

Itínere Infraestructuras, S.A.

Auditor's report
Annual accounts at December 31, 2021
Management report



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the annual accounts

To the shareholders of Itínere Infraestructuras, S.A.:

Opinion

We have audited the annual accounts of Itínere Infraestructuras, S.A. (the Company), which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2021, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice 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 relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of the current period. These risks 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 risks.

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p data-bbox="276 477 758 537">Assessing possible impairment of equity instruments</p> <p data-bbox="276 566 847 689">At 31 December 2021, the balance of equity instruments in group companies and associates amounted to 2,526,887 thousand euro and represented 97% of total assets (note 10).</p> <p data-bbox="276 719 877 1052">The Company assesses the possible indications of impairment and calculates the recoverable amount of such investment. This entails a complex process (notes 2 (c) and 4 (f) (ii)) requiring the use of estimates that include judgements and significant assumptions by management. Such judgements and estimates relate, among others, to: discount rates influenced by macroeconomic variables, traffic estimates, the inflation rate, disbursement for future investments and operation costs.</p> <p data-bbox="276 1081 877 1205">As a result of the calculations made, the Company has registered on 31 December 2021 an impairment reversion of an amount of 225,178 thousand euro.</p> <p data-bbox="276 1234 877 1357">Given the significance of these assets and the high level of judgement required, assessing their possible impairment is considered a most relevant aspects of the audit.</p>	<p data-bbox="908 566 1461 689">We gained an understanding of the evaluation process carried out by management in relation to the recoverable amount, as well as the supporting controls.</p> <p data-bbox="908 719 1390 779">We carried out the following procedures, among others:</p> <ul data-bbox="908 808 1461 1491" style="list-style-type: none"> <li data-bbox="908 808 1430 898">• Obtaining the financial model used in the impairment testing prepared by management. <li data-bbox="908 927 1449 987">• Verifying the arithmetic accuracy of the financial model. <li data-bbox="908 1016 1437 1106">• Comparison of projected annual cash flows estimated in previous years with cash flows obtained in 2021. <li data-bbox="908 1135 1445 1285">• Comparison of methodology used, discount rate and other market data such as the interest rate curve and the inflation rate, using the auditor's experts. <li data-bbox="908 1314 1430 1375">• Obtaining the sensitivity analysis with respect to the main assumptions. <li data-bbox="908 1404 1461 1491">• Checking the reasonableness of the business and market assumptions used by management. <p data-bbox="908 1520 1445 1621">Finally, we verified that the disclosures and information included in the notes to accounts are appropriate.</p> <p data-bbox="908 1650 1437 1724">The result of the procedures used has made possible to reasonably achieve the audit for which said procedures were designed.</p>

Other information: Management report

Other information comprises only the management report for the 2021 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the management report and the annual accounts as a result of our knowledge of the entity obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described in the previous paragraph, the information contained in the management report is consistent with that contained in the annual accounts for the 2021 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present 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 the aforementioned directors 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.

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 legislation governing the audit practice 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.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment 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 fair presentation.

We communicate with the entity's directors 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.

From the significant risks communicated with the entity's directors, we determine those risks that were of most significance in the audit of the annual accounts of the current period and are, therefore, considered to be the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by
Goretty Álvarez González (20208)

11 May 2022

ITÍNERE INFRAESTRUCTURAS, S.A.

**Annual Accounts and Directors' Report
31 December 2021
(together with the Audit Report)**

ITÍNERE INFRAESTRUCTURAS, S.A.

Balance sheet at 31 December 2021 and 2020 (in euros)

	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS		2,542,287,773.48	2,302,947,085.14
Intangible fixed assets	5	35.83	747.21
Computer software		35.83	747.21
Property, plant and equipment	6	747,241.56	847,537.47
Technical facilities and other property, plant and equipment		747,241.56	844,932.37
Assets under construction and advances		-	2,605.10
Investment property	7	236,162.05	310,739.54
Lands and buildings		236,162.05	310,739.54
Non-current investments in group companies and associates	9 and 10	2,526,887,437.78	2,301,709,699.08
Equity instruments		2,526,887,437.78	2,301,709,699.08
Non-current financial investments	9	64,005.07	63,305.07
Other financial assets		64,005.07	63,305.07
Deferred tax assets	18	14,352,891.19	15,056.77
CURRENT ASSETS		62,179,166.31	57,414,204.15
Trade and other receivables	11	46,716,396.23	40,854,913.75
Group companies and associates, receivables	9 and 19	40,392,436.43	39,553,252.85
Sundry receivables	9	17,881.02	20,674.14
Staff	9	1,808.11	6,708.10
Current tax assets	18	6,304,270.67	1,274,278.66
Current accruals		210,778.87	192,916.47
Cash and cash equivalents	12	15,251,991.21	16,366,373.93
Liquid assets		15,251,991.21	16,366,373.93
TOTAL ASSETS		2,604,466,939.79	2,360,361,289.29

The accompanying notes 1 to 29 form a comprehensive part
of the Annual Accounts at 31 December 2021

ITÍNERE INFRAESTRUCTURAS, S.A.

Balance sheet at 31 December 2021 and 2020 (in euros)

	Note	2021	2020
EQUITY AND LIABILITIES			
EQUITY		1,412,140,169.53	1,195,161,540.30
Capital and Reserves		1,412,140,169.53	1,195,160,743.59
Capital	13	227,402,912.73	227,402,912.73
Issue premium	13	1,038,559,639.56	1,038,559,639.56
Legal reserve	13	29,756,242.20	29,756,242.20
Other reserves	13	493,140,611.35	493,226,295.35
Own shares and equity holdings	13	(211,717.44)	(211,717.44)
Prior years' profit/loss		(593,572,628.81)	(573,146,935.23)
Profit/loss for the year	3	217,065,109.94	(20,425,693.58)
Subsidies, donations and bequests received	14	-	796.71
NON-CURRENT LIABILITIES		1,167,313,919.33	1,143,513,985.54
Non-current provisions		1,140,000.00	-
Obligations for long-term employee benefits		1,140,000.00	-
Non-current payables	9	592,015,809.42	589,599,916.28
Debentures and Other Marketable Securities	15	22,365,452.52	19,950,309.38
Debt with financial institutions	16	569,649,606.90	569,649,606.90
Other financial liabilities		750.00	-
Non-current payables to group companies and associates	9 and 19	574,158,109.91	553,914,069.26
CURRENT LIABILITIES		25,012,850.93	21,685,763.45
Current payables	9	4,969,171.28	4,994,177.83
Debt with financial institutions	16	4,967,819.28	4,993,427.83
Other financial liabilities		1,352.00	750.00
Current payables to group companies and associates	9 and 19	10,303,814.28	10,552,305.65
Trade and other payables		9,640,825.83	6,029,019.91
Sundry payables	9	655,624.20	441,564.82
Staff	9	1,171,305.69	184,950.19
Other payables to public administration	17	7,813,895.94	5,402,504.90
Current accruals		99,039.54	110,260.06
TOTAL EQUITY AND LIABILITIES		2,604,466,939.79	2,360,361,289.29

The accompanying notes 1 to 29 form a comprehensive part
of the Annual Accounts at 31 December 2021

ITÍNERE INFRAESTRUCTURAS, S.A.

Income statement for the year ended 31 December 2021 and 2020 (in euros)

	Note	2021	2020
Net Revenues	20	8,441,325.26	6,280,064.54
Rendering of services		8,441,325.26	6,280,064.54
Other operating income		290,091.91	383,900.00
Sundry and other current operating income		290,091.91	379,114.23
Operating subsidies for the year		-	4,785.77
Personnel expenses	23	(5,551,797.06)	(3,222,121.60)
Wages, salaries and similar expenses		(5,296,629.71)	(2,978,357.45)
Employer contributions		(255,167.35)	(243,764.15)
Other operating expenses		(2,436,114.78)	(3,051,038.64)
External services	21	(2,402,681.91)	(3,009,546.10)
Taxes		(33,432.87)	(41,492.54)
Amortization and depreciation	5, 6 and 7	(184,337.55)	(155,868.51)
Impairment and result from disposals of fixed assets		(126.25)	-
Results for disposals and other		(126.25)	-
Other profit/loss	21	3,346.96	4,546,554.45
OPERATING PROFIT/LOSS		562,388.49	4,781,490.24
Financial income		-	186,904.04
From negotiable securities and other financial instruments		-	186,904.04
From third parties		-	186,904.04
Financial expenses	22	(27,814,991.86)	(28,477,285.41)
On debt with group companies and associates	19	(12,197,086.49)	(13,134,030.53)
On debts to third parties		(15,617,905.37)	(15,343,254.88)
Allocation of financial subsidies, donations and bequests	14	-	3,404.22
Exchange differences		(177.86)	(485.23)
Impairment on gains or losses on disposals of financial instruments		225,177,738.70	-
Impairment and losses	10	225,177,738.70	-
NET FINANCE INCOME / (EXPENSE)		197,362,568.98	(28,287,462.38)
PROFIT/LOSS BEFORE TAX		197,924,957.47	(23,505,972.14)
Income Tax	18	19,140,152.47	3,080,278.56
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		217,065,109.94	(20,425,693.58)
PROFIT/LOSS FOR THE YEAR	3	217,065,109.94	(20,425,693.58)

The accompanying notes 1 to 29 form a comprehensive part
of the Annual Accounts at 31 December 2021

ITÍNERE INFRAESTRUCTURAS, S.A.

Statements of Changes in Equity for the year ended 31 December 2021 and 2020 (in euros)

STATEMENT OF INCOME AND EXPENSES RECOGNISED IN EQUITY

	Note	2021	2020
A) Income statement		217,065,109.94	(20,425,693.58)
Revenues and expenses directly allocated to equity			
Subsidies, donations and bequests received		(1,062.27)	265.85
Tax effect		265.56	(66)
B) Total income and expenses recognised directly in equity		(796.71)	199.38
Amounts transferred to the income statement			
Subsidies, donations and bequests received	14	-	(3,404.22)
Tax effect		-	851.06
C) Total amounts transferred to the income statement		-	(2,553.17)
TOTAL RECOGNISED INCOME AND EXPENSES (A + B + C)		217,064,313.23	(20,428,047.36)

STATEMENT OF TOTAL CHANGES IN EQUITY

	Registered capita	Reserves	(Own shares and equity holdings)	Prior years' profit/loss	Profit/loss for the year	Subsidies, donations and bequests received	TOTAL
BALANCE, END OF YEAR 2019	227,402,912.73	1,561,542,177.11	(211,717.44)	(550,917,286.18)	(22,229,649.05)	3,150.49	1,215,589,587.66
Total recognised income and expenses	-	-	-	-	(20,425,693.58)	(2,353.78)	(20,428,047.36)
Other changes in equity	-	-	-	(22,229,649.05)	22,229,649.05	-	-
Transfer between net asset items	-	-	-	(22,229,649.05)	22,229,649.05	-	-
BALANCE, END OF YEAR 2020	227,402,912.73	1,561,542,177.11	(211,717.44)	(573,146,935.23)	(20,425,693.58)	796.71	1,195,161,540.30
Total recognised income and expenses	-	-	-	-	217,065,109.94	(796.71)	217,064,313.23
Other changes in equity	-	(85,684.00)	-	(20,425,693.58)	20,425,693.58	-	(85,684.00)
Transfer between net asset items (note 3)	-	-	-	(20,425,693.58)	20,425,693.58	-	-
Other variations (note 18)	-	(85,684.00)	-	-	-	-	(85,684.00)
BALANCE, END OF YEAR 2021	227,402,912.73	1,561,456,493.11	(211,717.44)	(593,572,628.81)	217,065,109.94	-	1,412,140,169.53

The accompanying notes 1 to 29 form a comprehensive part of the Annual Accounts at 31 December 2021

ITÍNERE INFRAESTRUCTURAS, S.A.

Statement of Cash Flows for the year ended 31 December 2021 and 2020 (in euros)

	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		2,935,169.00	950,370.61
Profit/loss for the year before taxes		197,924,957.00	(23,505,972.14)
Adjustments to profit/loss		(197,178,104.00)	28,443,330.89
Depreciation and amortisation charge (+)	5, 6 and 7	184,338.00	155,868.51
Correcciones valorativas por deterioro (+/-)	5 y 10	(225,177,738.70)	-
Results from write-offs and disposals of financial instruments (+/-)	5	126.25	-
Financial income and allocation of financial subsidies (-)	14	-	(190,308.26)
Financial expenses (+)	22	27,814,992.00	28,477,285.41
Exchange differences (+/-)		178.00	485.23
Changes in working capital		9,710,261.00	(8,307,223.39)
Trade and other receivables (+/-)		(6,664,611.44)	(10,767,299.47)
Other current assets (+/-)		(17,862.40)	(32,095.43)
Trade and other payables (+/-)		4,769,456.25	(5,957,127.97)
Other current liabilities (+/-)		3,500,828.91	805,360.88
Other non-current assets and liabilities (+/-)		8,122,449.45	7,643,938.60
Other cash flow from operating activities		(7,521,945.00)	4,320,235.25
Interest paid (-)		(13,103,523.32)	(13,211,519.39)
Interest received (+)		-	186,904.04
Income tax received (paid) (+/-)	18	22,468,917.18	19,868,336.62
Other payments (collections) (-/+)		(16,887,338.42)	(2,523,486.02)
CASH FLOW FROM INVESTING ACTIVITIES		(90,876.00)	(697,217.98)
Payments for investments (-)		(90,876.00)	(697,217.98)
Intangible fixed assets	5	-	(7,713.75)
Property, plant and equipment	6	(90,176.12)	(726,568.69)
Other financial assets		(700.00)	37,064.46
CASH FLOW FROM FINANCING ACTIVITIES		(3,958,676.00)	(15,563.15)
Proceeds from and payments for financial liabilities		(3,958,676.00)	(15,563.15)
Issue:			-
Other debts (+)		1,652.00	-
Redemption and repayment of:			
Debt with credit institutions (-)	16	(61,607.25)	(15,563.15)
Debt with group companies (-)	19	(3,898,721.03)	-
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		(1,114,383.00)	237,589.48
Cash and cash equivalents at the start of the year		16,366,374.00	16,128,784.45
Cash and cash equivalents at the end of the year	12	15,251,991.00	16,366,373.93

The accompanying notes 1 to 29 form a comprehensive part
of the Annual Accounts at 31 December 2021

ITÍNERE INFRAESTRUCTURAS, S.A.

Director's Report

1. NATURE AND MAIN ACTIVITIES

(a) Nature and main activities

ITÍNERE INFRAESTRUCTURAS, S.A. (hereinafter, ITÍNERE or the Company, formerly EUROPISTAS, C.E.S.A. -), was incorporated as a Limited Liability Company on 21 May 1968.

Its registered office is located at calle Capuchinos de Basurto, 6; 4^a planta, Bilbao, Spain. It is registered in the Mercantile Registry of Biscay in volume 4916 of the companies book, folio 21, page number BI-519148 and in the tax roll of the Ministry of Economy and Finance with tax identification code: A-28200392.

The Company's corporate purpose is as follows:

- Development and execution of the construction, conservation and operation of all types of toll roads, highways, tunnels and stretches thereof, under a regime of administrative concession, of which it is the successful bidder, including the construction of road infrastructures, other than the concessions awarded to it, having an influence thereon or that are carried out within their area of influence or that are necessary for the organisation of traffic, when the execution design or only the execution thereof is imposed on the concessionary company as a consideration, in addition to activities for the operation of the service areas of the toll roads, tunnels and highways whose concession has been granted to it, and all supplementary activities of the foregoing, such as petrol stations and comprehensive transport and parking centres, provided that all of the foregoing are within the area of influence of such infrastructures, as established by the applicable legal provisions.
- Design, construction, execution, operation, management, administration, conservation and promotion of all types of infrastructure and construction work, both public and private, whether directly or through a stake in companies, joint ventures, consortia or any other similar legal form permitted by law in the country in question.
- Operation and rendering of all types of services relating to urban and inter-urban transport infrastructures, whether by land, sea or air, and the operation and management of all classes of supplementary construction works and services on offer in the areas of influence of public and private construction works and infrastructures.
- Rendering of conservation, repair, maintenance, refurbishment and cleaning services relating to all types of construction work, installations and services to both public and private companies.
- Preparation of all types of architectural and engineering designs, studies and reports, as well as the management, supervision and provision of consultancy services in the performance of all types of construction work.
- Acquisition, possession, use, administration and disposal of all classes of securities for its own account, excluding all the activities which the special legislation and, in particular, the Spanish Securities Market Act, attribute exclusively to other companies.
- Management of public water supply, sewerage and purification services and administrative construction work and service concessions.
- Operation and development of mineral deposits, mines and quarries and the acquisition, use and enjoyment of mining permits, concessions, licences and authorisations and all other mining-related rights, and the marketing and distribution of mineral products. All activities relating to minerals of strategic interest are excluded.
- Manufacture, purchase, sale, supply, import, export, lease, installation, distribution and operation of all types of machinery, tools, vehicles, plants, materials, equipment and furniture, including construction materials and elements and those for use therein.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

- Acquisition, operation in whatsoever manner, marketing, assignment and disposal of all types of intellectual property rights and patents and all other industrial property modalities.
- Direction and management of Spanish and foreign subsidiaries and investee companies, through participation in their administrative bodies. Strategic and administrative management of their subsidiaries in Spain and abroad and the provision of legal, economic, accounting, labour, budgetary, financial, tax, commercial and IT consultancy services to such companies, constituting its main activity at this moment.

The Company can perform the activities referred to in the foregoing paragraphs (including participation in any tender), both in Spain and abroad, either directly or indirectly through its subsidiaries or investees.

The main shareholder of ITÍNERE is ARECIBO SERVICIOS Y GESTIONES, S.L. (hereinafter, ARECIBO) which, at 31 December 2021 and 2020, had a 52.87% stake in the capital of ITÍNERE (note 13).

As a consequence of the foregoing, as per the terms of article 42 of Spain's Code of Commerce, the Company belongs to a group of companies, the holding company of which, in Spain, is ARECIBO, which was incorporated on 27 April 2009 and has its registered office in Bilbao. On 19 April 2021, ARECIBO drafted its consolidated annual accounts and directors' report for the financial year ended 31 December 2020, which were filed at the Mercantile Registry in Bilbao. At the date of preparing these annual accounts, ARECIBO had not yet drafted its consolidated annual accounts for 2021, being scheduled for 31 March 2022.

ITÍNERE is the parent company of a Group of companies that submits consolidated annual accounts separately from these individual annual accounts. The aforesaid consolidated accounts, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, show total assets at 31 December 2021 of 3,752,314 thousand euros, equity of 983,899 thousand euros and a consolidated profit attributable to the parent company of 8,613 thousand euros (3,805,512 thousand euros, 977,477 thousand euros and a loss of 48,078 thousand euros, respectively, corresponding to the 2020 financial year's comparative figures, which appear in the consolidated annual accounts of said year).

(b) Background

In 2000, the Company merged with EUROVIAS C.E.S.A., a 35% owned company, through the absorption by EUROPISTAS C.E.S.A. of the latter company, which was terminated without liquidation. The merger was approved by both companies' General Meetings of Shareholders and placed on record in a public document in that financial year. In this respect, the annual accounts for the year ended 31 December 2000 include detailed information on the aforesaid merger process.

On 1 October 2007 and, within the framework of a corporate restructuring operation implemented by EUROPISTAS, C.E.S.A., the Company made a non-monetary contribution of a business activity as disbursement of the capital increase carried out by the company AP-1 EUROPISTAS, C.E.S.A.U., of which the Company was a direct shareholder (this stake is currently held indirectly through its 100% subsidiary, ENAITINERE, S.A.). The aforementioned contribution entailed the transfer of all personnel and assets related to the AP-1 toll road activity at that date.

Prior to making the aforesaid contribution, the corporate purpose of EUROPISTAS, C.E.S.A. included, among others, the construction, operation and conservation of the AP-1 Burgos-Armiñón toll road under an administrative concession regime.

On 31 December 2007, with accounting effect as from 24:00 hours, the deed of merger of EUROPISTAS C.E.S.A. with ITÍNERE INFRAESTRUCTURAS, S.A.U. was formalised, as per the resolution of both companies' administrative bodies adopted on 17 April 2007, comprising the absorption of ITÍNERE INFRAESTRUCTURAS, S.A.U. by EUROPISTAS C.E.S.A. with the

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

termination, through the dissolution without liquidation of the former and the block transfer of all its assets to the latter which, on 1 January 2008, acquired, through sole succession, the rights and obligations thereof. As a consequence of this merger, EUROPISTAS, C.E.S.A., the absorbing company, amended its corporate name, adopting that of the absorbed company, that is, ITÍNERE INFRAESTRUCTURAS, S.A. The annual accounts corresponding for the year ended 31 December 2008 include detailed information on the aforesaid merger process.

