimmed to 3.5% after applying the gains on the interest rate hedges arranged in 2022). The proceeds have been used to repay the EUR 500 million due in March.

April-June

- Subsidiaries Autopistas, AMS and Sanef participate in the CRETA project to promote sustainable mobility using 5G technology.
- Mexico launch of the Fundación Abertis campaign, #PuedoEsperar (#ICanWait), to prevent traffic accidents stemming from distractions by drivers using mobile phones.
- Autopistas España takes steps towards clean energy by installing 18 solar panels for self-supply in the Spanish provinces of Barcelona, Girona, Tarragona, Ávila, Segovia and León.
- Autopistas España successfully concludes the EUMOB project within the framework of the CEF-2 5G Corridors Programme. The project showcases the integrating viability of digitising a European-level roadway between two countries, aimed at achieving harmonised rollout of advanced services for connected mobility.
- Publication of corporate guide on Road Safety.
- The Road Safety days in Mexico draw participants from different countries including Brazil, Mexico, Chile, Argentina, Puerto Rico and Spain.

- **Abertis** General Meeting approves a EUR 602 million reduction of share capital through a reduction in the nominal value of the shares and the return of contributions to shareholders.
- **Abertis** rolls over EUR 350 million in bilateral loans scheduled to fall due in the near term, extending their maturity until 2027.
- Arteris concludes a financing deal with the Export Development Canada (EDC) agency for USD 160 million. After conversion of the currency, the transaction totalled BRL 830 million (close to EUR 150 million), which was contracted in the local currency and thus carries no currency fluctuation risk for the company. The cost was fixed at CDI +2.3% with an average life of seven years.

July-September

- Promotion of artistic heritage of Miró: Fundación Abertis presented the "Miró Universe" show in Washington D.C., Athens and other cities.
- Third year of the European project 5GMED: Autopistas España has been taking part in 5GMED since 2020, rolling out a sustainable model of intelligent road networks in Europe.
- Rollout completed of software to log waste, materials and consumptions in all of the Group's business units.
- **Abertis** successfully places a EUR 500 million bond issue with maturity at 4.6 years and a coupon of 4.12%. That cost was significantly lowered to 2.45% by the gains on interest rate hedges.
- Arteris places a BRL 600 million 5-year bond issue (EUR 112 million). The proceeds have been used to roll over near-term maturities.
- Fundación Abertis: declaration of Biosphere Reserves Network coordinated by the Unesco office in Castellet as official telematic network of UNESCO (MedMaB Network).

October-December

- The innovative project "Smart Enforcement" developed by **Abertis** and AMS receives the award for excellence from the International Bridge, Tunnel and Turnpike Association (IBTTA) in the United Kingdom and Chile.
- Abertis Infraestructuras distinguished by Global Compact Spain for its participation as promoter of the first edition of the sustainability training project for suppliers.

- Fundación Abertis takes part in the first gathering of UNESCO thematic networks with technical secretariat in Spain. The MedMaB network coordinates the work carried out by biosphere reserves in Mediterranean countries and addresses the environmental challenges posed by climate change and the loss of biodiversity. Fundación Abertis is a pioneer in public-private cooperative initiatives through the Category 2 International Centre that promotes programmes of scientific cooperation relating to land, sea and coastal ecosystems.
- **Abertis'** emissions reductions targets are validated by the Science Based Target Initiative (SBTi) for fulfilment of the Paris Agreement. The Group's objectives are specifically aligned with the 1.5ºC considerations that include scope 1, 2 and 3 emissions reductions commitments and obligations with respect to 2019.
- **Abertis** and Fundación Abertis, through the Abertis Professorships on Sustainable Mobility, launch "Drone Challenge", a project open to startups the world over, with the goal of spotting innovative solutions for using drones to enhance road operations and infrastructure maintenance.
- New Road Safety, Sustainability and Innovation Centre building inaugurated at the Aucat headquarters of Autopistas España (C-32). The building houses the Abertis Future Road Lab that will test road network management tools and systems to allow mobility and safety solutions to be implemented in roadways managed by the Group.
- **Abertis** is awarded the privatisation of four toll roads in Puerto Rico (PR-52, PR-66, PR-20 and PR-53), which will be managed by the Group for 40 years (until October 2063). The motorways comprise 120km of highly strategic roads that connect large towns in the metropolitan area of San Juan, as well as in the South and East of the island. The concession payment of USD 2,850 million (USD 2,879 million including indirect taxes, equivalent to EUR 2,663 million) offered by the Group was the most competitive of all the bids submitted in the tender.
- **Abertis** acquires 56.8% of the SH-288 toll motorway in Houston (Texas, USA) from its shareholder ACS for USD 1,532 million. That 16km-long toll road, with a concession term of 45 years (until March 2068) is one of the strategic corridors in south Houston. The deal strengthens Abertis' position in a strategic market with a solid regulatory framework and strong currency.
- In connection with the highway privatisation in Puerto Rico and acquisition of the SH-288 motorway in the USA, the **Abertis** shareholders contributed EUR 1,300 million in 2024 to finance those acquisitions and strengthen the Group's balance sheet and maintain its current credit rating.

