

Itínere Infraestructuras, S.A.

Auditor's report
Annual accounts at December 31, 2023
Director's 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 2023, 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 2023, 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="277 495 758 551">Assessing possible impairment of equity instruments</p> <p data-bbox="277 584 845 949">At 31 December 2023, the balance of equity instruments in group companies and associates amounted to 2,586,975 thousand euro and represented 97% of total assets (note 10). The Company assesses the possible indications of impairment and calculates the recoverable amount of such investment. This entails a complex process (notes 2 (b) and 4 (f) (ii)) requiring the use of estimates that include judgements and significant assumptions by management, supported on an independent expert.</p> <p data-bbox="277 983 845 1099">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="885 584 1465 674">We gained an understanding and assessment of the impairment determination process carried out by management.</p> <p data-bbox="885 707 1430 824">We have obtained the financial model used in the impairment testing approved by management, on which carried out, among others, the following procedures:</p> <ul data-bbox="885 857 1436 1263" style="list-style-type: none"> <li data-bbox="885 857 1396 920">• Arithmetic verification of the calculus considered in the financial model. <li data-bbox="885 954 1414 1043">• Comparison of projected annual cash flows estimated in previous years with cash flows obtained in 2023. <li data-bbox="885 1077 1406 1140">• Obtaining the sensitivity analysis with respect to the main assumptions. <li data-bbox="885 1173 1434 1263">• Checking the reasonableness of the business and market assumptions used by management. <p data-bbox="885 1296 1445 1413">Additionally, we have obtained the valuation report issued by the management independent expert, on which we carried out, among others, the following procedures:</p> <ul data-bbox="885 1447 1452 1756" style="list-style-type: none"> <li data-bbox="885 1447 1442 1570">• Verification of the expert's competence, capacity and independence by obtaining confirmation and corroborating its professional standing in the market. <li data-bbox="885 1603 1452 1756">• Comparison of methodology used, discount rate and other market data such as the interest rate curves and the inflation rate using those used by management and in prior years. <p data-bbox="885 1789 1465 1879">Finally, we verified that the disclosures and information included in the notes to accounts are appropriate.</p> <p data-bbox="885 1912 1414 1998">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 2023 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 2023 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors and the audit committee 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.

The audit committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.



Itínere Infraestructuras, S.A.

- 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 audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the significant risks communicated with the entity's audit committee, 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)

Goretty Álvarez González (20208)

27 March 2024

ITÍNERE INFRAESTRUCTURAS, S.A.

**Annual Accounts and Directors' Report
31 December 2023
(together with the Audit Report)**

ITÍNERE INFRAESTRUCTURAS, S.A.

Balance sheet at 31 December 2023 and 2022 (in euros)

	Note	2023	2022
ASSETS			
NON-CURRENT ASSETS		2,608,879,666.48	2,601,590,786.71
Intangible fixed assets	5	1,787.50	2,762.50
Computer software		1,787.50	2,762.50
Property, plant and equipment	6	605,986.90	644,298.32
Technical facilities and other property, plant and equipment		605,986.90	644,298.32
Investment property	7	87,007.07	161,584.56
Lands and buildings		87,007.07	161,584.56
Non-current investments in group companies and associates	9 and 10	2,586,974,880.85	2,586,372,881.89
Equity instruments		2,586,974,880.85	2,586,372,881.89
Non-current financial investments	9	56,965.07	59,505.07
Other financial assets		56,965.07	59,505.07
Deferred tax assets	17	21,153,039.09	14,349,754.37
CURRENT ASSETS		50,013,736.45	49,031,467.44
Trade and other receivables	11	25,432,902.41	36,283,835.49
Group companies and associates, receivables	9 and 18	8,286,507.65	24,743,010.28
Sundry receivables	9	21,565.55	18,019.54
Staff	9	2,996.53	210.72
Current tax assets	17	17,121,832.68	11,522,594.95
Current financial investments	9	16,475,251.43	2,801,843.84
Debt securities		16,475,251.43	2,801,843.84
Current accruals		266,307.51	234,865.71
Cash and cash equivalents	12	7,839,275.10	9,710,922.40
Liquid assets		1,086,972.09	1,456,294.41
Other cash equivalents		6,752,303.01	8,254,627.99
TOTAL ASSETS		2,658,893,402.93	2,650,622,254.15

The accompanying notes 1 to 28 form a comprehensive part
of the annual accounts at 31 December 2023

ITÍNERE INFRAESTRUCTURAS, S.A.