(c) Business combinations

On 30 November 2008, an undertaking agreement was executed for the formulation and acceptance between Sacyr Vallehermoso, S.A. (currently called Sacyr, S.A.) and Citi Infrastructure Partners L.P. of a takeover bid for the shares of ITÍNERE, subject to conditions precedent, by virtue of which and once these conditions had been fulfilled, in 2009 a change in the Company's controlling shareholder took place, which then became Pear Acquisition Corporation, S.L.U., a company set up to implement this undertaking, owned by ARECIBO. The details of this operation are set forth in the annual accounts corresponding to financial year 2009.

On 15 July 2009, the directors of ITÍNERE drew up a mutual absorption-based merger project between ITÍNERE as the absorbing company and Pear Acquisition Corporation, S.L.U., owned by ARECIBO, Avasacyr, S.L.U., 100% owned by ITÍNERE and SyV Participaciones II, S.L.U., a company belonging to the Sacyr Vallehermoso Group (currently the Sacyr Group), through which the latter maintained its stake in ITÍNERE together with CaixaGalicia and Caixanova (subsequently merged under the name of NCG Banco, S.A., currently Abanca) and Cajastur (currently Liberbank), as absorbed companies.

This merger consisted in the absorbed companies' dissolution without liquidation and the block transfer of all their assets and liabilities to the absorbing company, which acquired, through sole succession, the rights and obligations thereof. In this respect, a reverse merger was carried out by virtue of which ITÍNERE absorbed its shareholders, Pear Acquisition Corporation S.L.U. and SyV Participaciones II, S.L.U., thereby allowing these companies' shareholders to participate directly in the absorbing company's share capital, with each one receiving a number of shares of ITÍNERE proportional to their interests, as established in the swap equation. Similarly, a current merger was implemented, through which ITÍNERE absorbed its subsidiary, Avasacyr, S.L.U.

As a consequence of this merger, a difference arose corresponding to the excess between the purchase price of ITÍNERE for the part acquired by the merged companies and the book value of the acquired assets and assumed liabilities on the transaction date, which was assigned to certain investments in group companies identified as cash-generating units.

The annual accounts for the financial year ended 31 December 2009 include detailed information on the aforesaid merger, as well as a detailed description of that excess value.

2. BASIS OF PRESENTATION

(a) True and fair view

The attached annual accounts were obtained from the Company's accounting records and presented in accordance with prevailing commercial legislation and the standards established in the Spanish General Chart of Accounts through Royal Decree 1514/2007 of 16 November and the amendments made to the latter by Royal Decree 1 enacted on 12 January 2021, in force for the financial years starting as from 1st January 2021, in order to provide a true and fair view of the equity and financial position at 31 December 2021 and results of its transactions, changes in equity, and cash flow for the year then ended.

These annual accounts, which were authorised for issue by the Company's directors, will be submitted for approval by the General Ordinary Shareholders' Meeting and are expected to be

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

approved without any changes. The 2020 annual accounts were approved by the shareholders at the general meeting held on 24 June 2021.

The figures included in the notes to these annual accounts are shown in thousands of euros, which is the Company's functional and reporting currency.

(b) Impact of COVID-19

The pandemic situation caused by COVID-19 in which we are still immersed brought about a severe impact on the evolution of the world economy during 2020. Throughout that year, the governments of the countries affected by the pandemic were forced to take measures, on the one hand, by establishing restrictions on mobility and closing businesses to control the disease's spread and, on the other hand, to alleviate the economic slowdown caused by the virus. The effects of the aforementioned restrictions led to an unprecedented global crisis that brought about a deep economic recession.

The ITÍNERE Group formed a temporary Committee whose aim has been the management, at the highest level, of all those aspects related with the pandemic and its consequences, focusing at all times on the safety of its staff and users.

During financial year 2021, the conditions of the Spanish economy improved considerably, particularly as from the second state of emergency on 9 May 2021. Activity and employment bounced back in Spain as from the end of the first quarter, concurrently with the progress made in the vaccination campaign and the improvement in the evolution of the pandemic.

The end of the restrictions on mobility had a major positive impact on traffic levels on the toll roads operated by the Group companies and, accordingly, on its income flow compared with those posted in 2020.

The overall average daily traffic (ADT) for all of the toll roads operated by ITÍNERE subsidiaries during 2021 was 17,670 vehicles (13,925 vehicles in 2020). This means that traffic increased up to 26.89% compared to the same period in the previous year (30.24% increase for light vehicles and 8.87% for heavy vehicles). It is worth pointing out that the above comparison was affected by the intense lockdown which started in mid-March 2020 and which caused an unprecedented reduction in traffic, essentially of light vehicles, and which, accordingly, is reflected in the high growth rates recorded in 2021 compared with 2020. Notwithstanding the above, and despite the good progress in traffic levels during 2021, the latter have yet to attain the levels recorded in 2019.

This increase in the ADT of the toll roads operated by the Group led to an increase in their turnover at the end of 2021 compared to the previous year, which has had a significant impact on the rest of said companies' financial figures.

The impact that the crisis brought on by COVID-19 may have on the future profits of the Company and/or its financial and equity situation will depend on the evolution of the pandemic, the ability of Administrations to permanently control any future outbreaks which may occur, as well as on any restrictions which may be imposed.

In light of the regulatory framework applicable to them, in the first few months of 2022 the concessionary companies in which ITÍNERE has stakes have brought contentious-administrative claims requesting their respective granting Administrations to re-establish the economic and financial balance of their concessions contracts. The legal basis of this request is the exercise of a contractual right to maintain the aforementioned economic and financial balance, based on the appearance of unforeseeable and extraordinary circumstances, as well as being based on the adoption --by the different administrations-- of measures that have made it impossible to execute the concession contracts under the foreseen terms, as the concession companies have kept up with their full business activity because they are critical transport infrastructures. Notwithstanding the foregoing, the aforementioned companies --in accordance with the provisions of their concession

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

contracts and the applicable legal framework-- continue with risk (demand risk of the concessionaire) and the risk of maintaining an economic and financial balance.

The company's Directors and Management constantly monitor the evolution and effects of the situation caused by the pandemic.

(c) Critical factors for measuring and estimating uncertainties

When preparing the Company's annual accounts, the Directors made estimates based on past experience and other factors which, in accordance with current circumstances, are deemed to be fair and constitute the basis for establishing the carrying amount of the assets and liabilities whose value cannot easily be established from other sources. The Company reviews its estimates in an ongoing way and, as and when applicable, their effects are recognised prospectively. However, given the uncertainty inherent to them, there is an important risk of adjustments arising in the future in the values of the affected assets and liabilities should there be a significant change in the assumptions, facts and circumstances on which they are based. Moreover, and due to the consequences of the COVID-19 pandemic, there is a higher degree of uncertainty surrounding the estimates and forecasts that the Company uses to calculate the value of some assets and liabilities (see note 2 (b)).

The key assumptions concerning the future and other relevant data on the uncertainty of estimates at the reporting date that present a risk of significant changes in the value of assets and liabilities are as follows:

▪ *Impairment of non-financial assets*

Every year, the Company analyses whether there are impairment indicators for non-financial assets (intangible fixed assets, property, plant and equipment, property investments and investments in Group companies). Where appropriate, it carries out the appropriate impairment tests and proceeds to determine the recoverable value of the aforementioned assets.

As a consequence of the merger process referred to in note 1 (c), an amount for goodwill arose and was allocated to the net assets that constitute the cash-generating units to which the cash-generating capacity corresponding to the aforesaid goodwill can be attributed, which the Company subjects to an annual impairment test. The establishment of the recoverable value of these cash-generating units (hereinafter, CGUs) to which goodwill has been allocated involves the use of estimates. This recoverable value is the value in use of these cash-generating units, which corresponds to investments in Group companies (see note 10). In general, the Company uses cash flow discounting methods for establishing these values that take into account past experience and represent the best estimate as to their future performance.

▪ *Deferred tax assets*

Recognition of deferred tax assets is made on the basis of future estimates made by the Company in connection with the likelihood of future tax gains being available to permit their recovery.

▪ *Provisions*

The Company makes provision for risks based on judgements and estimates of the probability of them materialising, and their amounts. Provision is made when the risk is considered probable.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

▪ Calculation of fair value, value in use and present value

The calculation of fair value, value in use and present value may require assumptions regarding the future cash flows and their future amounts, and the discount rates applicable thereto. These estimates and related assumptions are based on past experience and other factors deemed to be fair, in accordance with the circumstances surrounding the activity conducted by the Company.

(d) Comparison of information

For the purposes of the obligation established in article 35.6 of the Code of Commerce and those resulting from application of the principle of uniformity and the comparability requirements, the 2021 abbreviated annual accounts include comparative figures relating to the 2020 financial year. With this in mind, it is worth pointing out the reclassifications undertaken after the coming into force of said Royal Decree 1/2021 of 12 January and detailed in note 2 (e), as well as the fact that the Company has opted for the application of the stipulations of the Second Transitory Provision of said Royal Decree, which considers the application of the new criteria for submitting financial instruments to the items for the financial year of 2020, without restating the information from said period.

(e) First application of Royal Decree 1/2021 of 12 January.

Pursuant to the stipulations of Royal Decree 1/2021 of 12 January which amends the General Chart of Accounts approved by Royal Decree 1514/2007 enacted on 16 November, the annual accounts pertaining to the financial year which started on 1st January 2021 are the first in which said Royal Decree is applicable.

The amendments made by said Royal Decree impacts the following items of the Company balance sheet:

Financial instruments

(i) Financial assets

Pursuant to the stipulations of Royal Decree 1/2021 of 12 January, the classification of financial assets is carried out in line with how the Company manages said assets, the business model used to manage them and the contractual terms of its cash flows.

The Company's financial assets are classified as follows:

- Financial assets at amortised cost: these pertain to the previous portfolio of "Loans and receivables" insofar as they are maintained with a view to receiving cash flows deriving from the performance of a contract whose conditions give rise, on specific dates, to cash flows which are solely receipts of principal and interest on the outstanding principal amount. They include trade receivables and non-trade receivables.
- Financial assets at cost: this includes investments in group, multigroup and associate companies, as well as participative loans whose interest is of a contingent nature. In addition, this category also includes the previous one of "Financial assets held for sale", as it involves financial assets for which a reliable estimate of their fair value cannot be obtained.

(ii) Classification and valuation of financial assets

As mentioned in note 2 (d), on the date of the first application of Royal Decree 1/2021 of 12 January, the Company opted to apply the Second Transitory Provision, including comparative information pertaining to the financial year ending on 31 December 2020,

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

without restating, which considers the new criteria for the submission of financial instruments applicable to the financial year ending on 31 December 2021.

Reclassifications under the financial assets of the Company as at 1st January 2021 are as follows:

Thousands of euros

Royal Decree Categories 1514/2007	Loans and receivables	Investments in group companies, multigroup companies and associated
Royal Decree Categories 1/2021	Financial assets at amortized cost	Financial assets at cost
Final balance at 31 December 2020 - RD 1514/2007	39,644	2,301,710
Equity instruments	-	2,301,710
Credits and other receivables	39,581	-
Other financial assets	63	-
Opening balance at 1 January 2021 - RD 1/2021	39,644	2,301,710

The Company has not carried out any reclassifications amongst categories of financial assets that have entailed impacts on equity.

(iii) Financial liabilities

The financial liabilities of the Company are included under the category of "Financial liabilities at amortised cost" and they form part of the previous portfolio of "Debts and payables", both for trade and non-trade transactions.

As regards financial liabilities from loan or credit received transactions by the Company and deriving from refinancing which has involved a debt swap without substantially different conditions, a qualitative analysis was carried out with a view to determining whether the refinanced liabilities have undergone any substantial qualitative changes which, under Royal Decree 1/2021, entail a substantial modification thereunto, and hence the derecognition of the original financial liabilities and the recognition of new financial liabilities. From the analysis carried out, the Company concluded that there has been no substantial modification to the conditions of its loan or credit received transactions and so there is no need to make any transition adjustment.

3. DISTRIBUTION OF PROFIT

- (a) The proposed distribution of profit for the year ended 31 December 2021, authorised by the directors and pending approval by the General Meeting of Shareholders, consists of the transfer to the legal reserve of 15,724,340.35 euros and the transfer of 201,340,769.59 euros to offset losses from previous years.
- (b) The distribution of profit for the year ended 31 December 2020, carried out during 2021, is shown in the statement of total changes in equity, which forms an integral part of these annual accounts.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

4. RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement standards applied by the Company in the preparation of the Annual accounts for the year ended on 31 December 2021 were as follows:

(a) Intangible fixed assets

Includes computer software, which are stated at cost of acquisition minus any accumulated amortisation and eventual impairment adjustments.

These intangible fixed assets have a defined useful life and will be systematically amortised within an estimated 5-year period. Their recoverability is analysed when events or changes occur that indicate that the carrying amount might not be recoverable. Amortisation methods and periods are reviewed at each year end and adjusted prospectively, as required.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or production minus any accumulated depreciation and impairment adjustments.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Other facilities, fixtures and furniture	5 - 10
Other property, plant and equipment	3 - 6

Repairs and maintenance costs which do not improve the related assets or extend their useful lives are expensed when incurred.

At each year end, the Company reviews the useful lives and depreciation methods of its property, plant and equipment and, if necessary, adjusts them prospectively.

(c) Investment property

Investment property is comprised of land and buildings that are leased or available for lease to third parties. Buildings are depreciated on a straight-line basis over an estimated useful life of 33 years.

The measurement standards described for property, plant and equipment are fully applicable to investment property.

Assets are transferred to investment property only when a change occurs in the use of these assets.

(d) Impairment of non-financial assets

The carrying amount of non-financial assets recognised by the Company is reviewed at each reporting date to determine if there are indications of impairment and recognise any impairment if applicable. For this purpose, the recoverable amount of the assets is estimated, which is the higher of their fair value minus the cost of sale and their value in use.

In determining value in use, future expected cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates in regard to the time value of money and the specific risks of the asset. In the case of assets that do not generate highly

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

independent cash flows, the recoverable amount is determined for the cash-generating units to which the assets being valued belong.

Likewise, and regardless of the existence or otherwise of signs of value impairment, on a yearly basis at least, the Company checks any potential value impairment that could affect goodwill and intangible assets with an undefined useful life.

At the same time, if the Company has reasonable doubts as to the technical success or financial and commercial profitability of the research and development projects in progress, the amounts registered on the balance sheet are recognised directly as losses from intangible assets in the income statement and are not reversible.

Impairment losses are recognised for all assets, or, where applicable, for the cash generating units to which they belong, when their carrying amount exceeds their estimated recoverable amount. These impairment losses are recognised in the income statement and reversed if the circumstances in which they were recognised no longer exist. The reversal of impairment is recognised in the income statement and only up to the limit of the carrying amount of the asset net of amortisation and depreciation had impairment not been recognised. Impairment losses corresponding to goodwill are not reversible.

(e) Operating leases

Income and expenses from operating leases are charged to the income statement in the year accrued.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment, which will be allocated to the income statement over the lease term as the benefits of the leased asset are received or given.

(f) Financial instruments

The Company classifies financial instruments in the different categories on the basis of their characteristics and the Company's intentions at the time of their initial recognition.

Financial assets

The categories of financial assets applicable to the Company are the following:

(i) Financial assets at amortised cost

This category incorporates those financial assets, including those admitted to trading on an organised market, in which the Company maintains the investment with a view to receiving cash flows deriving from performance of the contract and the contractual terms of the financial asset give rise, on specified dates, to cash flows which are solely receipts of principal and interest on the outstanding principal amount.

The contractual cash flows which are solely receipts of principal and interest on the outstanding principal amount are inherent in an agreement which has the nature of an ordinary or common loan, without prejudice to the fact that the transaction conforms to an interest rate of zero or below the market rate.

This category includes trade receivables and non-trade receivables:

- a) Trade receivables: these are financial assets which derive from the sale of goods and the rendering of services owing to trade transactions of the company with a deferred payment.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

- b) Non-trade receivables: these are financial assets which, as they are not equity nor derivative instruments, are not of a trade origin and their payments are for a given or determinable amount, deriving from loan or credit transactions granted by the company.

Financial assets classified under this category are initially recognised at fair value which, in the absence of evidence to the contrary, shall be the transaction price, which is equivalent to the fair value of the consideration received, plus directly attributable transaction costs.

Nonetheless, trade receivables due within one year for which there is no specific contractual interest rate, as well as staff receivables, dividends receivable and called-up equity instruments expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Subsequently, the financial assets included under this category shall be valued at their amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

Nonetheless, any receivables due within one year which, pursuant to the provisions of the previous section, are initially valued at their nominal value, shall continue to be valued at said amount, unless they have been impaired.

When the contractual cash flows of a financial asset are modified owing to financial difficulties of the issuer, the company shall analyse whether there are grounds to post a loss owing to a value impairment.

At least upon year closure, the necessary impairment must be carried out whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as a result of one or more events that occurred after its initial recognition and which bring about a reduction or delay in estimated future cash flows which derive from the insolvency of the debtor.

Any loss owing to an impairment in the value of these financial assets shall be the difference between their book value and the present value of the future cash flows, including, where applicable, those deriving from the enforcement of real guarantees and collateral which it is estimated will be generated, discounted at the effective interest rate calculated at the time of their initial recognition. For variable interest financial assets, the effective interest rate at the reporting date will be used, in accordance with contractual terms. When calculating losses owing to the impairment of a group of financial assets, models based on statistical methods or formulas may be used.

Impairment losses, as well as their reversal when the amount of said loss falls for reasons related with a subsequent event, shall be recognised as an expenses or income, respectively, in the income statement. The impairment reversal will be limited to the book value of the asset that would have been recognised on the date of the reversal had the impairment not been recognised.

Nonetheless, instead of the present value of future cash flows, market value may be used provided that it is sufficiently reliable to consider it as representative of the amount that would be recovered by the Company.

The recognition of interest in financial assets with credit impairment shall follow the general rules, without prejudice to, concurrently, the company having to evaluate whether said amount shall be subject to recovery and, where applicable, posting the attendant impairment loss.

Any income from interest on financial assets valued at amortised cost is recognised using the effective interest rate method. When a receivable suffers a loss owing to value impairment, the

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

Company reduces the book value to its recoverable amount, discounting the future estimated cash flows at the original effective interest rate of the instrument and it will continue to apply the discount as a reduction in income from interest. Income from interest on loans which have suffered losses owing to value impairment are recognised using the effective interest rate method.

(ii) Financial assets at cost

This valuation category includes:

- a) Equity investments in group companies and associates.
- b) Any other investments in equity instruments whose fair value cannot be determined by reference to a price listed on an active market for an identical instrument, or cannot be reliably estimated, and any derivatives whose underlying asset is these investments.
- c) Hybrid financial assets whose fair value cannot be estimated reliably unless the requirements for their posting at amortised cost are met.
- d) The contributions made as a result of a joint venture agreement and similar.
- e) Participative loans whose interest is of a contingent nature, either because a fixed or variable interest rate has been agreed upon subject to compliance with a milestone in the borrowing company (for example, obtaining profits), or because it is solely calculated with reference to the evolution of the activity of said company.
- f) Any other financial asset initially posted in the portfolio at its fair value with changes in the income statement when it is not possible to obtain a reliable estimate of its fair value.

The investments included under this category are initially valued at cost, which will be equivalent to the fair value of the consideration handed over plus the transaction costs directly attributable to them, not including the latter in the cost of the investments in group companies.

Notwithstanding with the foregoing, if there is an investment prior to its classification as a group, multigroup or associate company, the book value that it should have immediately before the company gains this classification shall be regarded as a cost of said investment.

The amount of the preferential subscription rights and similar rights which, where applicable, may have been acquired, shall form part of the initial valuation.

Subsequently, the equity instruments included under this category shall be valued at their cost, minus, where applicable, the accumulated impairment losses.

When a value has to be assigned to these assets owing to a derecognition from the balance sheet or for some other reason, the weighted average cost method by homogeneous groups shall be applied, taking the latter to mean the values that have the same rights.