- **Abertis** closes a syndicated loan of EUR 1,200 million with maturity in 2029. The funds have been used to finance the award of the four toll roads in Puerto Rico.
- Puerto Rico Toll Roads, the subsidiary formed in Puerto Rico in 2023, closes a syndicated loan of USD 1,430 million (approx EUR 1,300 million) with a term of 5 years. The funds have also been used to finance the privatisation in Puerto Rico. In tandem with that loan, interest rate hedges were arranged for 75% of the notional amount of the loan to fix the cost of the financing and reduce the company's exposure to future rate increases.
- **Abertis** closes a syndicated loan of EUR 700 million with maturity in five 5 years. The funds have been used to finance the acquisition of 56.8% of the SH-288 motorway in the USA.
- **Abertis** has reached an agreement to acquire 100% of the Autovía del Camino highway in Navarra that connects the Pamplona area of influence with Logroño. The deal strengthens its position in Spain with a shadow toll concession of 72 km due to expire in 2030. The acquisition has an equity value of EUR 110 million and was financed with available cash.
- S&P and Fitch confirm Abertis Infraestructuras' rating of BBB- and BBB, respectively, with outlook Stable, after the acquisitions in Puerto Rico, USA and Spain closed in the last quarter.

Strategic focus

The 3-year Plan for 2022-2024 was approved in 2021. The Plan is aimed at creating value based on the following three pillars: (i) growth Platform, (ii) operational excellence and (iii) sustainability, innovation, cybersecurity and compliance.

i) Growth platform

Abertis' goal is to consolidate its position as leading operator in the countries where it has a presence, and the goal for the coming years is for the Company to participate and grow with new projects and/or concessions, as well as expand existing concessions with new investments. Special attention will continue to be placed on countries with a solid portfolio of projects and moderate risk, profitable opportunities, a solid and effective regulatory framework and the appropriate conditions for achieving the company's environmental, social and governance (ESG) objectives.

The Group will continue to channel its efforts into growth by searching for new asset acquisition opportunities. The know-how acquired by **Abertis** through its track record allows it to participate in projects in countries in which it does not yet have a presence, with a view to developing new platforms there, especially in its traditional markets (Europe and the Americas).

ii) Operational excellence

The main business challenges for the 3-year period from 2022 to 2024 are: 1) progressive adaptation of our infrastructures to the new needs of government administrations and users; 2) transitioning from traditional tolling to free-flow systems, which involves a major transformation of the operations; 3) optimising highway management through intensive use of ITS technology, with information on traffic, accidents and weather conditions; 4) integrating sustainability concerns into all processes to meet the charted ESG objectives; and 5) providing new services that create value for our customers.

All of this while the Group continues working to mitigate the inherent risks of our business and improving the resilience of our companies through plans for crisis management, business continuity, cybersecurity and sustainability.

The Group's 2022-2024 Plan includes the fourth Efficiencies and Performance Plan aimed at continuing to harvest synergies and maximising cash flow, with an emphasis on improving collectibility, optimising processes and mitigating operational risks. This fourth Plan is primarily focused on France, Chile and Spain, and in the latest update available the projected accumulated savings went from EUR 173 million to approximately EUR 209 million, thanks to the improved performance of the Plan's initiatives.

iii) Sustainability, innovation, cybersecurity and compliance

<u>Sustainability</u>

Sustainability is a basic enterprise-wide principle of the **Abertis** governance model and corporate culture. This is borne out by the Group's 2022-2030 Sustainability Strategy. Within the framework of the first 3-year plan, ESG Plan 2022-2024, initiatives were carried out to make the **Abertis** business model more respectful with local ecosystems and communities where it operates.

Toward the goal of advancing in decarbonising the sector, part of the ESG Plan efforts are focused on energy efficiency and the use of renewable energy. Noteworthy among these initiatives are the phased transition to a corporate fleet of electric and hybrid vehicles, the acquisition of electricity from renewable sources and promoting the use of electric cars on roads by installing charging stations.

When carrying out infrastructure management projects, **Abertis** also conducts preliminary analyses to identify potential impacts on the natural environment and follows up with measures to make the projects more sustainable, such as the use of recycled materials and the protection of biodiversity. Along these lines, in 2023 a pilot project was unveiled to define the methodology for quantifying the impact of the Group's activities on biodiversity.

One area of strategic action is fostering an ESG culture at all levels. Continuing with the initiatives of previous years, during 2023 advances were made in charting a sustainability training itinerary via different initiatives. Specifically, a Webinar was organised for all personnel in Abertis Infraestructuras on climate change and its diverse implications. Plans for the coming year include specific training on ESG and regulatory trends in the sectors for all management teams.

Also, since 2023 all of the Group's incentive plans include specific objectives tied to fulfilment of the ESG Plan.

Sustainability principles are applied in all activities, geographical areas and business units where the Group operates. Pursuant to those principles, in 2023 the Group began a sustainability assessment and audit of its critical suppliers in which a total of 129 critical suppliers were evaluated.