Balance sheet at 31 December 2023 and 2022 (in euros)

	Note	2023	2022
EQUITY AND LIABILITIES			
EQUITY		1,392,086,189.86	1,448,430,991.94
Capital and Reserves		1,392,086,189.86	1,448,430,991.94
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	45,480,582.55	45,480,582.55
Other reserves	13	493,140,611.35	493,140,611.35
Own shares and equity holdings	13	(211,717.44)	(211,717.44)
Prior years' loss		(355,941,036.81)	(392,231,859.22)
Profit for the year	3	(56,344,802.08)	36,290,822.41
NON-CURRENT LIABILITIES		1,231,042,656.09	1,179,386,494.12
Non-current provisions		-	2,428,199.33
Obligations for long-term employee benefits		-	2,428,199.33
Non-current payables	9	518,758,595.00	515,723,321.38
Debentures and Other Marketable Securities	14	28,108,238.10	25,072,964.48
Debt with financial institutions	15	490,649,606.90	490,649,606.90
Other financial liabilities		750.00	750.00
Non-current payables to group companies and associates	9 and 18	712,284,061.09	661,234,973.41
CURRENT LIABILITIES		35,764,556.98	22,804,768.09
Current provisions		3,849,919.49	-
Current payables	9	12,191,497.88	6,189,790.11
Debt with financial institutions	15	12,191,497.88	6,189,790.11
Current payables to group companies and associates	9 and 18	13,952,587.55	11,079,608.71
Trade and other payables		5,640,107.30	5,413,004.00
Sundry payables	9	772,137.64	561,754.48
Staff	9	1,418,623.00	1,346,172.71
Other payables to public administration	16	3,449,346.66	3,505,076.81
Current accruals		130,444.76	122,365.27
TOTAL EQUITY AND LIABILITIES		2,658,893,402.93	2,650,622,254.15

The accompanying notes 1 to 28 form a comprehensive part
of the annual accounts at 31 December 2023

ITÍNERE INFRAESTRUCTURAS, S.A.

Income statement for the years ending 31 December 2023 and 2022 (in euros)

	Note	2023	2022
Net Revenues	19	9,660,162.09	8,732,937.86
Rendering of services		9,660,162.09	8,732,937.86
Other operating income		299,466.06	285,701.92
Sundry and other current operating income		299,180.06	285,584.92
Operating subsidies for the year		286.00	117.00
Personnel expenses	22	(5,596,973.26)	(5,324,011.63)
Wages, salaries and similar expenses		(5,268,555.90)	(5,060,931.89)
Employer contributions		(328,417.36)	(263,079.74)
Other operating expenses		(2,610,621.12)	(2,468,329.58)
External services	20	(2,575,217.21)	(2,434,671.21)
Taxes		(35,403.91)	(33,658.37)
Amortization and depreciation	5, 6 and 7	(180,022.63)	(180,885.93)
Impairment and result from disposals of fixed assets		1,278.73	-
Results for disposals and other		1,278.73	-
Other profit		(2,419.12)	8,467.81
OPERATING PROFIT		1,570,870.75	1,053,880.45
Financial income		565,214.52	6,727.53
From negotiable securities and other financial instruments		565,214.52	6,727.53
From third parties		565,214.52	6,727.53
Financial expenses	21	(72,090,338.20)	(31,171,225.76)
On debt with group companies and associates	18	(40,773,514.85)	(13,449,076.83)
On debts to third parties		(31,316,823.35)	(17,722,148.93)
Exchange differences		(255.41)	(993.70)
Impairment on gains or losses on disposals of financial instruments		-	59,485,444.11
Impairment and losses	10	-	59,485,444.11
NET FINANCE INCOME/(EXPENSE)		(71,525,379.09)	28,319,952.18
PROFIT/LOSS BEFORE TAX		(69,954,508.34)	29,373,832.63
Income Tax	17	13,609,706.26	6,916,989.78
PROFIT/LOSS FOR THE YEAR	3	(56,344,802.08)	36,290,822.41

The accompanying notes 1 to 28 form a comprehensive part
of the annual accounts at 31 December 2023

ITÍNERE INFRAESTRUCTURAS, S.A.