In the event of the sale of preferential subscription rights and similar or the segregation thereof to exercise them, the amount of the cost of the rights shall reduce the book value of the respective assets. Said cost shall be determined by applying some generally accepted valuation formula.

The contributions made as a result of a joint venture agreement and similar shall be valued at cost, increased or reduced by the profit or loss, respectively, which pertain to the company as a non-managing participant, y minus, where applicable, the accumulated impairment losses.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

This same criterion shall be applied in participative loans whose interest is of a contingent nature, either because a fixed or variable interest rate has been agreed upon subject to compliance with a milestone in the borrowing company (for example, obtaining profits), or because it is solely calculated with reference to the evolution of the activity of said company. If, in addition to contingent interest, irrevocable, fixed interest is agreed upon, the latter shall be posted as financial income as and when it is accrued. The transaction costs shall be imputed to the income statement on a straight-line basis during the lifetime of the participative loan.

At least at year-end, the necessary impairment must be carried out whenever there is objective evidence that the book value of an investment will not be recovered.

The impairment amount shall be the difference between the book value and the recoverable amount, taking the latter to be the higher of the fair value minus sale costs and the present value of future cash flows from the investment, which for the case of equity instruments, shall be calculated, either by estimating those which it is expected to receive as a result of the distribution of dividends carried out by the investee and the disposal or derecognition in the accounts of the investment therein, or by estimating its share in the cash flows expected to be generated by the investee, as a result of its ordinary activity, disposal or derecognition.

Unless there is better evidence of the recoverable amount of the investments in equity instruments, the estimated loss owing to impairment of this class of assets shall be calculated in line with the equity of the investee and the unrealised capital gains existing as at the valuation date, net of the tax effect. When determining this amount, and provided that the investee company has invested, in turn, in another, due consideration must be given to the equity included in the consolidated annual accounts drawn up by applying the criteria of the Commerce Code and its implementing regulations.

Generally speaking, the indirect estimation method based on equity may be used in those cases in which it can be used to demonstrate a minimum recoverable amount without the need to carry out a more complex analysis when it is deduced from the latter that there is no impairment.

The recognition of impairment losses and, where applicable, their reversal, are recognised as an expense or as income, respectively, in the income statement. The impairment reversal will be limited to the book value of the investment that would have been recognised on the date of the reversal had the value impairment not been recognised.

Notwithstanding, in the event of there having been an investment in the company, subject to its classification as a group, multigroup or associate company, and prior to said classification, valuation adjustments have been made, imputed directly to the equity deriving from said investment, said adjustments shall be maintained after classification until the disposal or derecognition of the investment, at which time they shall be posted in the income statement, or until the following circumstances occur:

- a) In the event of prior impairment owing to increases in value, the impairment losses shall be posted against the equity item which includes the valuation adjustments made previously up to the amount thereof and the surplus, where applicable, shall be posted under the income statement. The impairment losses imputed directly to equity shall not revert.
- b) In the event of prior valuation adjustments owing to reductions in value, when subsequently the recoverable amount is greater than the book value of the investments, the latter shall be increased up to the limit of said reduction in value, against the item that has included the prior valuation adjustments and as from this time the new amount arising shall be regarded as a cost of the investment. However, when there is objective evidence of an impairment in the value of the investment, the losses accumulated directly under equity shall be recognised in the income statement.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

(iii) Interest and dividends received from financial assets

Interest and dividends from financial assets accruing subsequently to the time of acquisition shall be recognised as income in the income statement.

With this in mind, the amount of any explicit interest accrued and not matured at said time shall be posted separately, in line with their maturity, under the initial valuation of financial assets, as well as the amount of the dividends agreed upon by the competent body at the time of acquisition. "Explicit interest" shall be taken to mean the interest obtained from applying the contractual interest rate of the financial instrument.

In addition, if the distributed dividends unequivocally derive from results generated prior to the acquisition date because amounts that are higher than the profits generated by the investee since the acquisition have been distributed, they will not be recognised as income and will reduce the investment's carrying amount.

The judgement as to whether profits have been generated by the investee shall be made solely considering the profits posted under the individual income statement as from the acquisition date, unless the distribution charging to said profits should undoubtedly be classified as a recovery of the investment from the perspective of the entity that receives the dividend.

(iv) Reclassification of financial assets

When the company changes the way in which it manages its financial assets to generate cash flows, it shall reclassify all the assets assigned in accordance with the criteria determined in the previous sections. Reclassification of category is not a balance sheet recognition event, but rather a change in the valuation criterion.

To this end, changes deriving from the following circumstances are not reclassifications:

- a) When an element which was previously an effective, designated hedging instrument in a cash flow hedge or in a net investment hedge in a foreign transaction, has ceased to comply with the requirements to be regarded as such.
- b) When an element becomes an effective, designated hedging instrument in a cash flow hedge or in a net investment hedge in a foreign transaction.

(v) Derecognition of financial assets

When analysing transfers of financial assets, due consideration should be paid to the economic reality and not only to its legal form, nor to the name of the contracts.

The company shall derecognise a financial asset, or part thereof, when they expire or the contractual rights to the cash flows of the financial asset have been assigned, with it being necessary for the risks and benefits inherent in their ownership to have been substantially transferred, under circumstances which shall be evaluated by comparing the company exposure before and after assignment with the variation in the amounts and in the net cash flow schedule of the asset transferred. It shall be assumed that the risks and benefits inherent in the ownership of the financial asset have been substantially assigned when their exposure to said variation ceases to be significant with regard to the total variation in the present value of future net cash flows associated with the financial asset (such as definitive sales of assets, assignments of trade receivables in "factoring" operations in which the company does not retain any credit risk nor interest, sales of financial assets with a buyback agreement for their fair value and securitisations of financial assets in which the assignor company does not retain any subordinated financing nor grant any type of guarantee or assume any other type of risk).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

If the company has not substantially assigned nor retained the risks and benefits, the financial asset shall be derecognised when it has not retained control thereof, a situation which shall be determined in line with the unilateral capacity of the assignee to transfer said asset, fully and without imposing conditions, to an unrelated third party. If the assignor company maintains control of the asset, it shall continue to recognise it for the amount to which the company is exposed to variations in value of the asset assigned, in other words, for its continued involvement, and it shall recognise an associated liability.

When the financial asset is derecognised, the difference between the consideration received net of the attributable transaction costs, considering any new asset obtain minus any liability assumed, and the book value of the financial asset shall determine the gain or loss arising when derecognising said asset, and it shall form part of the profit/loss for the financial year in which it occurs.

The above criteria shall also be applied in transfers from a group of financial assets or part thereof.

The company shall not derecognise the financial assets and it shall recognise a financial liability for a sum equal to the consideration received in the assignments of financial assets in which it has substantially retained the risks and benefits inherent in their ownership, such as in the discounting of bills, "recourse factoring", sales of financial assets with a buyback agreement at a fixed price or at sale price plus interest and uses of financial assets in which the assignor company retains subordinated financing or some other type of guarantees which substantially absorb all the expected losses.

Financial liabilities

The financial liabilities held by the Company are classified under the category of "Financial liabilities at amortised cost" which, generally speaking, include debits from trade operations and debits from non-trade operations:

- a) Debts from trade operations: these are those financial liabilities which derive from the purchase of goods and services owing to trade transactions of the company with a deferred payment, and
- b) Debts from non-trade operations: these are those financial liabilities which, not being derivative instruments, do not have a commercial origin, but rather derive from credit or loan transactions received by the company.

Participative loans endowed with the characteristics of an ordinary or common loan are also included under this category without prejudice to the agreed interest rate (zero or below the market rate).

Financial liabilities included under this category shall initially be valued at their fair value which, unless proven otherwise, shall be the transaction price, which shall be equivalent to the fair value of the consideration received, adjusted by the transaction costs directly attributable to them.

Nonetheless, trade payables due within one year for which there is no contractual interest rate and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Subsequently, the financial liabilities included under this category shall be valued at their amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

Notwithstanding with the above, debits maturing in no later than one year which, in accordance with the provisions of the previous section, are initially valued at their nominal value, shall continue to be valued for said amount.

(i) Derecognition of financial liabilities

The company shall derecognise a financial liability, or part thereof, when the obligation has been extinguished; in other words, when it has been paid, cancelled or has expired. It shall also derecognise any specific financial liabilities it acquires, even if with the intention of placing them again in the future.

If there is any swap in debt instruments between a lender and a borrower, provided that they have substantially different conditions, the derecognition of the original financial liability will be posted and any new financial liability that arises will be recognised. In the same way, a substantial modification in the present conditions of a financial liability will be posted.

The difference between the book value of the financial liability or part thereof which has been derecognised and the consideration paid, including any costs or fees incurred and including any asset assigned other than the cash or liability assumed, shall be recognised in the income statement for the financial year in which it takes place.

In the event of an exchange of debt instruments that do not have substantially different terms, the original financial liability shall not be derecognised from the balance sheet. Any transaction cost or fee incurred shall adjust the book value of the financial liability. As from this date, the amortised cost of the financial liability shall be determined by applying the effective interest rate which is equal to the book value of the financial liability with the cash flows payable in accordance with the new conditions.

For these purposes, the terms of the contracts shall be regarded as substantially different, amongst other cases, when the present value of the cash flows of the new contract, including any fee paid, net of any fee received, differs by at least ten per cent from the present value of the remaining cash flows of the original contract, with both amounts being updated at the effective interest rate of the latter. Certain alterations to the determination of cash flows may not exceed this quantitative analysis, but they may also give rise to a substantial modification in the liability, such as: a change from fixed interest rate to variable in the remuneration of the liability, the restatement of the liability in a different currency, a loan at a fixed interest rate which becomes a participative loan, amongst other cases.

(g) Equity instruments

The own shares held by the Company at 31 December 2021 and 2020 is recognised under the "own shares and equity holdings" line-item on the attached balance sheet and are valued at their average acquisition cost. The costs of these transactions are recognised directly in equity as lower reserves.

(h) Cash and cash equivalents

This line-item includes cash in hand, amounts in current accounts and deposits and the temporary acquisition of assets that meet all the following requirements:

- They are convertible into cash.
- Their maturity does not exceed three months from their acquisition date.
- They are not subject to a significant risk of changes in value.
- They form part of the Company's usual cash management policy.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

(i) Foreign currency transactions

The Company's functional currency is the euro. Consequently, any transactions in non-euro currencies are considered a foreign currency and are recognised according to the exchange rates in force on the transaction dates.

At year-end, the monetary assets and liabilities stated in a foreign currency are converted by applying the exchange rate prevailing on the balance sheet date. The profit and loss on that measurement are recognised directly in the income statement in the year in which they occur.

The non-monetary items measured at their fair value are measured by applying the exchange rate of the date on which the fair value is determined. Exchange differences are recognised directly in equity if the monetary item is measured in equity and in the income statement if measured in profit and loss.

(j) Income tax

The corporate income tax expense or income includes both current and deferred taxes.

The financial year's corporate income tax expense or income is calculated as the sum of the current tax, which results from applying the corresponding tax rate to the financial year's tax base after applying the existing rebates and deductions, and the variation in deferred tax assets and liabilities recorded in the accounts.

The deferred tax income or expense corresponds to the recognition or cancellation of deferred tax assets and liabilities. These arise as a result of the different valuation, either accounting or fiscal, attributed to the assets and liabilities and certain Company equity instruments, insofar as they have a future fiscal effect, as well as the negative tax bases recognised or applied.

Current income tax assets and liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, in accordance with the regulations and rates in force or approved and pending publication at year-end.

Current and deferred income tax is recognised in the income statement, unless it comes from a transaction or economic event that has been recognised in the same year or in another year under equity or a business combination.

(i) Recognition of deferred tax liabilities

The Company recognises the deferred tax liabilities in all cases, except when they arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and does not affect the carrying amount or the tax base at the transaction date.

(ii) Recognition of deferred tax assets

Deferred tax assets are only recognised insofar as it is considered likely that the Company is going to have future tax gains to offset the aforementioned assets or when the tax legislation envisages the possibility of the future conversion of deferred tax assets into a credit enforceable vis-à-vis the Public Administration.

The Company recognises the conversion of a deferred tax asset into a credit payable to the Public Administration when this is enforceable in accordance with the provisions of the prevailing tax legislation. For these purposes, the deferred tax asset is recognised with a charge to deferred income tax expense and the account receivable is credited to current income tax. Likewise, the Company recognises the swap of a deferred tax asset for public debt securities when their ownership is acquired.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

In the absence of proof to the contrary, it is not considered probable that the Company will have future taxable profits when it is foreseen that their future recovery will occur more than ten years from the closing date of the fiscal year. This is regardless of the nature of the deferred tax asset or if they are credits arising from deductions and other fiscal advantages pending tax application due to insufficient quota, when the activity has taken place or the yield resulting from the right to the deduction or allowance has been obtained, there are reasonable doubts about compliance with the requirements to make them effective.

The Company only recognises the deferred tax assets arising from tax losses qualifying for carryforward insofar as it is likely that future tax gains will be obtained that will offset them within the period established in the applicable tax legislation, with a maximum of ten years, unless there is proof that they will be recovered within a longer deadline, when the tax legislation enables the carryforward in a longer period or does not establish any time limits regarding the carryforward.

On the other hand, it is considered likely that the Company will have sufficient tax gains to recover the deferred tax assets when there is a sufficient amount of taxable timing differences related to the same tax authority and referring to the same taxpayer, whose reversal is expected to be in the same tax year as the reversal expected of the deductible timing differences or in the years in which a tax loss, arising from a deductible timing difference, can be offset with prior or subsequent gains.

The Company recognises the deferred tax assets that have not been recognised because they exceed the ten-year recovery period insofar as the future reversal period does not exceed ten years from the year-end of the financial year or when there is a sufficient amount of taxable timing differences.

To determine the future tax gains, the Company takes into account the tax planning opportunities provided that it plans or is likely to adopt them.

(iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured based on the tax rates expected at the time of their reversal, in accordance with the approved standard in force, and according to the form in which the deferred tax asset or liability is rationally expected to be recovered or paid. For such purposes, the Company considers the deduction for reversal of the temporary measures implemented in transitional provision thirty-seven of Corporate Income Tax Act 27/2014 of 27 November as an adjustment to the tax rate applicable to the deductible timing difference associated with the non-deductibility of the redemptions made in 2013 and 2014.

Adjustments to the deferred tax asset and liability measurements are allocated to the income statement, except to the extent that the affected deferred tax assets and liabilities have their origin in book entries made directly to equity.

(iv) Offsetting and classification

Deferred tax assets and liabilities are recognised on the balance sheet as non-current assets and liabilities, regardless of the expected realisation or settlement date.

(v) Consolidated tax system

Since 1 January 2009, the Company has filed its taxes as part of the consolidated tax Group 36/09 where it is the parent company. This Group was created after the exclusion of ITÍNERE and its subsidiaries from the consolidated tax group of which Sacyr, S.A. (formerly Sacyr Vallehermoso, S.A.) is the controlling company and in which the aforesaid companies were included until, with the materialisation of the takeover bid referred to in note 1 (c), they ceased to meet the requirements established for that purpose.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

Since the Company files its corporate income tax under the consolidated tax system, it recognises the corporate income tax balances in the accounts with group companies and associates on the attached balance sheet. The corporate income tax expense or income of the companies filed under the tax consolidation system is established by taking into account not only the parameters to be considered in the case of individual taxes, as indicated above, but also the following:

- The timing and permanent differences as a result of cancelling the profit or loss on transactions between group companies, deriving from the process of establishing the consolidated tax base.
- The rebates and deductions and the tax losses that correspond to each company in the tax group that pay tax under the consolidated tax return system will be attributed to the company that carried out the activity or obtained the necessary income to earn the right to the tax rebate or deduction.

The timing differences arising from eliminating the profit between the companies in the same tax group are recognised by the company that generates the results and measured by the applicable tax rate.

Regarding the tax losses from some group companies that have been offset by the other companies in the consolidated group, a reciprocal credit and debit arises between the corresponding companies and the companies that offset them. If there is a tax loss that cannot be offset by the other companies in the consolidated tax group, such tax credits losses for carryforward are recognised as deferred tax assets, considering the tax group as the taxpayer for their recovery.

(k) Income and expenses

Income and expenses are allocated based on the actual flow of goods and services that they represent and regardless of when the monetary or financial flow deriving from them takes place.

Income is recognised when the control of the goods or services is transferred to clients. At this time, the income is recorded at the amount of the consideration for which it is expected to have the right to a change in the transfer of the committed goods and services under contracts with clients, as well as other non-derivative income from contracts with clients which constitute the ordinary activity of the Company. The amount recorded is determined by deducting the amount of the consideration for the transfer of the goods and services committed to clients or other income pertaining to the ordinary activities of the Company, the amount of the discounts, refunds, price reductions, incentives or rights handed over to clients, as well as value-added tax and other taxes directly related with them which must be subject to repercussions.

Income from services rendered are recognised by considering the degree of completion of the service at the balance sheet date, provided that the transaction result can be estimated reliably.

(l) Environmental assets

Based on the type of activity conducted by the Company, no environmental actions are required.

(m) Subsidies, donations and bequests received

This line-item recognises the difference between the fair value at which certain loans granted to the Company at zero interest rate have been recognised and the amount at which they were granted, on the grounds that this difference is an interest-rate subsidy.

The allocation of the aforesaid grant to profit or loss is made in the same proportion as that by

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

which these loans are updated at a discount rate considered appropriate, depending on the contractually established time schedule for their amortisation.

(n) Related-party transactions

Related-party transactions are recognised at the fair value of the consideration given or received, in accordance with the above-mentioned measurement standards.

(o) Current and non-current assets and liabilities

Assets and liabilities are classified as current and non-current in the balance sheet. Assets and liabilities are classified as current when: they are linked to the Company's normal operating cycle and they are expected to be sold, consumed, realised or settled within this period; when they are expected to mature or be disposed of or realised within a maximum of one year, or; they are held for trading or comprise cash and cash equivalents to be used within a 12-month period.

5. INTANGIBLE FIXED ASSETS

The detail and movement are as follows:

Thousands of euros	Computer software
Cost at 31 December 2019	82
Disposals	(21)
Cost at 31 December 2020	61
Accumulated amortization at 31 December 2019	(76)
Additions	(4)
Disposals	20
Accumulated amortization at 31 December 2020	(60)
Net book value at 31 December 2020	1
Cost at 31 December 2020	61
Additions	-
Cost at 31 December 2021	61
Accumulated amortization at 31 December 2020	(60)
Additions	(1)
Accumulated amortization at 31 December 2021	(61)
Net book value at 31 December 2021	-

At 31 December 2021, the Company has fully depreciated intangible fixed assets totalling 61 thousand euros (74 thousand euros at 31 December 2020).

At 31 December 2021 and 2020, no intangible fixed assets have been pledged as collateral, are subject to reversal or have ownership restrictions.

All of the Company's assets are used in its activity and are located in Spain.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

6. PROPERTY, PLANT AND EQUIPMENT

The detail and movement are as follows:

Thousands of euros	Other facilities, fixtures and furniture	Other property, plant and equipment	Assets under construction and advances	Total
Cost at 31 December 2019	1,047	1,176	188	2,411
Additions	85	44	548	677
Disposals	(809)	(982)	-	(1,791)
Transfers	733	-	(733)	(0)
Cost at 31 December 2020	1,056	238	3	1,297
Accumulated amortization at 31 December 2019	(1,028)	(1,136)	-	(2,164)
Additions	(58)	(19)	-	(77)
Disposals	809	982	-	1,791
Accumulated amortization at 31 December 2020	(277)	(173)	-	(450)
Net book value at 31 December 2020	779	66	3	848
Cost at 31 December 2020	1,056	238	3	1,297
Additions	66	8	-	74
Disposals	(45)	-	(3)	(48)
Cost at 31 December 2021	1,077	246	-	1,323
Accumulated amortization at 31 December 2020	(277)	(173)	-	(450)
Additions	(82)	(26)	-	(108)
Other movements	(18)	-	-	(18)
Accumulated amortization at 31 December 2021	(377)	(199)	-	(576)
Net book value at 31 December 2021	700	47	-	747

At 31 December 2021, the Company has fully depreciated property, plant and equipment totalling 430 thousand euros (415 thousand euros at 31 December 2020).

At 31 December 2021 and 2020, no property, plant and equipment have been pledged as security or are subject to ownership restrictions.

All of the Company's assets are used in its activity and are located in Spain.