In addition, as part of the European Union's human rights due diligence framework (hereinafter, HRDD), and of the strategic vision of the business, this year **Abertis** is working on a policy that strengthens its commitment to the respect for and protection of human rights of all persons involved in its value chain. Once approved, that policy will apply to the entire Group. Getting a head start on implementing a due diligence system in the HRDD framework, this year the Group has begun identifying and assessing human rights risks that affect **Abertis'** activity. The coming phases of the project will involve identifying measures to prevent, mitigate and repair any human rights impact in the business units that carry on **Abertis'** operations.

The actions presented in sustainability matters are coordinated from the technical office of the ESG Plan, which, in addition to working with the different operating areas and business units, is charged with overseeing proper uniform application of the Group's policy.

Innovation

Abertis takes a future-minded integral approach to innovation that pivots on intelligent transport solutions, enhanced mobility services and the creation of connected infrastructure for the future. **Abertis** thus invests in diverse innovation projects that span different facets of mobility, technology and sustainability. A key part of the **Abertis** strategy in this connection is its participation in collaborative and open innovation initiatives, often in association with public and private players and European research frameworks and programmes. This collaborative approach guarantees a broad perspective and shared experience, fostering innovation at the both the national and international level.

The emphasis on cutting-edge technologies is specifically seen in projects focused on the development and deployment of Cooperative Intelligent Transport Systems (C-ITS), 5G technology and advanced communications networks. These projects seek to lay the groundwork for connected and automated mobility, allowing safer, more efficient and environmentally respectful transport solutions.

Abertis also places strong emphasis on digital infrastructures and works to integrate digital technologies, such as Artificial Intelligence (AI), data analysis and the Internet of Things (IoT), to optimise traffic management, improve safety and develop predictive capacities. **Abertis'** commitment to digitisation is also showcased by the creation of Living Labs as real-world testing environments that contribute to developing and validating innovative solutions.

In 2023, the Group's Innovation Observatory identified and diligently explored emerging trends and their associated opportunities for strategic innovation. Initiatives pursued along these lines during the year spanned such diverse areas as traffic management, the monitoring of the infrastructure's health, traffic predictions and the reduction of payment defaults. All of this is done with a collaborative approach, engaging numerous business units to contribute essential elements and knowledge. Of special note was the IBTTA excellence award bestowed on Smart Enforcement for its tangible results and efficiency gains in collection processes.

Cybersecurity

Enhancing **Abertis'** resilience and prevention with respect to security incidents that can affect the business remains one of the Group's the prime objectives. In this regard, the organisation reaffirms its commitment to cybersecurity, embracing the full range of information security concerns as fundamental pillars in the evolution and adaptation of the business' technologies and infrastructure toward a more secure Group.

Accordingly, for **Abertis**, cybersecurity is a vital concern at all levels of management in the strategic, tactical and operational areas. Protection of information is integrated as an inherent part of the design of the business, backed by a strategy based on the business needs, on effective risk management and on the use of metrics provided by control systems and services.

Pursuant to this outlook, and to a control framework aligned with international standards, methodologies and good practices guidelines such as NIST, ISO/IEC 27001, ISO/IEC 27701, ISO/IEC 62443 and CIS Controls, **Abertis** drew up its ESG Plan 2022-2024. The uppermost goal of that plan is to optimise, both from a governance and a technical perspective, the capacities to prevent and detect threats, as well as to respond to events that may imply a risk for the Group's activity.

In this new cycle, stepped-up attention is placed on the control of Operational Technology (OT) systems, recognising the growing importance of this area in the cybersecurity landscape. Priority is given to mitigating the most likely and high-impact attacks, such as ransomware, and to employing specific strategies and greater vigilance.

Furthermore, **Abertis** focuses its approach on governance and on continuous analysis to achieve constant improvement in its information security systems. The Company is committed to remaining at the forefront of changes and needs in the world of cybersecurity and information security, anticipating potential risks to its business information.

In 2024, **Abertis** will continue investing in training and raising the awareness of employees, ensuring that the protection of information is proactively integrated into their daily activity. Strategic alliances will also be forged with other organisations to enhance the efficiency of security measures and controls, thus strengthening the Group's resilience vis-à-vis possible threats.

In conclusion, **Abertis** continues taking a pragmatic approach toward achieving efficient and practical security, maintaining its firm commitment to cybersecurity and information security in all aspects of its operations.

Compliance

The aim of the 3-year plan is to oversee business ethics and compliance with the national legislation that applies to each business unit in the Group on environmental, social and governance questions, with a focus on the prevention of corruption and other conducts that could entail criminal liability, on environmental law, on the prevention of occupational hazards, on intellectual property rights, on the defence of competition and on the protection of personal and business data.

The compliance policies and procedures that constitute the Group's Compliance Model set out and implement **Abertis'** commitment to compliance with all statutory and regulatory requirements, internal policies, good governance standards, generally accepted best practices, norms of ethics and the expectations of its business partners.