The Company has taken out insurance policies to adequately cover the risks to which its property, plant and equipment are exposed.

7. INVESTMENT PROPERTY

The detail and movement are as follows:

Thousands of euros	Lands and buildings
Cost at 31 December 2019	2,535
Additions	-
Cost at 31 December 2020	2,535
Accumulated amortization at 31 December 2019	(2,149)
Additions	(75)
Accumulated amortization at 31 December 2020	(2,224)
Net book value at 31 December 2020	311
Cost at 31 December 2020	2,535
Additions	-
Cost at 31 December 2021	2,535
Accumulated amortization at 31 December 2020	(2,224)
Additions	(75)
Accumulated amortization at 31 December 2021	(2,299)
Net book value at 31 December 2021	236

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

The investment properties registered at 31 December 2021 and 2020 refer to two business premises located in Bilbao and Vitoria that are owned by the Company. At 31 December 2021, the Bilbao location is partially available for lease.

The expenses derived from the Company's investment property consist of the annual depreciation and other maintenance expenses, which amounted to 67 thousand euros in 2021 (48 thousand euros in 2020). All the expenses are recognised in the income statement on an accrual basis.

At 31 December 2021 and 2020, the Company had fully depreciated investment property totalling 54 thousand euros.

There are no restrictions on property investments or on income derived therefrom.

There are no contractual obligations for the acquisition, construction or development of investment property, or for their repair, maintenance or improvement.

The Company has taken out insurance policies to adequately cover the risks to which its property, plant and equipment are exposed.

8. LEASES

At 31 December 2021, the Company had entered into an operating lease agreement for offices as the lessee with the company Inverlasa S.L. as the lessor. This agreement expires in November 2029.

Details of the minimum instalments derived from previous agreements, according to the terms and conditions in force, excluding the re-invoicing of the building's expenses and, future CPI-based increases, are as follows:

Maturity	Thousands of euros
Up to one year	339
Between one and four years	1,243
More than four years	919
Total maturities	2,501

9. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

The breakdown of the financial assets by category at 31 December 2021 and 2020 is as follows:

Thousands of euros

Categories	Long - term financial instruments				Short - term financial instruments		Total	
	Equity Instruments		Credits Derivatives Other		Credits Derivatives Other			
	2021	2020	2021	2020	2021	2020	2021	2020
Financial asset carried at amortized cost	-	-	64	63	40,412	39,581	40,476	39,644
Financial asset cost (note 10)	2,526,887	2,301,710	-	-	-	-	2,526,887	2,301,710
Total financial assets	2,526,887	2,301,710	64	63	40,412	39,581	2,567,363	2,341,354

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

The aforementioned financial assets are broken down on the attached balance sheet as follows:

Thousands of euros	Long - term financial instruments				Short - term financial instruments		Credits Derivatives Other	
	Equity Instruments		Credits Derivatives Other		Credits Derivatives Other			
	2021	2020	2021	2020	2021	2020	2021	2020
Non-current financial assets:								
Non-current financial investments	2,526,887	2,301,710	-	-	-	-	2,526,887	2,301,710
Equity instruments	2,526,887	2,301,710	-	-	-	-	2,526,887	2,301,710
Inversiones financieras a largo plazo	-	-	64	63	-	-	64	63
Other financial assets	-	-	64	63	-	-	64	63
Total non-current financial assets	2,526,887	2,301,710	64	63	-	-	2,526,951	2,301,773
Current financial assets:								
Trade and other receivables	-	-	-	-	40,412	39,581	40,412	39,581
Group companies and associates, receivable (notes 11 and 19)	-	-	-	-	40,392	39,553	40,392	39,553
Sundry debtors (note 11)	-	-	-	-	18	21	18	21
Staff (note 11)	-	-	-	-	2	7	2	7
Total current financial assets	-	-	-	-	40,412	39,581	40,412	39,581
Total financial assets	2,526,887	2,301,710	64	63	40,412	39,581	2,567,363	2,341,354

At 31 December 2021 and 2020, the carrying amount of financial assets does not differ significantly from their fair value.

Financial assets at amortised cost

(a) Other non-current financial assets

At 31 December 2021 and 2020, this item mainly refers to the deposits handed over by the Company in connection with the lease of its offices (see note 8).

FINANCIAL LIABILITIES

A breakdown of financial liabilities, all falling under the category of financial liabilities at amortised cost, is provided in the accompanying balance sheets, as follows:

Thousands of euros	Long term financial instruments						Short term financial instruments				Total	
	Debentures and Other Marketable Securities		Debt with financial institutions		Derivatives Other		Debt with financial institutions		Derivatives Other			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Current financial liabilities:												
Non-current payables	569,650	569,650	22,365	19,950	1	-	-	-	-	-	592,016	589,600
Debentures and other marketable securities	-	-	22,365	19,950	-	-	-	-	-	-	22,365	19,950
Debt with credit institutions	569,650	569,650	-	-	-	-	-	-	-	-	569,650	569,650
Other financial liabilities	-	-	-	-	1	-	-	-	-	-	1	-
Non-current payables to group companies and associates	-	-	-	-	574,158	553,914	-	-	-	-	574,158	553,914
Total non-current financial liabilities	569,650	569,650	22,365	19,950	574,159	553,914	-	-	-	-	1,166,174	1,143,514
Current financial liabilities:												
Current payables	-	-	-	-	-	-	4,968	4,993	1	1	4,969	4,994
Debt with credit institutions	-	-	-	-	-	-	4,968	4,993	-	-	4,968	4,993
Other financial liabilities	-	-	-	-	-	-	-	-	1	1	1	1
Current payables to group companies and associates	-	-	-	-	-	-	-	-	10,304	10,552	10,304	10,552
Trade and other payables	-	-	-	-	-	-	-	-	1,827	627	1,827	627
Sundry payables	-	-	-	-	-	-	-	-	656	442	656	442
Staff	-	-	-	-	-	-	-	-	1,171	185	1,171	185
Total current financial liabilities	-	-	-	-	-	-	4,968	4,993	12,132	11,180	17,100	16,173
Total financial liabilities	569,650	569,650	22,365	19,950	574,159	553,914	4,968	4,993	12,132	11,180	1,183,274	1,159,687

At 31 December 2021 and 2020, the carrying amount of financial liabilities does not differ significantly from their fair value.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

- (a) Average period for payments to suppliers. Additional provision three. "Duty to provide information" of Act 15/2010 of 5 July.

The average period for payments to suppliers in 2021 and 2020 is shown below:

	2021	2020
	Days	Days
Average period for payments to suppliers	11	4
Ratio of transactions paid	12	3
Ratio of transactions pending payment	-	21
Thousands of euros	Amount	
Total payments made	1,487	5,329
Total payments pending	96	61

At 31 December 2021 and 2020, the Company does not have any amounts pending payment on commercial transactions that accumulate a deferment in excess of the legal deadline as per the provisions of Act 3/2004 of 29 December and its subsequent amendments through Act 15/2010 of 5 July and Royal Decree Law 4/2013 of 22 February.

10. INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

Their breakdown and movement at 31 December 2021 and 2020 is as follows:

Thousands of euros	Balance at 31/12/2019	Additions	Balance at 31/12/2020	Disposals	Balance at 31/12/2021
Enaitinere, S.A.U.	2,583,966	-	2,583,966	-	2,583,966
Equity investments in group companies	2,583,966	-	2,583,966	-	2,583,966
Tacel Inversiones, S.A.	3,130	-	3,130	-	3,130
Bip&Drive, E.D.E., S.A.	2,408	-	2,408	-	2,408
Equity investments in associates	5,538	-	5,538	-	5,538
Tacel Inversiones, S.A.	(3,130)	-	(3,130)	-	(3,130)
Enaitinere, S.A.U.	(284,664)	-	(284,664)	225,178	(59,486)
Impairment losses	(287,794)	-	(287,794)	225,178	(62,616)
EQUITY INSTRUMENTS	2,301,710	-	2,301,710	225,178	2,526,888
Tacel Inversiones, S.A.	1,217	-	1,217	-	1,217
Credits to group companies, jointly controlled entities and associates	1,217	-	1,217	-	1,217
Tacel Inversiones, S.A.	(1,217)	-	(1,217)	-	(1,217)
Impairment losses	(1,217)	-	(1,217)	-	(1,217)
CREDITOS A EMPRESAS	-	-	-	-	-
TOTAL	2,301,710	-	2,301,710	225,178	2,526,888

- (a) Equity investments in group companies

The breakdown of the stakes in Group companies at 31 December 2021 is as follows:

Thousands of euros									
Name of the Company	% Stake	Capital	Reserves	Other changes in equity	Operating profit/loss	Profit/loss for the year	Equity	Carrying amount (*)	Dividends received
Enaitinere, S.A.U. (*)	100.00%	139,062	1,164,355	-	(27)	53,217	1,356,634	2,524,480	-

(*) Includes the allocation of goodwill resulting from the business combination in 2009 (see note 1 (c)).

Name of the Company	Activity	Address
Enaitinere, S.A.U.	Holding of concessions	Calle Poeta Joan Maragall, 1 Edificio Eurocentro Madrid - España

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

The activity of ENAITINERE is the rendering of services to trading corporations and the purchase and sale of commercial companies and their assets. As of 31 December 2021, it is the owner of the following assets:

- 100% of the capital of ENA infraestructuras, S.A.U (hereinafter ENA), parent company of the Group of the same name whose main activity is the direction and coordination of management, the implementation of common policies, as well as the management of the debt and the accounts of its subsidiary companies AUTOPISTAS DEL ATLÁNTICO CONCESIONARIA ESPAÑOLA, S.A.U. (AUDASA), AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U. (AUCALSA), AUTOPISTAS DE NAVARRA, S.A. (AUDENASA), AUTOESTRADAS DE GALICIA, AUTOPISTAS DE GALICIA, CONCESIONARIA DE LA XUNTA DE GALICIA, S.A. (AUTOESTRADAS). The respective concession contracts of the companies in which ENAITINERE has a stake expire between 2029 (AUDENASA) and 2050 (AUCALSA).
- 100% of the capital of EUROPISTAS, S.A. (formerly called AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.U, the beneficiary of the administrative concession contract for the construction, maintenance and exploitation of the AP-1 Burgos-Armiñón toll road, which was completed on 30 November 2018). This company, in turn, holds shares in the following companies:
 - A 100% stake in the capital of GESTION DE INFRAESTRUCTURAS DE BIZKAIA, S.A., whose activity has consisted of the maintenance and exploitation of the AP-8 on the stretch that runs through the Historical Territory of Bizkaia until 30 June 2021. During financial year 2021, EUROPISTAS, S.A. acquired 45% of the capital of the aforementioned company.
 - 55% of the capital of GESTIÓN DE INFRAESTRUCTURAS VIARIAS DE BIZKAIA, S.A., a company that provides the maintenance and exploitation of the AP-8 on the stretch that runs through the Historical Territory of Bizkaia as from 1 July 2021 and for a term of 5 years.
- Impairment at investments in group companies

As at 31 December 2021, the Company had not identified the existence of any signs of impairment of its investments in Group companies. As mentioned in note 2 (b), the end of the mobility restrictions in 2021 had a major positive impact on traffic levels on the toll roads operated by the companies of the Group and, accordingly, on their volumes of income compared with those recorded in 2020.

Notwithstanding with the foregoing, according to accounting standards, the Company has performed an impairment test on its investments. It used the discounted cash flow valuation method to estimate the recoverable amount (the higher of fair value less costs of disposal and value in use).

To carry out this impairment test, the Company has projections from which it obtained the value in use of its investments, which are based on the economic-financial plans of each of the concession companies for which the Company is the Sole Shareholder. These economic-financial plans provide for the full recovery of the investment made by the various companies, as well as the repayment of the debt subscribed, throughout their respective concession periods.

To determine the present value of future cash flows, the following variables are taken into account:

- ◇ The estimated term for the generation of the concession companies' cash flows, which coincides with the term of the corresponding concession agreements.
- ◇ The income and expenses projection based on the following criteria:
 - The income that will be generated by these companies throughout the concessions periods has been estimated based on the forecasted evolution in Consumer Price Index (CPI),

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

taking into consideration other variables, such as the maturity level of each of the concession companies and any other specific aspects that could affect their future activity. For this, the traffic estimates of each one of the concessionary companies corresponding to the remaining concession terms up to the date of their forecast reversion to the granting administrations have been taken into account. Such estimates have been made on the basis of a previous traffic study carried out by an independent expert.

- The expenses have been estimated based on the estimated CPI and activity (traffic, technical enhancements, etc.).
- ◇ As regards to future investments, which include infrastructure maintenance and replacement activities, the best estimates available to the companies have been used, based on their experience and the expected performance of their activity.
- ◇ Calendar of debt repayment and refinancing according to estimated flows.
- ◇ Shareholders dividend distribution policy.
- ◇ An estimated discount rate of 8.5%, resulting from increasing the cost of money in the long term, the country risk assigned by the market, the risk premium assignable to the business and the financial structure.

In 2012, the Company recorded an impairment loss in relation to its subsidiary ENAITINERE, for an amount of 284,664 thousand euros. The aforesaid impairment was the consequence of the fall in levels of traffic on the toll roads operated by the investees and the consequent impact on future estimates; changes in the fiscal rules, particularly Royal Decree Law 12/2012 and the regulations for its application, which introduced limitations on the extent to which financial expenses can be deducted that affect the Group's financing structure and whose forecast evolution differs from the initial projections; the tightening of financial market conditions and their impact on future projections.

The analysis carried out demonstrates that as at 31 December 2021 the recoverable amount of the investments in group companies was greater than their book value by 225,178 thousand euros, and so there was a reversal of the impairment for said amount.

(b) Equity investments in associates

The breakdown of the stakes in associates at 31 December 2021 is as follows:

Thousands of euros

Name of the Company	% Stake	Capital	Reserves	Other changes in equity	Operating profit/loss	Profit/loss for the year	Equity	Carrying amount	Dividends received
Tacel Inversiones, S.A	9.36%	33,450	(184)	-	(12)	(9)	33,257	-	-
Bip&Drive, E.D.E., S.A.	20.00%	4,613	6,646	-	3,014	2,340	13,599	2,408	-

Bip&Drive, E.D.E., S.A. is audited by PricewaterhouseCoopers Auditores, S.L.

Tacel Inversiones, S.A. is audited by Deloitte, S.L.

Name of the Company	Activity	Address
Bip&Drive, E.D.E., S.A.	Telematic collection for the right of access to any infrastructure	Calle Serrano, 45; Planta 2. Madrid - España
Tacel inversiones, S.A.	Holding de concessions (Participated in ACEGA)	C/ Feal -San Mamede de Ribadulla, Vedra, A Coruña - España

Tacel Inversiones, S.A.

At 31 December 2021 and 2020, the Company has a 9.36% stake in Tacel Inversiones, S.A., which is the sole partner of Autopista Central Gallega, C.E.S.A. (hereinafter, ACEGA), the concession holder for the construction, maintenance and operation of the Santiago-Alto de Santo Domingo section of the Santiago de Compostela-Ourense toll road. The Company was incorporated for a limited duration of time in line with the concession period, which will end on 25 November 2074.

ITINERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

In 2012, the Company recognised impairment of 100% of the value of its investment in Tacel Inversiones, S.A. as a result of the impairment test carried out at that year-end, which estimated the current value of the future cash flows expected to be obtained from the Autopista Central Gallega, C.E.S.A. project. This impairment was due to the impact on the business forecasts of the decline in traffic levels that significantly affected the project's development.

The Company has informed this investee of the percentage stake held in it.

Bip&Drive, S.A.

On 18 March 2014, Bip & Drive, S.A., now Bip & Drive, E.D.E., S.A., was incorporated. At 31 December 2021 and 2020, ITINERE held a 20% stake in its share capital. It provides management services for the collection of the right of access to any infrastructure, in addition to the promotion, marketing, sale, management and operation of telematic products and services and associated equipment.

At the end of 2021, the Company has verified the estimated recoverable amount of its investment in Bip & Drive, E.D.E., based on its equity, and the need post any impairment has not been made clear.

The Company has informed this investee of the percentage stake held in it.

(c) Credits to group companies, jointly controlled entities and associates

On 28 December 2006, Tacel Inversiones, S.A. arranged a participating loan of 13,000 thousand euros with its shareholders. The Company extended 1,217 thousand euros of this amount. The loan was subordinated to the main credit contract signed by ACEGA with several lenders and whose maturity is for 2024. The loan was extended so that the borrower could meet its payment commitments with the temporary joint venture constructing the toll road and accrues interest based on the rise in traffic of the borrowing company. In 2021 and 2020, the conditions established for this purpose were not met and, therefore, no interest accrued.

At 2012 year-end, the Company wrote off this loan entirely for the same reasons as explained previously for the impairment losses of its ownership interest that was recorded in 2012.

11. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables at 31 December 2021 and 2020 are as follows:

Thousands of euros	2021	2020
Group companies and associates, receivable (note 19)	40,392	39,553
Sundry receivables	18	21
Staff	2	7
Current tax assets (note 18)	6,304	1,274
Trade and other receivables	46,716	40,855

As at 31 December 2021, Current tax assets included 1,226 thousand euros for the settlement of tax on profits for financial year 2020, deriving from taxation under a consolidated taxation system which, as at the date of drawing up the present annual accounts, had already been received (see note 18).

At 31 December 2021 and 2020, no impairment of trade and other receivables has been recognised.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

12. CASH AND CASH EQUIVALENTS

At 31 December of 2021, this heading includes bank deposits within which the debt service reserve account related to the syndicated loan subscribed by the Company is recorded (see note 16), which at the end of 2021 amounts to 6,624 thousand euros (6,588 thousand euros at year-end 2020).

13. CAPITAL AND RESERVES

Their breakdown and movement are shown in the statement of changes in equity, which forms an integral part of the attached annual accounts.

(a) Subscribed capital

On 25 September 2012, the Company increased its share capital by 116,533 thousand euros, plus a premium of 825,250 thousand euros, by offsetting the participating and simple loans granted to the Company by its main shareholders. The details of the capital increase are included in the annual accounts for the year ending 31 December 2012.

On 17 October 2018, the purchase and sale agreement for shares and the assignment of loans, which was signed between Abanca Corporación Industrial y Empresarial, SL as seller, and Globalvía Inversiones S.A.U. as a buyer, in relation to its holding in ITÍNERE. On that same date, a purchase and sale agreement for shares and the assignment of loans between Globalvía Inversiones, S.A.U., as the seller, and its subsidiary Global Rail Sur, S.L., as the buyer, was signed, through which the transfer to the latter of participation units in ITÍNERE was carried out. In addition, on 19 October 2018, the company Global Rail Sur, S.L., changed its corporate name to Globalvía GVIT, S.L.U.

On 31 October 2018, the Company carried out a capital increase of 5,529 thousand euros through the issue of 11,282,707 new ordinary shares in order to meet the voluntary conversion of the 1,705 convertible debentures of which Sacyr Concesiones, S.L. was holder and whose expiration took place on that date (see note 15).

On 21 February 2019, Liberbank Capital, S.A. proceeded with the sale of its shareholding in ITÍNERE, representing 5.67% of its share capital, to Estivo Investments Holding, B.V..

On 27 February 2019, Sacyr, S.A. and its subsidiary Sacyr Concesiones, S.L. proceeded with the joint sale to Itínere Investco, B.V. of all the shares held in the Company, representing 15.13% and 2.43%, respectively.

On 27 September 2019 and 28 February 2020, Globalvía GVIT, S.L.U. purchased a total of 1,354,463 and 1,012,447 shares, respectively, after which at 31 December 2020 and 2021, it held an interest of 23.74% of the share capital of ITÍNERE.

As a result of the transfers of previous shares, which do not imply a change in the controlling shareholder of the Company, the composition of its capital stock at 31 December 2021 and 2020 is as follows:

	2021	
	Number of shares	% Stake
Arecibo Servicios y Gestiones, S.L.	245,367,361	52.87%
Globalvía GVIT, S.L.U.	110,193,647	23.74%
Itínere Investco, B.V.	81,498,852	17.56%
Estivo Investments Holding, B.V.	26,297,965	5.67%
Other shareholders	676,288	0.15%
Treasury stock	53,464	0.01%
TOTAL	464,087,577	100.00%

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

At 31 December 2021 and 2020, the share capital of ITÍNERE is represented by 464,087,577 registered shares with a par value of 0.49 euros each, fully subscribed and paid up.