2. Corporate Governance

The structure of its governing bodies and the decision-making process constitute further strengths of the Group.

The **Abertis** governance model rests on the Board of Directors and its committees, namely, the Audit, Control and Sustainability Committee and the Nomination and Remuneration Committee, and gives top priority to excellence in corporate governance and to promoting sustainability and good governance practices.

At the date of authorisation for issue of these annual accounts, the Board of Directors is composed of the following members:

- Juan Santamaría Cases. Chairman.
- Francisco José Aljaro Navarro. CEO.
- Claudio Boada Pallerés. Director.
- José Luis Del Valle Pérez. Director.
- Ángel García Altozano. Director.
- Nuria Haltiwanger. Director.
- Jonathan Grant Kelly. Director.
- Enrico Laghi. Director.
- Pedro José López Jiménez. Director.
- Andrea Mangoni. Director.

- Giampiero Massolo. Director.
- Miquel Roca Junyent. Director.

The secretary to the Board of Directors is Mario Carlo Colombo, who does not hold a directorship.

3. Risk Management

Risk Management and Control System

Abertis has crafted its risk control strategy on the basis of three major considerations:

- The mission, vision and values of the Group: these are the pillars that underpin the Group's sustainable and efficient growth, based on developing society's infrastructures in harmony with the well-being of employees and the creation of long-term value for shareholders. All in alignment with the values of commitment, transparency, consistency and simplicity.
- The **Abertis** corporate strategic guidelines: transparency, good governance, sustainable growth, financial discipline, prudence, best practices in managing toll roads).
- An analysis of the risk's criticality according to its type and the country where the activity is pursued.

The **Abertis** Risk Control and Management Policy sets out basic guidelines for identifying the main risk factors to which the Group is subject, establishing a common risk identification and assessment methodology and a systematic risk monitoring approach, so that appropriate action can be taken to achieve the Group's objectives. That policy is designed to ensure the dissemination of an appropriate risk culture in **Abertis** to guarantee the importance of risk management at all levels of the organisation. The role of risk management, therefore, is to orient and become an integral part of the main business processes and the strategic planning and internal audit process.

The principal risks that can affect the achievement of the Group's main goals and the relevant control measures are:

Type of risk	Main Risks	Control Measures
Governance and reputational risks	• Organisational governance model • Governance standards • Loss of reputation • Management of personnel, loss of talent, succession in key positions	• Formalisation of roles and responsibilities • Good governance practices, risk management, values systems, etc. • Management of people and talent.
Environment, strategy and growth-related risks	• Implementation of strategies and lack of quick response to change • Integration of acquisitions • Risk of climate change and natural catastrophes • Slowdown in demand (traffic) and/or the economy • Change and/or adjustment in concession terms • Political and regulatory changes and social or legal instability	• Internationalisation and selective growth policy and Investment Committees • ESG considerations in due diligence processes for new acquisitions • Insurance coverage • Identification, assessment and monitoring of climate change risks • Adoption of climate change mitigation and adaptation measures • Cooperation with government agencies • Continuous monitoring of ADT, traffic and tariff sensitivity analysis • Monitoring of changes in the contractual and legal framework • Coordination to ensure adequate compliance with the local legislation and anticipation of legislative changes
Financial Risks	• Breach of financial commitments and debt repayment obligations • Interest rates • Exchange rates • Liquidity, refinancing and access to market (rating) • Inflation • Customer and government receivables	• Monitoring of contractual debt clauses • Monitoring of interest rate and exchange rate management policy • Monitoring and extension of debt maturities and scrutiny of potential impacts on credit rating • Interest rate and exchange rate sensitivity analysis • Sustainability-linked financing framework
Industrial Risks	• information systems • Health and safety • Deterioration of infrastructures • Liability for environmental damages • Capex deviations in timing and costs • Breach of service quality in operations • Fraud associated with collections management • Management of supplier risks • External unlawful acts affecting company assets	• Business continuity and crisis management guidelines and plans • Cybersecurity plans • Road safety, operation and management system improvement plans (traffic, tunnels) • Investment programme monitoring and control (OpEx and CaPex Committees) • Environmental and occupational health and safety management systems

Type of risk	Main Risks	Control Measures
		• Specific control policies, procedures, plans and systems for each business area • Enterprise-wide ESG management of risks with suppliers • Risk monitoring and analysis and implementation of a corporate insurance programme • Physical and asset security rules and guidelines
Reporting and Compliance risk	• Financial and sustainability information • Tax compliance • Legislation and regulations • Code of Ethics • Protection of sensitive information	• Organisational and supervisory model for the ICFR (Internal Control over Financial Reporting) and ICSR (Internal Control over Sustainability Reporting) systems) • Adoption of the Code of Good Tax Practices • Compliance model in place at the Group • ISO 37001 certification (implemented in Spain, in progress in the rest of the Group) • Annual declaration of compliance with the Code of Ethics • Enterprise-wide supplier risk management (ESG, Compliance)

The Group has continued managing the following as its most significant risks:

- Global macroeconomic impacts from increases in borrowing costs, inflation and exchange rate volatility (mitigated by the hedges in place).
- Geopolitical impacts arising from political uncertainty and election seasons in some of the countries where the Group operates, and indirect impacts of geopolitical conflicts, such as rising prices in raw materials and energy, mitigated by internationalisation and geographical diversification.