At 31 December 2021 and 2020, the Company holds treasury stock for a value of 212 thousand euros comprised of 53,464 shares with a par value of 0.49 euros each and an average acquisition price of 3.96 euros per share.

(b) Share premium

At 31 December 2021 and 2020, the share premium stands at 1,038,560 thousand euros. This reserve can be used at will, to the extent that the resulting capital and reserves are not less than the share capital.

(c) Legal reserve

Companies are required to transfer at least 10% of profit for the year to a legal reserve until this reserve reaches 20% of share capital. This reserve is not distributable to shareholders and may only be used to offset losses, provided no other reserves are available. At 31 December 2021 and 2020, the Company has provisioned this reserve for an amount of 29,756 thousand euros.

(d) Other reserves

At 31 December 2021 it includes voluntary reserves amounting to 486,861 thousand euros, as well as others derived from the first application of the General Accounting Plan in effect since 1 January 2008, amounting to 6,280 thousand euros (486,946 thousand euros and 6,280 thousand euros, respectively, on 31 December 2020). The aforementioned reserves are freely available unless the distribution of the net assets is less than the share capital of the Company.

Profit recognised directly in equity cannot be distributed either directly or indirectly.

Their movement in 2021 and 2020 is as follows (in thousands of euros):

Thousand of euros	2021	2020
Balance at 1 January	493,226	493,226
Inspection record adjustment (note 18)	(85)	-
Balance at 31 December	493,141	493,226

14. SUBSIDIES, DONATIONS AND BEQUESTS RECEIVED

The breakdown of and movement in capital subsidies at 31 December 2021 and 2020 are as follows:

Thousands of euros	2021	2020
Balance at 1 January	1	3
Recognised in profit/loss (*)	-	(2)
Other	(1)	-
Balance at 31 December	-	1

At 31 December 2020, this line-item included the difference between the fair value at which the zero interest rate loans granted to the Company by the Ministry of Industry, Commerce and Tourism were recorded and the amount granted, on the understanding that this difference was an interest-rate subsidy. Said loans were wholly depreciated in 2021 (see note 16).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

Until 31 December 2021, income amounting to 281 thousand euros had been transferred to the consolidated statement of profit or loss, of which 3 thousand euros correspond to the 2020 financial year.

15. DEBENTURES AND OTHER MARKETABLE SECURITIES

On 29 July 2014, the Company carried out an issue of 11,000 convertible subordinated debentures with a par value of 5,000 euros each, issued at par, which was fully subscribed and paid up on that date. The purpose of the issue was to meet the payment of the tax obligations resulting from the divestment process in Chile implemented during 2014, not being able to allocate the issue funds to any other purpose and having the obligation of using any amount not applied to such purpose for their compulsory partial early repayment. Pursuant to the issue terms and conditions, on 2 January 2015 the Company implemented the mandatory partial repayment in advance of the amount not allocated to the intended purpose, proceeding to the repayment of an amount of 2,842.20 euros per debenture, in addition to the payment of the corresponding interest at a 10% annual compound rate. Consequently, the Company paid out a total amount of 32,573 thousand euros.

It is envisaged that, on the issue's maturity date, the debentures will be amortised in full in cash for an amount equal to the outstanding balance plus the accumulated interest, except in the case of the debentures whose title-holders choose their conversion into shares. The aforesaid conversion shall take place solely at the election of the debenture holders, who will be able to request the conversion of all or part of their debentures into ordinary shares, in the terms and conditions established in the issue deed. The debentures are remunerated at an effective 12% annual compound interest rate, while the debentures corresponding to the tranche which was amortised early and on a mandatory basis in 2015 accrued a remuneration of 10% compounded annually.

Within the framework of the refinancing process completed in February 2016 (see note 16), the final due date of 84.5% of the issue was extended and will take place in October 2025. The rest of the issue, which includes the 1,705 debentures signed by Sacyr Concesiones, S.L., matured on 31 October 2018, which is when this company opted to convert its debentures into shares (see note 13). The details of this operation are set forth in the annual accounts corresponding to financial year 2018.

In the framework of the agreement for the purchase and sale of shares and the assignment of loans concluded between Abanca Corporación Industrial e Empresarial, S.L. and Kutxabank S.A (shareholder company of ARECIBO as of the date) as sellers, and Globalvía Inversiones S.A.U. as a buyer, on 17 October 2018, the endorsement was carried out of the convertible debentures of which the aforementioned selling companies were holders, to Globalvía Inversiones, S.A.U. who on the same date endorsed them to Global Rail Sur, S.L., currently Globalvía GVIT, S.L.U. and holder, as of 31 December 2020 and 2019, of a total of 4,399 convertible debentures (see note 13).

On 21 February 2019, Pear Luxembourg Investment S.á.r.l. sold the 4,177 convertible bonds it held to Estivo Investments Holdings, B.V.

Furthermore, within the framework of the contract for the purchase and sale of shares and the assignment of credit rights signed between the parties, on 21 February 2019, Liberbank Capital, S.A. transferred the 638 convertible bonds it held to Estivo Investments Holding, B.V.

On 28 February 2020, Caser S.A. sold the 38 convertible bonds it held to Globalvía GVIT S.L.

The nominal amount of the outstanding debentures at 31 December 2021 and 2020 is 20,057 thousand euros, corresponding to 9,295 debentures with a unit par value of 2,157.80 euros.

In 2021, financial expenses were allocated to the income statement in application of the effective interest rate method for an amount of 5,011 thousand euros (4,481 thousand euros in 2020) (note 22).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

The breakdown of the debts for convertible debentures per subscriber, including accrued interest, at 31 December 2021 and 2020, is as follows:

Thousands of euros	2021				2020			
	No. of debentures	Non-current		TOTAL	No. of debentures	Non-current		TOTAL
		Other Group companies	Other related parties			Other Group companies	Other related parties	
Subscriber								
Estivo Investments Holding, B.V.	4,815	24,123	-	24,123	4,815	21,539	-	21,539
Globalvía GVIT, S.L.U.	4,437	-	22,230	22,230	4,437	-	19,848	19,848
Consejeros, Alta Dirección y otros	43	-	215	215	43	-	192	192
Valuation adjustment at amortised cost	-	(86)	(79)	(165)	-	(97)	(90)	(187)
TOTAL	9,295	24,037	22,366	46,403	9,295	21,442	19,950	41,392

The movement for debentures in 2021 and 2020 is as follows:

Thousands of euros	2021	2020
Balance at beginning of period	41,392	36,911
Accrued interest	4,989	4,466
Valuation adjustment at amortised cost	22	15
Balance at end of period	46,403	41,392

16. DEBTS WITH CREDIT INSTITUTIONS

The breakdown of the current and non-current balances held with credit institutions at 31 December 2021 and 2020 is as follows:

Thousands of euros	Current		Non-current		Total	
	2021	2020	2021	2020	2021	2020
Debt with financial institutions	-	61	569,650	569,650	569,650	569,711
Borrowing costs	4,968	4,932	-	-	4,968	4,932
Debt with financial institutions	4,968	4,993	569,650	569,650	574,618	574,643

On 3 July 2014, the Company proceeded to the non-extinguishing modifying novation of the finance contract signed in August 2011 and according to which the final maturity of the loan was extended until 31 October 2018. The loan accrued a variable interest rate pegged to 6-month Euribor plus a 4% margin and envisaged the capitalisation of the part of the accrued interest.

On 6 October 2015, this loan was novated, subject to a condition precedent, among which the conditions envisaged were the accrual of interest in accordance with a variable interest rate pegged to 6-month Euribor plus a 2% spread until February 2019 and from that date of 2.25% until February 2022 and 2.5% from then until its expiration. The settlement of interest is scheduled on the end date of each interest period and its expiration will take place in October 2025.

On 16 February 2016, once the condition precedent was met, establishing, among others, the distribution of a dividend charged to voluntary reserves worth 50,000 thousand euros by the investee ENAITINERE and, which was to be allocated to the amortisation of the loan, the entry into force of the novation took place, placing the principal of the loan at that date at 571,082 thousand euros.

During 2017, 1,432 thousand euros were amortised and no additional amortisations were made during subsequent financial years, so that at 31 December 2021 and 2020, the nominal amount of the loan amounts to 569,650 thousand euros.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

As indicated in the loan agreement, the Company has agreed to comply with a number of obligations throughout the lifetime thereof, highlighting, among others, those associated with the following aspects:

- Pledge on the balance of the reserve account and operating accounts.
- Pledge on the credit rights resulting from the collection of royalties from its investees and those from the consolidation of the tax group.
- Limits on the level of indebtedness undertaken by the Company and its investees, both overall and individually. The Company has a limited possibility of distributing dividends.

On 5 June 2007, the Ministry of Industry, Commerce and Tourism granted ITÍNERE an interest-free preferential repayable loan of 678 thousand euros, for the execution of a project for the analysis of telecommunications systems applied to tolls by satellite positioning. Said loan had final maturity on 30 June 2021, having been wholly depreciated on said date (see note 14).

The breakdown of the maturity of non-current debt with credit institutions at 31 December 2021, is as follows:

Maturity	Thousands of euros
2025	569,650

The interest accrued and pending payment at 31 December 2021 amounts to 4,968 thousand euros (4,932 thousand euros at 31 December 2020). These amounts are shown under “debts with credit institutions” under the “Current liabilities – debts with credit institutions” heading on the attached balance sheets.

In 2021, financial expenses were allocated to the income statement in application of the effective interest rate method for an amount of 13,140 thousand euros (13,177 thousand euros in 2020) (see note 22).

17. PUBLIC ADMINISTRATION

The breakdown of the credit balances with the Public Administration at 31 December 2021 and 2020 is as follows:

Thousands of euros	2021	2020
Payable to Public Treasury:		
For tax withholdings	144	616
For VAT	6,433	4,771
Payable to the Social Security	16	16
Other provisions for taxex (note 18)	1,221	-
Public Administration	7,814	5,403

The Company taxes Value Added Tax under the Special provisions for groups of entities (REGE), forming part, as of 1 January 2010, of Group No. 0157/10, of which it is the parent company, and which is integrated by ITÍNERE and the companies resident in Spanish territory that meet the requirements to be part of the group for the purposes of this tax (note 19).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

18. TAX SITUATION

As stated in note 4(j), since 1 January 2009, the Company has filed its taxes as part of the consolidated tax group 36/09 from which it is the parent company and formed by ITÍNERE and the companies resident in Spanish territory, which comprise its consolidated tax group.

The companies that make up the tax consolidation group at 31 December 2021 are as follows: ITÍNERE INFRAESTRUCTURAS, S.A., ENAITINERE, S.A.U., ENA INFRAESTRUCTURAS, S.A.U., AUTOPISTAS DEL ATLÁNTICO, C.E.S.A., AUTOPISTA CONCESIONARIA ASTUR LEONESA, S.A., AUTOESTRADAS DE GALICIA, A.G., C.X.G., S.A., and EUROPISTAS s.a.u. (Formerly named P-1 EUROPISTAS, C.E.S.A.U.).

Corporate Income Tax Act 27/2014 of 27 November, published in the Spanish Official Gazette (BOE) on 28 November 2014, includes, inter alia, the modification of the general income tax rate, which stands at 25% for years started 1 January 2016 onwards.

As at 31 December 2021, the Company had posted income from tax on profits for the sum of 19,140 thousand euros, which includes 4,799 thousand euros by way of income from current tax for the period and 14,342 thousand euros pertaining to the activation of tax credits (3,080 thousand euros as at 31 December 2020, which includes an adjustment of 33 thousand euros pertaining to the tax on profits for 2019).

As a consequence of paying tax under a fiscal consolidation regime, at 31 December 2021 the Company recorded a receivable with the Treasury Department for the amount of 5,078 thousand euros, corresponding to the Income Tax for 2021, as well as 1,266 thousand euros corresponding to the settlement of Corporate Income Tax for 2020 which, at the date of the preparation of these annual accounts, have already been collected (see note 11).

The reconciliation between the net amount of the year's income and expenses and the corporate income tax base, which the Company expects to contribute to the 2021 financial year's consolidated tax return and that contributed to the 2020 financial year's tax return, is as follows:

Thousands of euros	2021			2020		
	Income statement	Income and expenses recognised directly in equity	Total	Income statement	Income and expenses recognised directly in equity	Total
Balance of income and expenses in the year	217,065	(1)	217,064	(20,426)	(3)	(20,429)
Income tax	(19,140)	-	(19,140)	(3,080)	(1)	(3,081)
Permanent differences:	(217,120)	-	(217,120)	11,053	-	11,053
Non-deductible financial expenses	6,918	-	6,918	11,053	-	11,053
Reversion Impairment losses (note 10)	(225,178)	-	(225,178)	-	-	-
Other	1,140	-	1,140	-	-	-
Timing differences:	(13)	1	(12)	(13)	3	(10)
Arising in prior years	(13)	-	(13)	(13)	-	(13)
Reversal of the limit to the deductibility of redemptions	(13)	-	(13)	(13)	-	(13)
Arising in the year	-	1	1	-	3	3
Subsidies	-	1	1	-	3	3
Taxable income	(19,209)	-	(19,208)	(12,466)	(1)	(12,467)
Total amount (tax result)	(4,802)	-	(4,802)	(3,117)	-	(3,117)
Deductions and other	(1)	-	(1)	(1)	-	(1)
Net tax payable	(4,803)	-	(4,803)	(3,118)	-	(3,118)

Pursuant to the provisions of article 16 of Act 27/2014, there is a limitation on the extent to which financial expenses can be deducted, with the result that only net financial expenses up to an amount of 30% of the financial year's operating profit can be deducted. Any net financial expenses not deducted may be deducted in the following tax years, along with those of the relevant tax period, with the limit envisaged in that article.

ITINERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

As at 31 December 2021, the Company accumulated net financial expenses which could not be deducted as they exceed the limit determined by said article, for an amount of 170,790 thousand euros (163,872 thousand euros as at 31 December 2020), although, and as a result of the Settlement agreement notified on 14 October 2021 by the tax authorities in the context of the verification and investigation actions pertaining to Corporate Income Tax for the financial years of 2013 to 2016, the amount of the net financial expenses pending deduction as at 31 December 2021, calculated in line with the criteria stated by the Inspection, amounted to 151,528 thousand euros (148,146 thousand euros as at 31 December 2020). In this regard, and as commented on later, said Settlement agreement was appealed against on 12 November 2021 to the Central Economic-Administrative Court (TEAC).

The calculation of Corporate Income Tax for the financial year of 2021 assumes a negative adjustment to the taxable base of 225,178 thousand euros pertaining to the partial reversal of the impairment losses posted by the Company with regard to its investee ENAITINERE which was regarded as not tax deductible in terms of the Corporate Income Tax for 2012 (see note 10).

A reconciliation of the income tax revenue with the result of applying the pertinent tax rate to total recognised income and expense, differentiating between current and deferred tax, is as follows:

	2021			2020		
	Income statement	Income and expenses recognised directly in equity	Total	Income statement	Income and expenses recognised directly in equity	Total
Thousands of euros						
Profit/loss before taxes from continued operations	197,925	(1)	197,924	(23,506)	(4)	(23,510)
Permanent differences	(217,120)	-	(217,120)	11,053	-	11,053
Applicable tax rate	25%	25%	25%	25%	25%	25%
Theoretical tax burden	(4,799)	-	(4,799)	(3,113)	(1)	(3,114)
Effect of:						
Deductions and other	-	-	-	-	-	-
Effective tax expense	(4,799)	-	(4,799)	(3,113)	(1)	(3,114)
Detail:						
Current	(4,802)	-	(4,802)	(3,116)	-	(3,116)
Deferred	(14,338)	-	(14,338)	3	-	3
Income tax	(19,140)	-	(19,140)	(3,113)	-	(3,113)

Details of deferred tax assets at 31 December 2021 and 2020 and movement are as follows:

	ASSETS			
	Other deductible timing differences		Pending deductions	TOTAL
	By activation financial expenses	Other	Due to amortization deductibility limitation	
Thousands of euros				
Balance at 31 December 2019	-	16	3	19
Disposals	-	(3)	(1)	(4)
Balance at 31 December 2020	-	13	2	15
Disposals	14,342	-	-	14,342
Ajustes por cambio de tipo impositivo	-	(3)	(1)	(4)
Balance at 31 December 2021	14,342	10	1	14,353

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

As at 31 December 2021, the Company opted to post the tax credit deriving from the financial expenses not deducted in application of the limitation on deductibility determined by article 16 of Act 27/2014, and whose future recovery is expected to occur in the next ten years as from the date of closure of the financial year of 2021. Accordingly, the Company recognised a deferred tax asset for an amount of 14,342 thousand euros.

In accordance with Royal Decree-Law 3/2016 of 2 December, effective from 2016, the consolidated tax group to which the Company belongs has a limit for offsetting tax losses of 25% of the tax loss prior to that offset and a limit to the double tax deduction envisaged in transitional provision 23 of Act 27/2014, which cannot exceed 50% of the consolidated tax group's gross tax payable.

Act 16/2012 of 27 December sets a limit of 70% on the deductibility of amortisation and depreciation of intangible assets, property, plant and equipment and investment property for tax periods beginning in 2013 and 2014. Furthermore, non-tax-deductible accounting amortisation and depreciation shall be deducted on a straight-line basis over a period of 10 years or the useful life of the asset, as of the first tax period beginning in 2015. Consequently, at 31 December 2021 the Company had recognised a deferred tax asset of 10 thousand euros in this respect (13 thousand euros at 31 December 2020).

In relation to the deferred tax asset derived from the limit to the deductibility of amortisation and depreciation, set out by Act 16/2012 of 27 December, transitional provision 37 of Act 27/2014 of 27 November states that companies can deduct from income tax payable 5% of the amounts included in taxable income for the tax period, resulting from the tax reversal of the expense adjusted for non-deductible amortisation and depreciation charges in 2013 and 2014 (2% deduction in 2015). Therefore, as a result of the above, at 31 December 2021 the Company had recognised deductions pending application amounting to 1 thousand euros for reversal of the temporary measures (2 thousand euros at 31 December 2020).

Under current legislation, taxes cannot be deemed to have been finally settled until the tax returns filed have been inspected by the tax authorities or until the four-year statute-of-limitations period has expired. However, due to the extraordinary COVID-19 measures approved by the Government, the period from 18 March 2020 to 3 June 2020, inclusive, does not count towards the expiry period. Furthermore, this suspension of the terms of expiry is only applicable to those which, without taking it into account, end before 1 July 2021.

In accordance with the foregoing and in general, without considering the suspension of the limitation period stemming from COVID-19, the Company has all the main taxes that are applicable thereto from 1 January 2018 open for inspection by the tax authorities (fiscal year ended 31 December 2017 for Corporate Income Tax). Nevertheless, the Administration's right to check or investigate the tax losses that are offset or available for carryforward, the double taxation deductions and the deductions to incentivise certain activities applied or pending application has a statute of limitations of 10 years starting from the day after that on which the period established for filing the return or self-settlement corresponding to the tax period in which the right to offsetting or application was generated. Once that period has elapsed, the Company must accredit the tax losses or deductions by submitting the tax return or self-settlement and the accounting records, with accreditation of their deposit during that period in the Mercantile Registry. As a result of the different possible interpretations of the tax legislation in force and other factors, additional liabilities may arise due to an inspection. The directors believe that those liabilities, if they occur, will not have a material impact on the annual accounts.

On 5 July 2019, the Company received notification from the tax authorities of the commencement of tax audits and investigations into Corporate Income Tax for 2013 to 2016, inclusive, and value added tax, withholdings on income from employment and business activities and withholdings on movable property for the period from July 2015 to December 2017, inclusive. Furthermore, on 14 February 2020, the company received notification of the extension of the aforementioned actions, incorporating the concept of withholding taxes on the income of non-residents corresponding to the periods from January 2016 to December 2017.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

At 6 April 2021 the Company signed Declarations of Conformity for the purpose of withholdings on income from employment and business activities and withholdings on movable property for the period between July 2015 and December 2017, inclusive, as well as the Declaration of Conformity for the Value Added Tax Group, which were verified and approved.

On 12 November 2021, the Company filed an economic-administrative claim before the Central Economic-Administrative Court (TEAC) against (i) the Settlement agreement pertaining to the withholdings on account of Income Tax for Non-Residents (IRNR) from 2016 and 2017, for the sum paid of €101 thousand, whereof 85 thousand euros pertains to the tax payable and the rest to default interest, and (ii) the Settlement agreement notified on 14 October 2021 pertaining to Corporate Income Tax 2013-2016, with regard to which there is no amount payable but which reduces, according to the criterion of the Inspection, owing to an adjustment in transfer prices, the financial expenses to be deducted in the future pertaining to the convertible bonds issued by the Company.

Furthermore, on 21 January 2022 the Company filed an economic-administrative claim with the TEAC against the Settlement agreement notified on 23 December 2021 pertaining to Corporate Income Tax 2013-2016. The result of said Agreement is an amount payable of 1,221 thousand euros, paid on 3 February 2022, with regard to a deduction owing to double taxation generated by the investee company ENAITINERE, as well as owing to adjustments with regard to pension plans in the subsidiary AUDASA.

The Company intends to file to the TEAC both written pleadings with regard to the claims pertaining to withholdings of IRNR and to the transfer pricing adjustment of the convertible bonds. As at the date of preparation of the annual accounts, no TEAC Resolution had been received with regard to these two claims. On 18 March 2022 a summons has been received to make allegations with regard to the claim regarding the double taxation deduction.

On 11 June 2013, the Tax Agency initiated inspection and verification activities regarding corporate income tax corresponding to the 2007 and 2008 financial years, periods in which the Company formed part of the 20/02 tax group, the parent company of which was Sacyr, S.A., formerly Sacyr Vallehermoso, S.A. (see note 1 (c)). As a result of these inspections, the corresponding declarations of conformity and non-conformity have been issued to the parent company of said tax group. According to information from Sacyr, S.A., the declaration of conformity was settled in 2016, while the declarations of non-conformity was appealed. On 11 February 2021, a lawsuit was filed at the National Court. At the time of preparing these annual accounts no verdict had been passed.

In any case, and in relation to potential contingencies related to the periods in which the Company formed part of the tax group of Sacyr, S.A. (until 2008), the parent company of that tax group undertakes to hold ITÍNERE and its investees harmless under the terms and conditions established in the undertaking contract drafting and accepting the takeover bid for the shares of ITÍNERE signed in November 2008 between Sacyr Vallehermoso, S.A. and Citi Infrastructure Partners L.P. (note 1 (c)).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

19. BALANCES AND TRANSACTIONS WITH GROUP COMPANIES, ASSOCIATES AND OTHER RELATED PARTIES

Receivables from and payables to group companies, jointly controlled entities, associates and other related parties at 31 December 2021 and 2020 are as follows:

Thousands of euros	2021		2020	
	Other group companies	Other related parties	Other group companies	Other related parties
Trade and other receivables (note 11)	40,392	-	39,553	-
Enaitinere, S.A.U.	816	-	816	-
Ena Infraestructuras, S.A.	59	-	112	-
Ena Infraestructuras, S.A., Consolidated tax	-	-	410	-
Autopistas del Atlántico, C.E.S.A.,	1,644	-	4,924	-
Autopistas del Atlántico, C.E.S.A., Consolidated tax	3,482	-	10,976	-
Autopistas del Atlántico, C.E.S.A., VAT group	26,099	-	11,149	-
Autopista Astur Leonesa, S.A.	227	-	1,212	-
Autopista Astur Leonesa, S.A., VAT group	5,703	-	4,039	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	50	-	632	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U., Consolidated tax	80	-	2,117	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U., VAT group	2,068	-	2,709	-
Europistas, S.A.	-	-	8	-
Europistas S.A., Consolidated tax	28	-	394	-
Europistas S.A., VAT group	13	-	-	-
Autopistas de Bizkaia, S.A.	-	-	55	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	123	-	-	-
Current debit balances with Group, Multi-group and Associated companies	40,392	-	39,553	-
Non-current payables - Convertible Debentures (note 15)	24,037	22,366	21,442	19,950
Globalvía GVIT, S.L.	-	22,230	-	19,848
Estivo Investments Holding, B.V. ⁽¹⁾	24,123	-	21,539	-
Directors, Senior Management and other	-	215	-	192
Valuation adjustment at amortised cost	(86)	(79)	(97)	(90)
Non-current payables - Other payables	550,121	-	532,472	-
Ena Infraestructuras, S.A.	105,308	-	102,971	-
Enaitinere, S.A.U.	434,387	-	422,482	-
Europistas, S.A.	5,316	-	5,223	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	1,010	-	-	-
Autopista Astur Leonesa, S.A.	4,100	-	1,796	-
Non-current credit balances with Group, Multi-group and Associated companies	574,158	22,366	553,914	19,950
Current payables - Other payables	-	-	3,822	-
Estivo Investments Holding, B.V.	-	-	3,822	-
Trade and other payables	10,304	-	6,730	-
Enaitinere, S.A.U., Consolidated tax	7,889	-	4,335	-
Enaitinere, S.A.U., VAT Group	2	-	-	-
Ena Infraestructuras, S.A.	-	-	2,330	-
Ena Infraestructuras, S.A., Consolidated tax	1,772	-	65	-
Ena Infraestructuras, S.A., VAT Group	18	-	-	-
Autopistas del Atlántico, C.E.S.A.	1	-	-	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U., Consolidated Group	622	-	-	-
Current credit balances with Group, Multi-group and Associated companies	10,304	-	10,552	-

At 31 December 2021 and 2020, the Company has a credit with ENAITINERE for an amount of 816 thousand euros, corresponding to certain expenses relating to the purchase of ENA, which were originally borne by ITÍNERE and which are still pending payment.

At 31 December 2021 and 2020, the Company has trade receivables with its investees deriving from comprehensive management services rendered during the aforementioned years by virtue of the contracts signed by the parties.

At 31 December 2021 and 2020, ITÍNERE has credits and debits with the companies in its Group integrated under the consolidated taxation regime relating to income tax (see note 18). The balances pertaining to the companies ENAITINERE and AUDASA also include amounts deriving from the Settlement Agreement notified on 23 December 2021 by the tax authorities deriving from the verification and investigation actions regarding Corporate Income Tax pertaining to the financial years of 2013 to 2016 (see note 18).

At 31 December 2021 and 2020, ITINERE maintains credits and debits with the companies of its Group attached to the special arrangements for the group of entities in relation to the Value Added

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

Tax, in which the integrated companies are taxed since 1 January 2010, and of which ITÍNERE is the parent company (notes 11 and 17).

On 21 February 2019, Pear Luxembourg Investment, S.á.r.l. transferred to Estivo Investments Holding, B.V., credit rights vis-à-vis ITÍNERE deriving from the loan agreement signed on 20 July 2012, remunerated at a fixed annual rate of 8.5% and which matured on 31 March 2021, the date on which it was depreciated. Said contract provided for the capitalisation of any unpaid interest at the end of the settlement period. That loan accrued an interest of 76 thousand euros during financial year 2021 (300 thousand euros in 2020).

On 16 February 2016, the Company entered into a loan agreement with ENA that matures in October 2025 and whose remuneration is referenced to 1-year Euribor plus a spread. At 31 December 2021 the capital provision for the aforementioned loan amounts to 105,308 thousand euros (102,971 thousand euros at 31 December 2020), a new provision having been made in July 2021 amounting to 504 thousand euros corresponding to balances of a fiscal nature (provision having been made in July 2020 amounting to 1,607 thousand euros). This loan provides for the capitalisation of any unpaid interest at the end of the settlement period. The interest accrued in 2021 amounts to 1,832 thousand euros (2,043 thousand euros in 2020), which have been capitalised.

On 16 February 2016, the Company signed a loan with its investee ENAITINERE to replace the one originally formalised on 29 June 2009 by PARTICIPACIONES AP-1 EUROPISTAS, S.L. and assigned by it to ENAITINERE during the merger process of both companies in 2015 and based on which 338,809 thousand euros had been drawn down at 31 December 2020. The aforementioned agreement covers the settlement of interest on an annual basis and its calculation is referenced to 1-year Euribor plus a margin. In addition, interest outstanding at the end of the settlement period will be capitalised. That loan will mature on 31 October 2025. In 2021, the Company capitalised tax balances amounting to 4,372 thousand euros (7,937 thousand euros in 2020) and unsettled interest payable totalling 6,048 thousand euros (6,690 thousand euros in 2020), so the balance of that loan stood at 349,229 thousand euros at 31 December 2021. That loan accrued interest of 6,048 thousand euros in 2021 (6,690 thousand euros in 2020).

On 24 June 2019, the non-extinctive novation of the loan agreement that the Company signed with AP-1 EUROPISTAS, C.E.S.A.U. (currently named EUROPISTAS, S.A.U.) on 30 November 2018 took place. This amended some of the terms and conditions, establishing yearly interest settlement pegged to the 12-month Euribor plus a spread and maturity on 31 October 2025, and capitalisation of interest at the end of the settlement period if this has not been paid. As regards capital reduction and distribution of voluntary reserves by AP-1 EUROPISTAS C.E.S.A.U., and distribution of dividends against the profit/loss for financial year 2018 approved on 24 June 2019 by its Sole Shareholder, ENAITINERE, totalling 81,340 thousand euros, and in payment of these, on 10 July 2019, AP-1 EUROPISTAS C.E.S.A.U. partially assigned the loan that it held with ITÍNERE to ENAITINERE, who thereby assumed the position of lender against ENAITINERE for the aforementioned amount. Consequently, on 31 December 2021, the loan between the Company and EUROPISTAS S.A.U. totalled 5,316 thousand euros (5,223 thousand euros in 2020). In 2021, the aforementioned loan accrued interest, which has been capitalised, for an amount of 93 thousand euros (105 thousand euros during the 2020 financial year).

As a consequence of the foregoing, effective as of 10 July 2019, the Company is the borrower in a loan with ENAITINERE with an initial amount of 81,340 thousand euros that on 31 December 2020 amounted up to 83,672 thousand euros. That loan envisages that the interest will be settled on a yearly basis and is pegged to 1-year Euribor plus a 2% spread. In addition, interest outstanding at the end of the settlement period will be capitalised. That loan will mature on 31 October 2025. In 2021, interest payable totalling 1,486 thousand euros were capitalised (1,676 thousand euros in 2020), so the balance of said loan stood at 85,158 thousand euros on 31 December 2021 (83,673 thousand euros in 2020). That loan accrued interest of 1,486 thousand euros in 2021 (1,676 thousand euros in 2020).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

With effect 31 December 2020, the Company subscribed a loan agreement with AUTOPISTA ASTUR LEONESA, C.E.S.A for an amount of 1,796 thousand euros, which accrues a variable interest rate pegged to a year Euribor plus a spread; if the interest is not paid at the end of the settlement period, it will be capitalised; and its maturity is October 2025. At 31 December 2021 the capital provision for the aforementioned loan amounts to 4,100 thousand euros, a new provision having been made in July 2021 amounting to 2,255 thousand euros corresponding to balances of a fiscal nature. In financial year 2021, this loan accrued interest amounting to 49 thousand euros.

On 31 August 2021, the Company signed a loan agreement with AUTOESTRADAS DE GALICIA, C.X.G., S.A.U. for an amount of 992 thousand euros maturing in October 2025 and whose remuneration is tied to 1-year Euribor plus a margin. On 31 December 2021, the capital drawdown under the aforesaid loan amounted to 1,010 thousand euros. This loan provides for the capitalisation of any unpaid interest at the end of the settlement period. The interest accrued in 2021 amounts to 18 thousand euros, which have been capitalised.

The breakdown of transactions with group companies, jointly controlled entities and other related parties in 2021 and 2020 is as follows:

Thousands of euros	2021				2020			
	Other group companies	Jointly controlled entities	Total	Other related parties	Other group companies	Jointly controlled entities	Total	Other related parties
Financial expenses - Convertible Debentures (notes 15 and 22)	2,595	-	2,595	2,416	2,321	-	2,321	2,160
Estivo Investments Holding, B.V.	2,584	-	2,584	-	2,313	-	2,313	-
Globalvía GVT, S.L. ⁽¹⁾	-	-	-	2,382	-	-	-	2,132
Directors, Senior Management and other	-	-	-	23	-	-	-	21
Valuation adjustment at amortised cost	11	-	11	11	8	-	8	7
Financial expenses - Other payables (note 22)a 22)	9,602	-	9,602	-	10,813	-	10,813	-
Estivo Investments Holding, B.V.	76	-	76	-	300	-	300	-
Enaitinere, S.A.U	7,534	-	7,534	-	8,365	-	8,365	-
Ena Infraestructuras, S.A.	1,832	-	1,832	-	2,043	-	2,043	-
Autopista Concesionaria Astur-Leonesa, S.A.	49	-	49	-	-	-	-	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	18	-	18	-	-	-	-	-
Europistas, S.A.	93	-	93	-	105	-	105	-
Other expenses	1	-	1	-	-	-	-	-
Autopista Concesionaria Astur-Leonesa, S.A.	1	-	1	-	-	-	-	-
Total expenses	12,197	-	12,197	2,416	13,134	-	13,134	2,160
Management or collaboration contracts (note 20)	7,548	-	7,548	-	5,631	-	5,631	-
Autopistas del Atlántico, C.E.S.A.	5,412	-	5,412	-	3,836	-	3,836	-
Autopista Concesionaria Astur-Leonesa, S.A.	1,136	-	1,136	-	878	-	878	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	456	-	456	-	371	-	371	-
Gestión de Infraestructuras de Bizkaia, S.A.	272	-	272	-	546	-	546	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	272	-	272	-	-	-	-	-
Rendering of services and other income	1,018	153	1,171	-	863	153	1,016	-
Enaitinere, S.A.U.	85	-	85	-	1	-	1	-
Ena Infraestructuras, S.A.	348	-	348	-	359	-	359	-
Autopistas del Atlántico, C.E.S.A.	429	-	429	-	338	-	338	-
Autopista Astur Leonesa, S.A.	94	-	94	-	92	-	92	-
Autopistas de Navarra, S.A.	-	153	153	-	-	153	153	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	38	-	38	-	37	-	37	-
Gestión de Infraestructuras de Bizkaia, S.A.	16	-	16	-	29	-	29	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	9	-	9	-	20	-	20	-
Europistas, S.A.	-	-	-	-	7	-	7	-
Total income	8,566	153	8,719	-	6,494	153	6,647	-

The transactions with related parties refer to the Company's normal business and are carried out on an arm's length basis.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

20. NET TURNOVER

The breakdown of net turnover in 2021 and 2020 is as follows:

Thousands of euros	2021	2020
Income from services rendered	7,548	5,631
Autopistas del Atlántico, C.E.S.A.	5,412	3,836
Autopista Concesionaria Astur-Leonesa, S.A.	1,136	878
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	456	371
Gestión de Infraestructuras de Bizkaia, S.A.	272	546
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	272	-
Other services for group companies, jointly controlled entities and other related parties	893	649
Net revenues	8,441	6,280

By virtue of the various contracts signed by the Company with certain Group companies, a total of 7,548 thousand euros was invoiced in 2021 (5,631 thousand euros in 2020), for technical, operational, financial and legal advisory services.

The turnover recorded by the Company in 2021 and 2020 was obtained in Spain.

21. EXTERNAL SERVICES AND OTHER PROFIT/LOSS

The breakdown of external services at 31 December 2021 and 2020 is as follows:

Thousands of euros	2021	2020
Leasing and royalties	449	440
Repairs and maintenance	53	47
Services of independent professionals	749	1,303
Insurance premiums	854	732
Bank services and similar	8	46
Advertising, propaganda and public relations	55	40
Supplies	36	74
Other services	199	328
External services	2,403	3,010

At 31 December 2020, the Company recorded an extraordinary item totalling 4,547 thousand euros for the reversion of an allocation of staff not used for the purpose for which it was created.

22. FINANCIAL EXPENSES

Details of financial expenses in 2021 and 2020 are as follows:

Thousands of euros	2021	2020
Interest on debts with group companies, jointly controlled entities and associates (note 19)	12,197	13,134
Interests on debentures (note 15)	2,595	2,321
Other payable interests	9,602	10,813
Interest on debts (note 16)	13,140	13,177
Interest on debentures with other related parties (notes 15 and 19)	2,416	2,160
Other financial expenses	62	6
Financial expenses	27,815	28,477

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

23. STAFF

The average headcount in 2021 and 2020, broken down by category, is as follows:

	2021	2020
Managers	7	7
Technical staff	3	3
Administrative staff	1	1
Total	11	11

At 31 December 2021 and 2020, the breakdown of the Company's headcount by category and gender is as follows:

	Men		Women		Total	
	2021	2020	2021	2020	2021	2020
Managers	7	7	-	-	7	7
Technical staff	1	1	2	2	3	3
Administrative staff	-	-	1	1	1	1
Total	8	8	3	3	11	11

In 2021 and 2020, the Company did not have any employees with a disability of 33% or higher.

At 31 December 2021 and 2020, the Company's Board of Directors is made up of 9 men and 3 women.

Likewise, of the amount of social security contributions for 2021, 162 thousand euros correspond to the company's social security cost (164 thousand euros in 2020).

24. INFORMATION ABOUT COMPANY DIRECTORS AND SENIOR MANAGEMENT

The Corporate Articles of Association envisage that the members of the Board of Directors will not receive any remuneration for the performance of their duties, except those who hold executive duties for the Company. They also envisage that the chairman of the Board of Directors is remunerated.

The only remunerations paid out in 2021 are those of the Chairman and the Chief Executive Officer, who have risen by all the concepts considered in the articles of association (salaries, remuneration, cash or in kind, indemnities, pensions and compensation of any kind) to 251 thousand euros (250 thousand euros in 2020) and 974 thousand euros (849 thousand euros during 2020), respectively. The rest of the directors have not received any remuneration for any reason. Likewise, in 2021 and 2020, the individuals who represented the Company on the boards of directors of the investees did not receive any remuneration for the performance of this function.

Additionally, in 2021 the Company has paid out the members of the Company's Senior Management that are not part of its Board of Directors remunerations for a total amount of 1,693 thousand euros (1,627 thousand euros during 2020).

No liabilities have been undertaken relating to pensions or life insurance payments in favour of the members of the Board of Directors or Senior Management staff, who, in the case of insurance, do not form part of the remuneration indicated in the previous paragraph. At 31 December 2021 and 2020 here are also no debit or credit balances with the Company, other than those mentioned above in notes 15 and 19. In 2021, the Company paid civil liability insurance premiums to directors and managers in the amount of 123 thousand euros corresponding to corporate civil liability policies which cover the directors and managers of the Company itself and the directors and managers of the Group companies representing it (89 thousand euros in 2020).

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

In 2021 and 2020, the Company's directors did not carry out any transactions with the Company or any other of the Group Companies outside their ordinary business or in conditions other than on an arm's length basis. Similarly, the Company's directors and the persons related or linked to them have not been involved in any situation of conflict of interest that, pursuant to the provisions of article 229 of the consolidated text of Corporate Enterprises Act, needs to be notified.

25. GUARANTEES UNDERTAKEN WITH THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

(a) Guarantees to third parties

At 31 December 2021, the Company has provided bank guarantees to different public bodies amounting to 131 thousand euros (77 thousand euros at 31 December 2020). Furthermore, on 31 December 2021 and 2020 the Company had guarantees deposited with regard to the office lease agreement in which the Company is a lessee, for an amount of 155 thousand euros (see note 8).

The Company, together with its Group company, EUROPISTAS, S.A. have a line of guarantees for an amount of 3,500 thousand euros which, as of December 31, 2021, is available for a total amount of 1,832 thousand euros, and of which 131 thousand euros correspond to the guarantee constituted above.

The Company's directors are of the opinion that no liabilities will arise as a consequence of these bonds, commitments and guarantees.

In addition, by virtue of the financial agreement signed by the Company, certain undertakings exist, as referred to in note 16.

(b) Other Contingent Liabilities

Superstrada Pedemontana Veneta S.p.A

One of the agreements established in the undertaking contract drafting and accepting the takeover bid for the shares (see note 1 (c)) was that the stake that ITÍNERE had at the time in the tender process under way would be transferred to the Sacyr Vallehermoso Group (currently the Sacyr Group), holding ITÍNERE and the buyer completely harmless. One of the projects included "Pedemontana-Veneta" with respect to which Sacyr, ITÍNERE and Pear Acquisition Corporation, S.L.U. (the buyer) signed on 29 July 2009 a document that includes the "Agreement regulating ITÍNERE'S stake in the Pedemontana-Veneta toll road project" which regulates, among others, ITÍNERE'S exit from the project as soon as possible and Sacyr's commitment that, until ITÍNERE does not leave the project, it will hold ITÍNERE and the buyer completely harmless of any costs or damages that ITÍNERE may suffer directly or indirectly as a result of its stake in the project. The agreement specifically envisages ITÍNERE'S harmlessness in the event that the project company receives subsidies from the granting administration.