- Reduction in the average life of toll road concessions, mitigated by application of the growth strategy and replacement of cash flows that materialised in 2023 with the expansion of the asset portfolio achieved through the acquisition of four toll roads in Puerto Rico (with a concession term of 40 years) and the acquisition of 56.8% of the SH-288 motorway in Houston (with a concession term of 45 years).

- Regulatory environment: with its many emerging requirements, and the latest stakeholder demands and expectations (mainly relating to sustainability), this is another focus of attention in the Group's risk analysis. Accordingly, **Abertis** makes continuous efforts to identify and monitor emerging regulations, so as to move early to comply and bring its strategy and business activity into line with them.

- Third-party risks as relations with suppliers grow more complex and open possible gateways for cyberattacks, plus the added third-party risk variable of supplier non-compliance in ESG matters (mitigated and monitored using tools for evaluation and certification of suppliers).

Management of ethics and legal risk

Abertis is committed to carrying on its activities honourably, lawfully and with integrity.

The purpose of managing ethics and legal risk is not only to protect Group companies from any legal charges but also to protect the Group's stakeholders.

Toward this end, **Abertis** has a decentralised Compliance Model at Group level, based on a two-pronged risk control system. On the one hand, each business unit has its own Local Compliance Officer and, on the other, periodic supervision is carried on by the Corporate Compliance Area, thereby ensuring compliance with the due diligence duties of the parent company vis-à-vis the subsidiaries.

4. Creation of value in 2023

Balance sheet and earnings performance

Abertis' annual accounts reflect the effects of its investing activity and actions as the Group's parent from a balance sheet perspective (internal financing and investments) and in terms of profit and loss (contribution through the dividends of the various investees and financing costs and overheads).

Abertis' balance sheet is basically composed of its portfolio of ownership interests in companies, and the financing needed to acquire them through shareholders' equity or borrowings.

As a result of its investment activity, primarily in the concession businesses, **Abertis** is exposed to both regulatory and financial risks, the latter comprising foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management programme takes into account the uncertainty of the financial markets and aims to minimise the potential adverse effects on the global profitability of the Group as a whole by establishing financing and hedging policies in line with the nature of its businesses.

In practice, this continues to translate into a sound financial structure, continuing to maintain a long average debt maturity (3.9 years at 2023 year-end, compared with 4.3 years 12 months earlier at 2022 year-end), and, in keeping with a policy to minimise exposure to financial risks, a high percentage of debt bears interest at fixed rates or at rates fixed through hedging (70% at 2023 year-end compared with 79% at 2022 year-end), greatly reducing the possible effects of constraints in the credit market.

Abertis took steps to optimise the Group's liquidity and reduce borrowing costs by renegotiating credit facilities during 2023 amounting to EUR 2,045 million (2022: EUR 1,576 million). Accordingly, the volume of the credit facilities of Abertis Infraestructuras, S.A. at 31 December 2023 totalled EUR 3,047 million (2022: EUR 2,994 million).

The statement of profit or loss basically includes the results generated by the various Group companies via dividends, the corporation's overheads and financing costs, and the charge for amortisation calculated on a straight-line basis over 10 years of the goodwill generated from the merger of Abertis Infraestructuras, S.A. and Abertis Participaciones, S.A.U. in 2019.

Main investments

Total investment by the Group in 2023 amounted to EUR 5,047 million (EUR 4,959 million disbursed during the year) and consisted mainly of investment in inorganic growth (81% of the total), primarily in:

- Acquisition of 56.8% of Blueridge Transportation Group, LLC. (Btg) for USD 1,533 million (EUR 1,400 million), the operator of highway SH-288, a 16 km strategic corridor that connects the city of Houston with the Gulf of Mexico and all of the industrial zone of Texas, as well as the direct access to the Texas Medical Center, the world's largest medical complex. The Houston highway concession has one of the longest terms in the United States, with expiry in 2068 (45 years).

- Award to Puerto Rico Tollroads of the concession contract for four toll roads in Puerto Rico worth USD 2,879 million (EUR 2,663 million). The new assets comprise 191 km of highly strategic highways that connect large towns with the metropolitan area of San Juan, as well as with the south and east of the island. All of these assets, which carry 60% of the island's toll traffic, provide critical connections between major population centres.

These two acquisitions expand **Abertis'** exposure to the North American market, in keeping with its long-term strategy of maintaining a balanced portfolio with a mix of strong currencies like the dollar, investing in countries with a stable legal framework and maintaining its current credit rating.

These transactions allow **Abertis** to advance in its growth strategy and replenish cash flows, and demonstrate once again its financial flexibility and the efficient and sustainable manner in which it manages its assets, as well as the Group's capacity to continue extending the average life of its concession assets.