To carry out the project, the concession company Superstrada Pedemontana Veneta S.p.A. was created to which ITÍNERE contributed a capital of 10 euros (which was completely provisioned from the start) and currently represents 0.000005% of its share capital, while the remaining 99.999995% is owned by CONSORZIO STABILE SIS S.c.p.A.; since the signature of that agreement, ITÍNERE has not participated in any way whatsoever in the project or held any responsibility on its board of directors. Since the start of the project, ITÍNERE has notified Sacyr on several occasions that it wants to leave the project but this has not yet been specified. In 2016, ITÍNERE was notified that the concession company received the aforementioned subsidies from the granting administration as "contributo pubblico a fondo perduto in fondo costruzione", for which ITÍNERE and CONSORZIO STABILE SIS are jointly and severally liable since they are the partners fostering the project. In addition, in 2017 ITÍNERE also learnt of the closure of the financing of this project, which was signed on 29 November, through a bond issue.

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

The Administrators did not believe it necessary to establish a provision for this project because ITÍNERE discovered that around 57 km out of the 96 km initially planned in this project had opened for traffic - which confirms the execution of the construction works and probable provisional acceptance in October 2022 according to the latest updated Project time line, from which point ITINERE would no longer be jointly and severally liable -, and given that the aforementioned "Agreement regulating ITÍNERE's share in the Pedemontana-Veneta toll road project" and other subsidiary agreements still remain in force.

26. ENVIRONMENT

Based on the type of activity conducted by the Company, no environmental actions are required. Therefore, it has not incurred any environmental expense in 2021 and 2020 and no provision is considered necessary to cover possible expenses or risks relating to environmental actions.

The Company's Directors declare that there are no items that need to be included in the separate environmental information document provided for in Order JUS/206/2009 of 28 January.

27. INFORMATION ABOUT THE NATURE AND RISKS OF FINANCIAL INSTRUMENTS

To a large extent, the Company's financial risk management policies and, consequently, the instruments for their achievement are determined by the nature of its activity and by the situation in the financial markets at any given time.

Thus, the structure, type of financing, hedges, guarantees and, in short, the most appropriate financing instruments are selected in accordance with the nature and risks inherent in the projects to be financed, with a view to their mitigation to the extent that this is possible.

The management and financial policy of ITÍNERE is determined and executed, with prior approval by the company's senior management, by the Company's Finance Division, in a manner consistent with the financial structure and cash flows of the Group as a whole and being, in terms of financial risk management, succinctly, the following:

- **Interest rate risk:** At 31 December 2021 and 2020, practically all of the financial debt contracted by the Company is remunerated at a variable interest rate referenced to Euribor. At present, the Company has not contracted financial instruments to hedge interest rates, although the evolution of the markets is constantly monitored and, if considered appropriate, the contracting of such instruments can be studied.

A possible variation of ± 100 basis points in the interest rate prevailing at year-end would have a quantitative effect which would mean a lower net result for the year of 6,232 thousand euros if the interest rate increases and a higher net result of 4,183 thousand euros if it decreases.

- **Exchange rate risk:** The Group's policy is to arrange its indebtedness in the same currency as the one in which its business flows are produced. Likewise, no transactions are made in non-euro currencies. Consequently, there is currently no exchange rate risk.
- **Credit risk:** Given the characteristics of the activity conducted by ITÍNERE (holding of a Group of concessionary companies), the major part of its income is obtained from the rendering of services to these companies. Consequently, due to the nature of the business conducted by the Group, the risk of non-payment is low.
- **Refinancing risk:** As stated in note 16, effective as of February 2016, the Company proceeded to the non-extinguishing modifying novation of the financing agreement entered into by the Company in August 2011, which has involved, among other modifications, the extension of the

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

maturity date of said loan agreement until 6 October 2025. As a consequence, practically all of ITÍNERE's debt is non-current, so the Company directors believe that this risk is moderate.

- **Liquidity risk:** Due to the particular characteristics of the Company as well as cash flow generation estimates, there are sufficient funds for the Company to meet its payment commitments. Consequently, the Company's directors are of the opinion that this risk is low.
- **Price risk:** This risk is low since ITÍNERE's income is associated with the activity of its investees, which are not exposed to this risk, as they operate in a regulated market in which the tariffs applied are reviewed based on the variation of the CPI, thus this risk is mitigated.

Other risks to which the Company is exposed are:

- **Climate change risk:** Climate change and its consequences is one of the most important challenges that humanity must face in environmental, social, and economic terms, and it requires active management by all the players involved.

Greenhouse gas emissions, mainly brought on by the use of fossil fuels, have accelerated global warming in recent decades, and the effects of this are already apparent.

ITÍNERE Group is fully aware of the great challenge that climate change poses and we are committed to improving our performance in terms of environmental sustainability, doing so by undertaking initiatives that aim to minimize the environmental impact in all of our areas of action, favouring energy and resource saving and contributing to the conservation and improvement of our environment.

To this end, we at the Group take the environment into consideration in all aspects of our organization, seeking the most sustainable options and striving for ongoing improvement in all of our processes.

28. OTHER INFORMATION

The auditors of the annual accounts of the Company, PricewaterhouseCoopers Auditores, S.L., have rendered professional services to the Company during the year ended 31 December 2021 totalling 75,100 euros per year (74,000 euros at 31 December 2020).

These amounts correspond to total audit fees for 2021 and 2020, irrespective of the date of invoice.

PricewaterhouseCoopers Auditores, S.L. has provided the Company with accounting verification services for financial year 2021, with fees amounting to 3,500 euros (same amount in 2020).

During the financial years of 2021 and 2020, PricewaterhouseCoopers Auditores, S.L. did not provide any fiscal services, nor any other services whose provision by the accounts' auditors is required under the applicable regulations.

At the same time, no subsidiary companies of the PwC network invoiced the Company for amounts during the 2021 and 2020 financial years.

29. SUBSEQUENT EVENTS

No significant subsequent events have taken place.

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

1. COMPANY BUSINESS PERFORMANCE AND POSITION

The pandemic situation caused by COVID-19 in which we are still immersed brought about a severe impact on the evolution of the world economy during 2020. Throughout that year, the governments of the countries affected by the pandemic were forced to take measures, on the one hand, by establishing restrictions on mobility and closing businesses to control the disease's spread and, on the other hand, to alleviate the economic slowdown caused by the virus. The effects of the aforementioned restrictions led to an unprecedented global crisis that brought about a deep economic recession.

During financial year 2021, the conditions of the Spanish economy improved considerably, particularly as from the second state of emergency on 9 May 2021. Activity and employment bounced back in Spain as from the end of the first quarter, concurrently with the progress made in the vaccination campaign and the improvement in the evolution of the pandemic.

The end of the restrictions on mobility had a major positive impact on traffic levels on the toll roads operated by the Group companies and, accordingly, on its income flow compared with those posted in 2020.

With regard to the above, and in light of the regulatory framework applicable to them, several concessionary investee companies of ITÍNERE have brought contentious-administrative claims requesting their respective granting Administrations to re-establish the economic and financial balance of their concession agreements. The legal basis of this request is the exercise of a contractual right to maintain the aforementioned economic and financial balance, based on the appearance of unforeseeable and extraordinary circumstances, as well as being based on the adoption --by the different administrations-- of measures that have made it impossible to execute the concession contracts under the foreseen terms, as the concession companies have kept up with their full business activity because they are critical transport infrastructures. Notwithstanding the foregoing, the aforementioned companies --in accordance with the provisions of their concession contracts and the applicable legal framework-- continue with risk (demand risk of the concessionaire) and the risk of maintaining an economic and financial balance. The deadlines for the completion of the respective concession contracts continue to be as provided for initially, unless they were exceptionally extended as a result of the rebalancing requests submitted.

The activity undertaken by ITÍNERE INFRAESTRUCTURAS, S.A. in 2021 consisted of managing and developing its concession companies, and searching for new opportunities in the concession and transport infrastructure management and conservation market. In this regard, during the financial year of 2021, ITÍNERE has continued the monitoring work commenced in 2020 on the effects of COVID-19 on the Group's business, evaluating at all times the pandemic's possible effects on the results and/or financial and equity situation, and focusing at all times on the safety of its employees and users.

As in 2020, in spite of the extraordinary situation caused by the pandemic, neither ITÍNERE nor any of its investee companies have (i) required any type of modification or to request exceptions of any kind in terms of their financing; (ii) experienced liquidity tensions or resorted to additional indebtedness; (iii) deferred payments or commitments stemming from operations; (iv) had their collection rights impaired or delayed; or, (v) adopted measures of a business nature through agreements with the employees' representatives to bring about the implementation of workforce adjustment actions.

At 31 December 2021, ITÍNERE is participating in a total of 4 toll road concessionaires, all of which are in operation (totalling 468.1 kilometres). It also had a stake in EUROPISTAS, S.A. (formerly called AP-1 EUROPISTAS), which was also a concessionary company until 30 November 2018, the date on which the concession agreement ended, and through which it had stakes in the companies of GEBISA which managed the AP-8 toll road in Bizkaia until 30 June 2021 and GESBISA, which became the operator on said toll road as from 1 July 2021. Added

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

to this is its participation in another company whose purpose is the provision of collection management services by the electronic toll system, BIP & DRIVE, E.D.E., S.A., which is a leader in its sector.

During the 2021 financial year, and despite the situation generated by the pandemic, ITÍNERE was able to manage, coordinate, and develop the Group companies, which in turn undertook their activities without incidents or interruptions in their operations as they are considered critical transport infrastructures. The positive trend that traffic had been showing since 2014 based on the good general evolution of the economy after a period of generalised economic crisis has been interrupted by the effects of the health crisis on the economy, which has led to a significant reduction in the number of vehicles that circulated on the toll roads of the Group during 2020. In 2021, and as a result of the end of the restrictions on mobility, the traffic levels of the toll roads that the Group companies operate and, accordingly, their turnovers, underwent notable growth compared with 2020.

Of the most relevant events of the year, it is important to highlight the following:

- On 8 May 2019, AUDASA was notified of the ordinary lawsuit filed by the Prosecutor's Office against the company, followed at the Court of First Instance of Pontevedra with Ordinary Proceeding number 344/18, exercising the collective action of cessation, defence of the undefined interests of consumers and users, nullity of the abusive practice and accessory refund of the amounts received in such concept, and claim for damages. On 21 February 2020, the Court partially upheld the claim, ordering the company to reimburse users for the amount paid in tolls to travel on the affected sections on the dates and within the time slots in which the 81 incidents detailed in the ruling occurred. On 19 April 2021, the Court of Appeal of Pontevedra fully revoked the previous judgement, acquitting the concessionary company of any claim. There was an appeal for reversal against the judgement before the Supreme Court by the Public Prosecutor.
- Royal Decree 803/2017, dated 28 July, entailed the modification of the agreement between the General Tax Administration, the regional government of Galicia and AUDASA, approved by Royal Decree 633/2006, dated 19 May, which established a shadow toll system for Vigo-O Morrazo and A Coruña-A Barcala journeys financed by both Administrations. Said modification not only affects the compensation calculation system but also the way of invoicing and the recipient, which exclusively becomes the Ministry of Transport, Mobility and Urban Agenda. In this regard, AUDASA has filed a contentious claim before the Supreme Court against the Ministry of Transport, Mobility and Urban Agenda's decision, on the grounds that it represented a unilateral and unjustified amendment of an agreement signed between the parties. On 19 February 2020, the Supreme Court agreed that (i) Royal Decree 803/2017 of 28 July was null and void and (ii) the consideration system was applicable to the concession operator as approved by Royal Decree 633/2006 of 19 May; (iii) AUDASA's situation be re-established, recognising its right to be compensated for the damages caused by the implementation of the remuneration system of the aforementioned Royal Decree 803/2017, and the right to be paid the interest that legally corresponds thereto from the time of right to payment accrued in accordance with Royal Decree 633/2006 and until it is actually paid; and (iv) order the General State Administration to pay AUDASA for compensation and interest resulting from the effects that may arise from the commitments agreed in 2006.

On 14 October 2021 the Supreme Court laid down an Order in which the General State Administration was sentenced to pay AUDASA the sum of 13,883 thousand euros by way of remuneration for the concession for the years of 2017 (since 29 July), 2018 and 2019. Said amount, as well as the interest pertaining thereunto for the sum of 1,355 thousand euros, was paid to AUDASA on 7 January 2022.

- Royal Decree 681/2021 of 27 July amended certain terms of the administrative concession for the construction, upkeep and operation of AUDASA, approving the implementation of a

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

series of toll rebate measures for light vehicles that travel on the AP-9 using Vía-T on an habitual, extraordinarily recurrent basis, as well as the implementation of toll rebates applicable to heavy vehicles irrespective of the payment method used. The new toll rebate measures considered in said Royal Decree simultaneously apply to the maintenance of the commercial discounts of 25 per cent on the toll that AUDASA has been applying at present.

Said Royal Decree 681/2021 envisages that if the light and heavy vehicle toll rebate measures considered therein and the actions required for their control did not attain in any of the years the estimated value set out in the attendant budgetary items, the balance will preferably be used, and at the discretion of the Government Delegation in the Concessionary Companies of National Toll Roads, to reduce the offsetting balance foreseen in Royal Decree 1733/2011 or to discount it from the subsequent annual payment. In this regard, in December 2021 the Ministry of Transport, Mobility and Urban Agenda made a contribution to AUDASA for the sum of 30.1 million euros with a view to reducing the outstanding offsetting balance foreseen in Royal Decree 1733/2011.

- On 29 December 2021, a claim was notified made against AUDASA and brought by Francisco Gomez y Cía, and Puentes y Calzadas which was tried before the Court of First Instance no.2 of A Coruña for the sum of 10.9 million euros with regard to the performance of the Works' Contract to carry out remodelling works to extend the capacity of the AP-9 toll road on its Santiago Norte- Santiago Sur stretch.
- On 23 September 2021, AUDASA learned that the European Commission had published at its website the referral of formal notice to the Kingdom of Spain to guarantee the proper application of European Union regulations with regard to public procurement and concession agreements. Although AUDASA has not received any notification in this regard, nor is it party to the procedure that could arise, the Directors believe that any measures which could consider the amendment or termination of the concession contract in force for reasons not attributable to the company and on the grounds of the public interest (as a consequence or not of the adoption or said measures), would entail, in any case, and in accordance with the legislation in force, the company's right to be duly compensated.
- On 29 September 2021, the Court of Appeal of Biscay fully confirmed the judgement passed on 19 November 2020 by Commercial Court no. 1 of Bilbao which dismissed the petition from Globalvía GVIT, S.L.U. to declare the nullity of the resolutions adopted by the Extraordinary General Meeting of ITÍNERE held on 30 November 2018.
- Regional Law 19/2021 of 29 December regarding the modification of various taxes and other tax measures, published in the Official Gazette of Navarre on 31 December 2021, determines in its Additional provision sixteen that "the tax benefits determined in the Resolution by the Regional Council of Navarre on 1 September 1972 whereby the bid documents for the construction, upkeep and operation of the Navarre toll road (AUDENASA) were approved, will not apply in the taxation periods that started as from 1 January 2022", which means that as from said date, the aforementioned tax exemption cannot be applied.

In this regard, the Board of Directors of AUDENASA, included in the background, decided to deal with this issue, once the regulation had been published in the Official Gazette of Navarre, to adopt the decisions pertaining to it as the Board of Directors.

The turnover mainly relates to billings for services to the investee companies, amounting to 8.4 million euros, 34.4% higher than that of the previous financial year as a result of the increase in toll income of the investee companies, the figure on which said billing is calculated. Current operating expenses are estimated at 8.0 million euros, increasing by 28.2% compared to the previous year. EBITDA in 2021 was positive to the tune of 0.7 million euros, 4.2 million euros lower than that posted in 2020, which included the reversal of a provision for staff not applied for the purpose for which it was formed.

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

As determined by the accounting standard, at year-end 2021 the Company had not identified the existence of any signs of losses in its financial investments, though the evidence of losses in its value made it clear that on 31 December 2021 the recoverable amount of the investments was greater than its book value by 225,178 thousand euros, and so there was a reversal in the valuation change for said amount.

In light of the above, the financial result presents a positive figure of 197.3 million euros, which corresponds, besides the effect of the impairment reversal already referred to, to the financial expenses of the corporate debt, both with third parties and other inter-company debts. Financial expenses are 2.5% higher than those of the previous financial year (+0.7 million euros) which can essentially be put down to the higher interest generated by the convertible bonds with regard to 2020.

As we all know, since the 2012 financial year there is a limit on the tax deductibility of financial expenses according to which only net financial expenses up to an amount of 30% of the financial year's operating profit can be deducted, with it being possible for the net financial expenses not deducted in the financial year to be deducted in the following financial years with no time limit and with the same percentage limitation. As at 31 December 2021, the Company opted to post the tax credit deriving from the financial expenses not deducted in application of the aforementioned limitation, and whose future recovery is expected to occur in the next ten years as from the date of closure of the financial year of 2021. Accordingly, the Company recognised an deferred tax asset for an amount of 14,342 thousand euros.

Therefore, considering the calculation of corporate income tax for the year shows an income of 19.1 million euros.

All of the foregoing has resulted in a profit in the 2021 financial year of 217.1 million euros.

After the end of the mobility restrictions, the traffic levels on the toll roads operated by the Group companies experienced notable growth during the course of 2021. The overall average daily traffic (ADT) for all of the toll roads operated by ITÍNERE subsidiaries during 2021 was 17,670 vehicles (13,925 vehicles in 2020). This means that traffic increased up to 26.89% compared to the same period in the previous year (30.24% increase for light vehicles and 8.87% for heavy vehicles). It is worth pointing out that the above comparison was affected by the intense lockdown which started in mid-March 2020 and which caused an unprecedented reduction in traffic, essentially of light vehicles, and which, accordingly, is reflected in the high growth rates recorded in 2021 compared with 2020. Notwithstanding the above, and despite the smooth evolution in traffic levels during 2021, the latter have not yet reached those recorded in 2019 and it is estimated that the recovery in the traffic volumes prior to the health crisis will not be attained until 2023.

The consolidated turnover for 2021 amounts to 213.6 million euros, 18.1% up on the comparative figure of the financial year 2020, mainly as a result of the increase in toll income posted by the concessionary companies, deriving from the growth in traffic experienced by the concessionary companies in 2021 owing to the reduction in restrictions on mobility during the year. By contrast, it should be highlighted that the turnover for 2020 includes the impact deriving from the annulment of Royal Decree 803/2017, 28 July, mentioned above, resulting in toll income of 11.4 million euros being recorded for the period between July 2017 and December 2019, and to a lesser extent the tariff updates applied from 1 January (between 0.92% and -0.86%), which in the case of AUDASA includes the exceptional increase stemming from the application of Royal Decree 1733/2011, of 18 November, and Real Decree 1733/2011 of 18 November of 1%. Taking the proportional income of AUDENASA, as was done prior to the application of IFRS 11, turnover would have been 239.2 million euros, 19.7% higher than the previous year's figure.

Consolidated EBITDA in 2021 amounts to 164.5 million euros, representing a margin on turnover of 77.0%. Compared with the previous year, there is a 17.7% increase which can mainly

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

be put down to the higher toll income. With the proportional contribution from AUDENASA this figure would stand at 187.1 million euros in 2021, representing a year-on-year increase of 20.0%, improving the EBITDA margin by 0.2 percentage points. Generally speaking, the expense items have increased owing to the higher activity levels, except for the procurement item which fell by 63.0% which can mainly be put down to the higher costs incurred by Gebisa and Audasa in 2020, although, as a whole, they increased by 0.3% in 2021.

The consolidated operating income at year-end 2021 was up by 55.1% (+24.6 million euros) compared with 2020 which can essentially be put down to the increase in toll income in view of the fact that the total operating expenses registered levels similar to those for 2020. As far as the proportional contribution of AUDENASA is concerned, the operating income would register a 70.1% increase (+31.3 million euros).

At year-end 2021, consolidated financial income was down 2.6% on the 2020 figure which can mainly be put down to the impact of the recognition in the income statement of costs and fees for the credit facilities refinanced in the financial year under conditions which were substantially different from those of the debts refinanced. The debt refinancing operations carried out by the Group in the financial year will enable the debt cost to be reduced considerably in 2022.

In light of all the above, profit after tax for financial year 2021 amounted to 8.6 million euros, up 117.9% on the figure posted in 2020 (a loss of 48.1 million euros). In 2021, the Group has undertaken the activation of the tax credit deriving from the financial expenses not deducted in application of the current limitation, and whose future recovery is expected to occur in the next ten years as from the date of closure of the financial year of 2021. Accordingly, the Group recognised an deferred tax asset for an amount of 36.6 million euros.

The global pandemic caused by COVID-19 had a significant impact on the world and Spanish economies in 2020, particularly in its early stages owing to the strict lockdowns implemented. Since the second half of 2020, and during the course of 2021, the economy has recovered but not completely, demonstrating a volatile profile subject to the appearance of new outbreaks of the disease and owing to the measures adopted by the countries to contain it.

The extraordinary economic policy measures (monetary, fiscal and financial) implemented by the central banks and the countries have allowed the mitigation of the impact of the crisis, supporting their recovery. The economic evolution in 2021 has been heterogeneous between countries and geographic areas, an asymmetry which can also be observed in the Eurozone, with results which are comparatively more unfavourable for some of them, including Spain.

The Spanish GDP grew in 2021 by 5% (compared with the 10.8% fall in 2020) and it was one of the economies that suffered most the effects of the pandemic, particularly affecting those sectors which are the basis for our economy (tourism, transport, trade and hospitality), an exacerbation which had a significant impact on the public accounts. After the major contraction in the components of internal demand (except for public consumption) and external demand in 2020, the recovery has gradually become firmer during the course of 2021, though still far from the figures recorded in 2019.

The world economic recovery has continued, though the improvement in global activity and trade has lost ground owing to the new outbreaks of Covid-19, tensions on the global supply chains (production capacity has experienced difficulties in satisfying the recovery in demand), with goods and products becoming more expensive owing to, amongst other factors, imbalances between demand and supply, particularly significant with many raw materials and especially in terms of the cost of energies, which has moderated the intensity of the recovery. It is foreseeable that the geopolitical conflicts in Eastern Europe will have a negative impact on the evolution of the world economy.

The path to the recovery of the Spanish economy is expected to continue in 2022, though at a more moderate rate than that foreseen a few months ago, based on the maintenance of ECB

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

support to the Euro economies, the deployment of funds for projects related with the Next Generation EU programme, the improvement in the employment market, the deceleration of inflation, the increase in domestic demand and the improvement in tourism, as well as the favourable economic impact of the projects and reforms undertaken which facilitate the transformation of the Spanish economy.

Within this general context, we will now discuss on the specific financial activity carried out by ITÍNERE and its investees. In addition to meeting the financial needs of the different Group companies at any given moment, the activity in this area is permanently focused on the analysis and prospecting of possible Group debt financing transactions that add value and improve its structure, and this under the prism of the characteristics of the concession business and the future generation of cash flows.

The year 2021, after the significant debt refinancing carried out in the 5 preceding years, particularly in 2016 in ENAITINERE, both in qualitative and quantitative terms, corresponding to the companies ITÍNERE, ENAITINERE, AUDASA, AUCALSA and AUTOESTRADAS (refinanced and novated debt amounting to 2,598.9 million euros), that allowed to increase the Group's financial stability in the long term and significantly reduce the financial burden, the following financing operations took place in the year:

- On 18 May a syndicated loan was disbursed in AUDASA for the sum of 66.1 million euros and whose purpose was to cater for the issuance of fiscally subsidised bonds maturing on said date and for the same amount. The repayment of such loan bears interest equivalent to 6-month Euribor plus a 1.15% spread, and it was scheduled to mature in May 2026. The improvement in the conditions of this refinancing should also be noted, given that the previous bond issue had a cost of 6%. This loan is guaranteed by ENA.
- In December AUDASA proceeded with the early voluntary, partial repayment of the syndicated loan taken out in 2019 for the initial sum of 400 million euros, and whose outstanding amount was 300 million euros after its partial repayment in 2020, for the sum of 50.25 million euros, through an issue of fiscally subsidised bonds for the same amount and maturity in December 2031. Said issuance, which is guaranteed by ENA, has a coupon of 2.1% per annum.
- AUCALSA refinanced, on its maturity in May, an issue of fiscally subsidised bonds for the sum of 50.6 million euros issued in 2016 and a coupon of 2.90%, through a bank loan maturing in June 2024, with an interest rate referenced to the 6 months Euribor rate plus a spread of 1.35% and an ENA guarantee.
- In November AUCALSA duly saw to the early refinancing of its indebtedness, represented by two bank loans for the sums of 229.4 million euros and 50.6 million euros, by way of a new bilateral bank loan for 280 million euros. This loan falls due in March 2028, with a return for an interest rate equivalent to the 6 months Euribor rate plus a spread of 1.25%. Said loan has a guarantee from ENA, just like the loans it is replacing.
- The bilateral loan maturing in October 2025 for the sum of 300 million euros which ENAITINERE took out in 2016 was repaid early last October, being replaced by an additional tranche in the syndicated bank loan that the Company also took out in October 2016. The new loan tranche also matures in October 2025 and the same guarantees as the loan taken out in 2016, with the interest rate varying, becoming variable, referenced to the 6 months Euribor rate plus a spread of 2.25%, compared with the fixed rate of 6.5% per annum that the cancelled loan had.

With the financial operations described above, the nature of the creditors has remained diversified, extending the mean life and significantly reducing the interest rate of the Group's debt by 61 basis points.

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

During the 2021 financial year, the following milestones in the financial area can also be highlighted:

- With a view to strengthening the guaranteed availabilities, during the financial year, guarantee facilities were contracted for various group companies for the joint sum of 27 million euros.
- Amortisation of debt amounting to 78.4 million euros with regard to ENAITINERE.
- The average rate of the Group's financial debt at 31 December 2021 is 2.5% (3.11% during financial year 2020) and the average life of its debt is close to 4 years.
- The nominal amount of the gross financial debt amounts to 2,572.6 million euros, of which 29.9% is at a fixed interest rate.

In financial year 2021 the average workforce of the Company did not vary at all with regard to the average theoretical staff for 2020.

At 31 December 2021, the company does not have any amounts pending payment on commercial transactions that accumulate a deferment in excess of the legal deadline as per the provisions of Act 3/2004 of 29 December and its subsequent amendments through Act 15/2010 of 5 July and Royal Decree Law 4/2013 of 22 February. The average payment period to suppliers in 2021 was 11 days.

2. SUBSEQUENT EVENTS

No significant subsequent events have taken place.

3. COMPANY OUTLOOK

The activity to be conducted by ITÍNERE in the coming years will focus, on one hand, on the management and development of its investee companies, within the framework of the respective concession contracts, and on the other hand on the search for opportunities in the sector.

During 2022, the usual replacement and maintenance tasks will be performed by the investee companies, meaning a constant improvement of the service for users, which is a fundamental objective of the management. Likewise, if necessary, the requirements of the granting authorities will be met, maintaining, in any case, the economic and financial balance of the concessions.

At a financial level, it is important to point out that, after the process of the joint and simultaneous refinancing and novation of the debt of ITÍNERE and its investee ENAITINERE, which materialised in 2016 and which involved, amongst other advantages, the extension of its maturity until October 2025, and the refinancing undertaken in recent years in AUDASA, AUCALSA and in the bilateral loan of ENAITINERE which allowed a reduction in the financial cost of its respective indebtedness and an extension of its average life. Hence, 92.7% of Group debt is non-current. During the 2022 fiscal year, there is a significant contractual maturity of financial debt in the Group, corresponding to the issuance of bonds by AUDASA for the sum of 180.3 million euros, maturing in May, the refinancing of which was being undertaken at the date of drafting of these annual accounts.

With regard to the debt maturities and refinancing scheduled for the coming years, it should be noted that the Group has extensive experience in all types of refinancing operations and that, even in such adverse situations as those that occurred in the financial markets during the years

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

of the economic crisis that began in 2008 and those related with the COVID-19 crisis, the Group was able to maintain its financial stability through bond issues and bank borrowings.

Based on the foregoing, the Directors are reasonably confident that said debt, and those maturing in the coming years, can be refinanced upon their maturity in the next few financial years, although the specific circumstances of the financial markets at any time will influence the refinancing processes.

As far as the debts of ITÍNERE and ENAITINERE are concerned, and although the novation and refinancing operations of their debts that concluded in 2016, with a final novation in ENAITINERE in 2021, with a view to substantially reducing the financial cost of its "bullet" tranche, have entailed a non-current financial stability, all opportunities that allow the financial structure of the Company and its Group to be continuously improved will continue to be analysed so as to maintain the high degree of soundness and solvency that has made it possible to meet all of its commitments over the entire lifetime of the Company and of its investees.

In application of the respective procedures for the review of tariffs and tolls on the Group's toll roads (in the case of those owned by the State Administration, that established in Act 14/2000 of 29 December; in the case of those for which the regional governments are responsible, that established in the specific applicable legislation), with effect 1 January 2022, the review of the tolls to be applied has been authorised which, in the case of the toll roads owned by the Ministry of Transport, Mobility and Urban Agenda (AUDASA and AUCALSA), has involved a 1.97% increase in tariffs. In the case of AUDASA, in addition to the ordinary review, the increase of 1% corresponding to Royal Decree 1733/2011 is also applied, resulting in a total increase of 2.99%. The toll roads owned by the regional governments AUDENASA and AUTOESTRADAS had a positive review of +5.13% and 5.10%, respectively. The concessionary companies for which the regional governments are responsible review their tariffs on the basis of 95% of the inter-annual fluctuation in the CPI at October, whereas the concessionary companies for which the Ministry of Transport, Mobility and Urban Agenda is responsible carry out the toll rate review on the basis of the average variation in the CPIs of the period between the months of October of the previous and current years, also taking into account a correction factor based on deviations between the forecast ADT and the figure actually obtained.

4. MAIN RISKS AND UNCERTAINTIES

The future of the toll road concession sector and, consequently, of ITÍNERE's investees is undoubtedly affected by both the overall economic situation and changes in legislation that can significantly affect the forecasts. In addition to the above, and as a consequence of the situation brought about by the COVID-19 pandemic, the short and medium-term evolution of the business carried out by the companies going to make up the ITÍNERE group is subject to the actual evolution of the pandemic, the capacity of the Administrations to achieve permanent control of any future outbreaks that may occur, as well as to any restrictions that may be imposed.

With regard to potential market risk, ITÍNERE'S toll road concession investees operate in accordance with the concession contracts with the State, which establish the right to redress the financial balance should circumstances beyond the control of the concession operator arise, significantly limiting the risks associated with the activity. To that end, and as a result of the effects caused by the COVID-19 crisis, in the first few months of 2022 several investees companies of ITINERE have filed litigious-administrative claims asking their granting Administrations to restore the economic and financial equilibrium of their concession agreements under the applicable regulatory framework (see note 2(b) of the attached annual report).

However, some risk factors can be identified, as summarised below:

- **Demand risk:** In toll road concessions, the tolls collected by concession companies, which are their main source of income, depend on the number of vehicles using the road and its

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

capacity to attract traffic. Average traffic and toll income also depend on a number of factors, including the quality, condition, comfort and travel time of alternative toll-free roads or non-Group toll roads, economic conditions, fuel prices, weather conditions, environmental legislation (including measures to restrict use of motor vehicles to reduce pollution), natural disasters and the viability or presence of alternative forms of transport such as air routes, railways and other intercity transport. The current characteristics of ITÍNERE 's portfolio (mature and widely consolidated business) mitigate this risk.

- **Regulatory risk:** The Group's companies are required to comply with sector-specific and general legislation (accounting, environmental, employment, data protection, tax, etc.), whose stability and guarantee is fundamental in a highly regulated sector. As occurs in all highly regulated sectors, changes in the regulations can have a negative effect on the Company's business; it is not possible to assess which actions the concession grantor may take over a protracted period of time, so it is difficult to address them. In the case of significant regulatory changes (including tax modifications), which could have an effect on income in the short term or obligate them to bear new costs or investments, the Group's concessionary companies would have the right to amend the terms and conditions of the concession arrangement or negotiate with the responsible Administration certain changes in them to obtain financial and economic restitution, so the effects of the potential legal or regulatory changes must be neutral.
- **Risks associated with international expansion:** No specific projects for expansion into other countries are currently envisaged. Nevertheless, should ITÍNERE decide to expand its business to other countries, in the belief that this would contribute to its future growth and profitability, an in-depth field analysis would be carried out prior to authorising an investment of this type. Although there is always a risk in any expansion to new geographical areas, the management team's experience in this type of international development would help to mitigate these risks.

As commented previously, 2021 has been a year of economic recovery after the serious health and economic crisis caused by the COVID-19 pandemic, though it did not have the expected intensity, as a result of those factors already commented on.

The prospects for recovery of the world economy are still uncertain owing to the multiple difficulties it faces and which continue to cause a high degree of uncertainty. Notwithstanding with the foregoing, the estimates made by international bodies are forecasting that as from the second quarter of 2022 there will be a more intense recovery, subject, in any case, to the evolution in variables as well as the disruptions to the supply chain, inflation or debt levels, inter alia.

Other risks to which the Group companies are exposed are as follows:

- Risks from damage caused during infrastructure maintenance work or construction or expansion work.
- Risks associated with workplace health and safety.
- Risks from loss of assets.

ITÍNERE and its investees have appropriate control systems to identify, quantify, assess and mitigate all of these risks, thus minimising or eliminating their impact. The Group also has a policy of taking out and maintaining insurance policies to cover these areas, among others.

5. FINANCIAL RISK MANAGEMENT POLICIES

To a large extent, and as far as the concessionary companies are concerned, the financial risk management policies of the Company and Group and, therefore, the instruments for their achievement, are determined by the specific legislation and regulations of the infrastructure concession sector of activity, the respective concession agreements, each project's degree of maturity, the remaining years of the concession and the nature of the business, without forgetting, of course, the situation that reigns in the financial and capital markets at any given moment.

Thus, the structure, type of financing, hedges, guarantees and, in short, all the other most suitable financing instruments are selected on the basis of the nature of and the risks for the Group's companies, which are inherent in each project to be financed, so as to mitigate them as far as is possible, without ignoring the balance between cost, risk, guarantees and term.

Financing of the concessionary and vehicle companies in which ITÍNERE has stakes is without recourse to the Company.

The financial policy and management of ITÍNERE is decided and executed by the Company's finance department subject to the approval of its senior management and, if applicable, by the pertinent government bodies. Briefly, this policy, as regards financial risk management, is as follows:

- **Interest rate risk:** Of the Group's total consolidated financial debt, a 29.9% is at a fixed rate, which reduces the businesses' exposure to rising benchmark interest rates. This debt, both that associated with projects and corporate debt, is made up of tax-deductible debenture issues with a single amortisation at maturity (representing 37.8% of project debt and a term of between 4 and 10 years). This fixing of bank debt interest rates, when applicable, is materialised through financial hedge instruments, such as interest rate swaps (IRS) or caps. At present, the Company has not contracted financial instruments to hedge interest rates, although the evolution of the markets is constantly monitored and, if considered appropriate, the contracting of such instruments can be studied. A possible variation of ± 100 basis points in interest rates would have an approximate effect of between -6,426 and +21 thousand euros on the financial year's net consolidated profit or loss.
- **Exchange rate risk:** The Group's policy is to arrange its indebtedness with financial institutions or by means of issues in the same currency as the one in which its business flows are produced. Likewise, no transactions are made in non-euro currencies. Consequently, there is currently no exchange rate risk.
- **Credit risk:** Given the characteristics of the activity conducted by ITÍNERE (holding company of a Group of concessionary companies), most of its income is obtained from the rendering of services to its investees. Consequently, due to the nature of the business conducted by the Group, the risk of non-payment is low. As far as this risk in its investees is concerned, it is virtually non-existent owing to the fact that income is received in cash or through credit card or electronic means of payment, the non-payment risk of which is assumed by the management companies. Likewise, part of the income derives from the payments that the various concession-granting administrations as well as the regional and central governments make in accordance with the terms and conditions of the respective concession agreements.
- **Refinancing risk:** As stated in note 16, effective as of 16 February 2016, ITÍNERE and its investee ENAITINERE have proceeded to the non-extinguishing modifying novation of the refinancing of their respective syndicated loans, which has involved, among other modifications, the extension of the maturity dates of said loan agreements until 6 October 2025. During 2022, there is a single contractual maturity of the Group's financial debt, corresponding to an issue of AUDASA bonds amounting to 180.3 million euros, due in May.

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

In this regard, at the time of preparing these annual accounts, good progress has been made on refinancing said debt. More specifically, the Company has already the required official authorisation from the General Directorate of the Treasury and Financial Policy for the 2022 financing plan, which considers the capture of 180.3 million euros. At the date of preparation of these annual accounts, lenders approved AUDASA the contracting of a non-current loan amounting to 135.1 million euros, to be disbursed in May 2022. This credit facility is expected to be executed once the documentation process has been completed. Likewise, at the date of preparation of these annual accounts, AUDASA can cover the entire debt maturity for the year 2022 with the current cash and the aforementioned credit facility.

As a consequence, the rest of the Group's debt is non-current, so the Company directors believe that this risk is low. In any case, and in relation to the maturities in subsequent years, this risk is mitigated since the businesses have recurring income and the concession periods are non-current.

- **Liquidity Risk:** Due to the particular characteristics of the Company and the structure of its current liabilities, as well as debt refinancing and cash flow generation estimates, there are sufficient funds for the Company to meet its payment commitments. At the same time, within the different concessionary companies that make up ITÍNERE, the liquidity risk is low due to the nature and characteristics of their collections and payments, their EBITDA margin, the projects' financial structure, toll systems and a predictable and systematic replacement investment programme. During financial years 2020 and 2021, despite the exceptional circumstances due to mobility restrictions, neither the Company nor any of its investee companies have experienced liquidity tensions or required additional financing, which backs up what was commented above.
- **Price risk:** This risk is very low given the fact that the income of ITÍNERE is associated with the activity of its investees. These companies, in turn, are not exposed to this risk either, because they operate in a regulated market in which the prices applied are reviewed on the basis of the variation in the Consumer Price Index (CPI), which mitigates this risk.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

ITÍNERE and its dependent companies are not engaged in any R&D programmes that might, owing to their significance and expected results, substantially transform its business activity.

7. ACQUISITION OF OWN SHARES

The Company did not acquire its own shares in 2021. As a consequence of the acquisitions in previous financial years, at 31 December 2021 it owns 53,464 shares, representing 0.01% of its corporate capital. These acquisitions were made in accordance with the resolution adopted by the General Meeting of Shareholders held on 24 June 2009, authorising the derivative acquisition of own shares by the Company and/or its subsidiaries, with the limits and requirements established by the prevailing legislation.

ITÍNERE INFRAESTRUCTURAS, S.A.

**PROPOSED DISTRIBUTION OF PROFIT
FOR 2021**

The profit for 2021 totalled 217,065,109.94 euros, which will be used to increase the legal reserve by 15,724,340.35 euros and to offset prior years' losses for the sum of 201,340,769.59 euros.

ITÍNERE INFRAESTRUCTURAS, S.A.

ONE: Pursuant to the requirements of article 253 of the Corporate Enterprises Act and article 37 of the Spanish Code of Commerce, the directors of **ITÍNERE INFRAESTRUCTURAS, S.A.** have prepared the attached Annual Accounts comprised of the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto, the directors' report and the proposed distribution of profit for the year ended 31 December 2021, which are presented on pages 1 to 60 of this document, and signed by the secretary to the board of directors.

TWO: The Company directors state that the accounting records on which the accompanying annual accounts are based do not reflect any item that should be included in a separate document on environmental information as set forth in Ministry of Economy Order JUS/206/2009 of 28 January.

Signed in Madrid on 21 March 2022.

Mr. Juan María Nín Génova
Chairman

Mr. Hari Rajan
Vicechairman

Mr. Francisco Javier Pérez Gracia
CEO

Ms. Qin Jean Zhao
Director

Mr. Rene Defize
Director

Ms. Amy Marie Knapp
Director

Mr. Mark Edwin Lorkin
Director

Mr. Paul Michael Cabral
Director

Ms. Cynthia Joan Praschnik
Director

Mr. Antonio Herrera Bustamante
Director

Mr. Arjan Reinders
Director

Mr. Laurens - Jan Sipma
Director

Mr. Santiago del Pino Aguilera
Secretary, non Director