The Group's capital outlays on organic growth during 2023 totalled EUR 822 million, 19% of the Group total.

The Group is continuing to focus its efforts on controlling operating expenses to improve efficiency and on investing in the development and expansion of the capacity of its own assets, as well as on the acquisition of new concessions.

In this regard, on 6 February 2024, **Abertis** culminated an agreement with UBS AM REPM to acquire 100% of Autovía del Camino, a shadow toll concession road that connects the Navarre region with the Upper Ebro Valley that falls within a direct area of influence between Pamplona and Logroño. The deal strengthens the Group's position in the Spanish market, a strategic region for **Abertis**, and will be operated by its subsidiary in Spain, Autopistas, harvesting the operational synergies that exist.

Credit quality management

Abertis has a credit rating assigned by the rating agencies Standard and Poor's and Fitch Ratings.

At the date of authorisation for issue of these annual accounts **Abertis** held a long-term "BBB" investment-grade adequate credit quality rating awarded by the international credit rating agency Standard and Poor's Credit Market Services Europe Ltd. Also, the short-term credit rating at the same date was "A-3".

In addition, **Abertis** holds a long-term "BBB+" rating awarded by the international credit rating agency Fitch Ratings Ltd., and a short-term "F3" rating.

Abertis' policy is to maintain an investment-grade credit rating.

5. Towards more sustainable mobility

A key priority for **Abertis** is to maintain the utmost quality in the infrastructure it manages, in order to guarantee comfortable and safe mobility for all its customers. Toward this end, Abertis' strategy pivots on conducting preventive maintenance of its infrastructures to ensure adequate risk control. Nevertheless, all this maintenance activity requires the consumption and use of materials.

Sustainable construction and upkeep

The Group is mindful of this fact and the recycling of materials is thus a vital part of its Sustainability Strategy to mitigate the effects of climate change and promote the circular economy. One of the most significant initiatives in this regards involves the consumption of recycled materials and the reuse of road surfacing materials, without absolutely no detriment to the durability and safety of the infrastructure.

In this regard, given that road surfacing works are the ones that consume the most materials, in most countries the Group is carrying out different initiatives in those operations to increase the use of recycled materials, such as recycled asphalt pavement (RAP), recycled plastics, etc., while maintaining the same performance and useful life as conventionally reconstructed pavement. Initiatives such as this make it possible to reuse crushed material waste, thus reducing debris and consumption of new materials.

Also, improvements in the process of selecting and recycling highway waste materials further the advance toward a circular economy. Of note in this connection is the rollout in all business units of management software that allows control of how each type of waste is managed, with the goal of maximising the percentage of waste that is recycle. Toward this end, upgrades have been made in the facilities used for collecting hazardous waste and as drop-off points for waste in general in many of the highway maintenance areas. Improvements have also been made and contracts outsourced to firms specialising in waste management in different countries.

Fluid and sustainable mobility

The challenges of achieving more fluid and more sustainable mobility are enormous. On the one hand, passenger and freight transport generates one of the largest volumes of greenhouse gases, making it a key sector for meeting national and international emissions reduction targets. On the other, trends in road transport emissions are monitored closely by the main players in the industry, not only because of concerns about air quality in cities but also because of the adoption of new mobility models and digitisation, which will guide stakeholders when transitioning to the new mobility model.

Abertis' efforts to contribute to the decarbonisation of mobility are evident in all countries where it currently operates. The Group has stepped up to its responsibility as player involved in the drive toward low-carbon mobility and accumulated deep experience in charting decarbonisation solutions and goals.

In this respect, mindful of the environmental impact of traffic, **Abertis** concentrates its efforts on modifying transport infrastructures and management models, toward the goal of ensuring its business generates less pollution, consumes fewer resources and embraces new technologies that can make more sustainable mobility possible.

Safe mobility

Ensuring safety on the roads it manages has been a priority in **Abertis**' strategy ever since it started operating. The Group has long experience in analysing road safety data and researching and preparing road safety plans, with a view to guaranteeing that users are able to travel on roads that meet the strictest quality and safety standards.

The effort made in this area throughout the Group is manifested not only in the awareness-raising, dissemination and advocacy actions carried out throughout the year, but also in the design and implementation of concrete and updated operating plans that are key to making roads safer. In addition, the company collaborates closely with the various stakeholder groups, so that, working together, they can draw up increasingly efficient action plans.

Research and development

The Company has not carried out any research and development as such.

6. Environmental contribution

Information on the Group's environmental contribution is provided in the statement of non-financial information contained in the Director' Report included in the Consolidated Annual Accounts of Abertis Infraestructuras, S.A. and subsidiaries.

7. Employees

i) Safety, health and well-being

Occupational safety and health is an especially important concern for **Abertis**.

Specifically, given the risks involved in working on motorways, **Abertis** needs to have a very strict occupational safety control and monitoring system. The importance accorded to this concern is reflected in the inclusion of specific worker safety objectives in variable remuneration schemes, both for annual bonuses and for longer-term incentives.

ii) Diversity, Equality and Inclusion

Abertis guarantees a fair and inclusive work environment in which each person's contribution is valued. The Group fosters diversity, equality and inclusion in its selection of personnel, hiring process, internal promotion and training and development programmes.

The Group aims to ensure non-discrimination and equal opportunities in all its activities in accordance with the Code of Ethics, the Human Resources Policy and its Diversity, Equality and Inclusion Policy and as also set out in its Sustainability Strategy.

iii) Professional development

Professional development is key to the pursuit of the Group's activities, as it improves job quality, promotes and retains talent and boosts employee satisfaction. Along these lines, the Group fosters the professional development of its employees, to ensure that they have the appropriate motivation, experience, skill set, know-how and values to contribute to the Group's sustainable growth.

8. Other disclosures

According to Law 11/2018 of 28 December, and pursuant to the new wording of Article 262.5 of the Spanish Commercial Code, the Company is not required to present the Statement of Non-Financial Information.

Use of financial instruments

In 2023 and 2022,the policy followed by **Abertis** on use of financial instruments is described in Note 10 of the attached notes to the annual accounts.

Treasury shares

The treasury shares transactions carried out during the year are disclosed in Note 12-a of the attached notes.

Events after the reporting period

There were no significant events after the reporting period other than those referred to in Note 20 to the annual accounts.

Outlook

i) Growth platform

The main goal for the coming years is to consolidate **Abertis**' position as a leading operator in the countries where it operates, with the expectation of being able to participate in and grow through new projects and/or concessions, as well as the expansion of existing concessions in exchange for new investments.

The Group will continue channelling its efforts into growth by searching for new asset acquisition opportunities, especially in traditional markets in which the Group is already present, with a special focus on mature markets such as North America, Europe and Australia.

In the medium to long term, Abertis plans to continue working to maintain a solid, optimised financial structure, with a long average life of debt and minimal exposure to financial risks.

ii) Operational excellence

The Group will focus on the progressive adaptation of our infrastructures to the new needs of government administration sand users; the transition from traditional tolls to free-flow systems; the adaptation of the infrastructure to the changes in mobility and inclusion of new technologies that allow us to offer our customers safer mobility.

Another major area of focus is compliance with sustainability goals through initiatives such as increased generation of renewable energies, electrification of the vehicle fleet, review and improvement of waste management and increased use of recycled materials.

Supply chain management is another key lever for being able to achieve the medium-term goals that have been charted, especially as regards its contribution to Carbon Footprint Scope 3. Involving suppliers in managing sustainability is one of the main initiatives under way. Making improvements and progress in this area, along with ensuring human and labour rights, transparency, integrity and compliance, promoting the circular economy and decarbonisation, will all allow **Abertis** to continue cementing its leadership in ESG matters.

All of this is being pursued while guaranteeing compliance with all of the obligations laid down in the concession contracts, mitigating the inherent risks of the business and enhancing the resilience of its companies through plans focused on crisis and business continuance management matters.

iii) People

Talent management in **Abertis** is focused on responding to the main challenges faced by the Group in the human resources area:

- Scarcity of talent: recruitment programmes and an attractive value proposition that allow new talent to be brought into the Group in an ever more competitive environment.

- Developing skills: designing programmes that nurture talent in order to offer an environment of continuous improvement that strengthens employee commitment and ensures that our people have the skills and expertise needed to allow the Group to achieve its business goals.
- Diversity and inclusion: creating an organisational culture that fosters diversity and inclusion, while implementing policies and programmes that guarantee equal opportunity.
- Technology uptake: technology is swiftly transforming how infrastructures are managed, from design and construction through to operation and maintenance. We must make sure that our people have the necessary knowhow to be able to make effective use of the new technologies and digital tools.
- Managing change: The implementation of new technologies, processes and work practices generates resistance. Effectively communicating the benefits brought by the changes, providing support through the right training initiatives and addressing the concerns of employees are key for overcoming that reluctance to embrace change.
- Safety, health and well-being: Safety on the road and on the job is of paramount concern in managing highways, both for employees who work on the roadways and for those who work in the central offices or command centres. The Group keeps policies and programmes in place to guarantee the safety and well-being of all employees, and to deal with the risks of occupational safety and work stress.

iv) Sustainability, innovation, cybersecurity and compliance

Close monitoring of the ESG Plan 2022-2024 allows **Abertis** to track the goals for which it must continue developing measures and carrying out actions to achieve the charted metrics. The plan strengthens actions in the areas of corporate governance, training in sustainability and anti-corruption matters, carbon footprint reduction, the choice of construction materials with less environmental impact, the protection of biodiversity in and around the toll roads, the promotion of driving and work safety, equality and diversity and the development of projects in local communities.

During 2023, a pilot project was implemented in Brazil and France to develop a new methodology for quantifying impacts on biodiversity and for its practical application in toll roads. As part of the initiatives carried on each year under the sustainability umbrella, which have been part of the ESG Plan since 2022, in 2023 the Group continued employing reused materials, with strategic monitoring of waste valorisation. In the road safety area, India is charting a roadmap to comply with international standards in concessions that includes measures such as installing new road safety signage that conforms to the new standards of that country's Congress of Roadways. In addition, the Group also plans to continue advancing in the implementation of its environmental management systems.

Looking ahead, in relation to the continuing execution of the current ESG Plan 2022-2024, next year will be the third and last of the current 3-year plan. The Group intends to continue pursuing the main actions, including progressively replacing vehicles that consume fossil fuels with electric or hybrid vehicles, as well as increasing the number of charging stations. With respect to increasing the consumption of renewable energy, the Group will continue to acquire Guarantees of Origin, as well as I-REC certificates, as part of the transition to renewable energy.

Lastly, the regulatory framework for sustainability reporting is undergoing significant changes stemming from the European Union Environmental Taxonomy, the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the Directive to improve gender balance among non-executive directors of listed companies and setting out associated measures, and the proposed Corporate Sustainability Due Diligence Directive (CSDD). Getting an early start on the sustainability framework due to come into force in the near future, the Group conducts constant monitoring of these regulatory developments in order to phase them in gradually over the coming years and align its policies with the regulatory requirements and with what stakeholders are demanding. During 2023, **Abertis** performed a detailed analysis of the requirements laid down in the CSRD and the ESRS and used the results to draw up a roadmap for optimum implementation of those rules.

Looking forward, innovation is set to revolutionise the road and transport infrastructure panorama, ushering in a digitised, connected, secure, sustainable and intelligent ecosystem. The work on projects such as C-ROADS-2, PODIUM and EUMOB underscores the commitment to implementing new Cooperative Intelligent Transport Systems (C-ITS) and harnessing 5G and other technologies to build highly connected data-based transport networks in the near future.

As mobility ecosystems are developed, rolled out and meshed in metropolitan regions, as well as across administrative boundaries, the boundaries between urban and inter-urban transport become ever more blurred. In order to position ourselves as an indispensable hub in these new mobility ecosystems, **Abertis** is working to satisfy the present and changing mobility needs of its customers, evolving toward more user-focused, smoother and technologically advanced toll collection services. This involves diversifying tolling methods, including tolling based on satellites, mobile phones and connected vehicles, along with innovative developments such as dynamic pricing based on the emissions of each vehicle. With these services, **Abertis** is seeking to promote smart and environmentally friendly mobility solutions.

During the coming years, innovation will be pivotal for driving improvements in the efficiency, optimisation and transformation of many operations in **Abertis'** business. It will enhance the quality of maintenance, road works, construction and traffic management toward the goal of zero-congestion, zero-accidents and zero-emissions transport ecosystems. This future vision underscores **Abertis'** commitment to being pioneers in achieving sustainable and efficient transport solutions that guarantee technological progress, with a profound impact on road safety, environmental conservation and operational excellence.

By embracing innovation in these areas, **Abertis** is poised to shape a future in which transport networks integrate digital technologies seamlessly, with a priority on safety and sustainability, and offer enhanced services that satisfy the fast-changing mobility needs. This forward-looking strategy positions **Abertis** as a driving force in shaping the future of transport infrastructure and services, charting the path toward a panorama of more efficient, connected and environmentally aware mobility.

The 2022-2024 Master Plan for Cybersecurity runs through 2024, culminating the initiatives to strengthen data security capacities and processes. That protective framework is focused on reducing risks, improving resilience and promoting security training and awareness among all of the Group's employees and business partners.

Looking further ahead, **Abertis** is preparing for the next strategic cycle with the start of the 2025-2027 Master Plan. This new plan will be focused on prevention, early detection and effective, practical and efficient resilience in relation to all information security threats and risks. Abertis is mindful of the importance of addressing the human aspects of information security risks and, therefore, of continuing to place priority on training the Group's employees and raising their awareness in this field.

In addition, the 2025-2027 Master Plan will bolster strategic alliances to strengthen the cybersecurity stance, harnessing the new emerging technologies to proactively anticipate threats and guarantee information security in all countries where the Group operates.

This new chapter involves more than the evolution of the Group's cybersecurity capacities; it also showcases its continuous commitment to innovation, collaboration and protection of the Group's information.

As for the future outlook in compliance matters, Abertis will continue working on the continuous improvement of the Group's Compliance Model with the aim of developing an ethics culture at all levels of the Group.
This steady improvement continues, spearheaded by the Compliance area, and will require the involvement and support of all areas of the Corporation, and of each and every business unit, thus generating an enterprise-wide cooperative environment in order to meet the requirements of a constantly evolving regulatory environment.

Work also goes on in the implementation and development of a uniform compliance model for the business units, one that sets minimum common standards for all units. In addition, the Corporation will give all business units incentives to have a certified or certifiable Compliance model. In particular, the Corporation will promote, on the one hand, the maintenance of ISO 37001 certification in those business units that have already obtained certification, while encouraging and supporting certification in those units have not yet obtained it, or at least to ensure that they are in a position to obtain the local certification that evidences the quality of their compliance model.

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Madrid, 27 February 2024