**Statements of Changes in Equity
for the years ending
31 December 2023 and 2022
(in euros)**

Statement of recognised income and expenses

	2023	2022
A) Income statement	(56,344,802.08)	36,290,822.41
Revenues and expenses directly allocated to equity		
Subsidies, donations and bequests received	-	-
Tax effect	-	-
B) Total income and expenses recognised directly in equity	-	-
C) Total amounts transferred to the income statement	-	-
TOTAL RECOGNISED INCOME AND EXPENSES (A + B + C)	(56,344,802.08)	36,290,822.41

Statement of total changes in equity

	Registered capital	Reserves	(Own shares and equity holdings)	Prior years loss	Profit/Loss for the year	TOTAL
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
Total recognised income and expenses	-	-	-	-	36,290,822.41	36,290,822.41
Other changes in equity	-	15,724,340.35	-	201,340,769.59	(217,065,109.94)	-
Transfer between net asset items (note 3)	-	15,724,340.35	-	201,340,769.59	(217,065,109.94)	-
BALANCE, END OF YEAR 2022	227,402,912.73	1,577,180,833.46	(211,717.44)	(392,231,859.22)	36,290,822.41	1,448,430,991.94
Total recognised income and expenses	-	-	-	-	-56,344,802.08	(56,344,802)
Other changes in equity	-	-	-	36,290,822.41	(36,290,822.41)	-
Transfer between net asset items (note 3)	-	-	-	36,290,822.41	(36,290,822.41)	-
BALANCE, END OF YEAR 2023	227,402,912.73	1,577,180,833.46	(211,717.44)	(355,941,036.81)	(56,344,802.08)	1,392,086,189.86

The accompanying notes 1 to 28 form a comprehensive part of the annual accounts at 31 December 2023

ITÍNERE INFRAESTRUCTURAS, S.A.

Statement of Cash Flow for the years ending 31 December 2023 and 2022 (in euros)

	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES		12,448,551.65	12,261,623.44
Profit/Loss for the year before taxes		(69,954,508.34)	29,373,832.63
Adjustments to Profit/Loss		71,704,122.99	(28,139,066.25)
Depreciation and amortisation charge (+)	5, 6 and 7	180,022.63	180,885.93
Correcciones valorativas por deterioro (+/-)	10	-	(59,485,444.11)
Results from write-offs and disposals of financial instruments (+/-)	5	(1,278.73)	-
Financial income and allocation of financial subsidies (-)		(565,214.52)	(6,727.53)
Financial expenses (+)	21	72,090,338.20	31,171,225.76
Exchange differences (+/-)		255.41	993.70
Changes in working capital		5,145,789.76	5,287,647.29
Trade and other receivables (+/-)		(10,256,814.17)	(810,978.57)
Other current assets (+/-)		(31,441.80)	(24,086.84)
Trade and other payables (+/-)		653,154.38	(4,236,100.07)
Other current liabilities (+/-)		363,509.53	23,325.73
Other non-current assets and liabilities (+/-)		14,417,381.82	10,335,487.04
Other cash flow from operating activities		5,553,147.24	5,739,209.77
Interest paid (-)		(22,215,578.39)	(13,686,133.14)
Interest received (+)		276,931.32	3,255.70
Income tax received (paid) (+/-)	17	27,981,244.40	(743,948.17)
Other payments (collections) (-/+)		(489,450.09)	20,166,035.38
CASH FLOW FROM INVESTING ACTIVITIES		(14,120,199.03)	(2,802,692.25)
Payments for investments (-)		(34,882,199.03)	(2,802,692.25)
Group companies and associates	10	(601,998.96)	-
Intangible fixed assets	5	-	(3,539.25)
Property, plant and equipment	6	(66,000.07)	(3,653.00)
Other financial assets	9	(34,214,200.00)	(2,795,500.00)
Proceeds from divestments (+)		20,762,000.00	-
Other financial assets	9	20,762,000.00	-
CASH FLOW FROM FINANCING ACTIVITIES		(200,000.00)	(15,000,000.00)
Proceeds from and payments for financial liabilities		(200,000.00)	(15,000,000.00)
Issue:			-
Debt with group companies (+)		-	64,000,000.00
Redemption and repayment of:			
Debt with credit institutions (-)	15	-	(79,000,000.00)
Debt with group companies (-)	18	(200,000.00)	-
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		(1,871,647.38)	(5,541,068.81)
Cash and cash equivalents at the start of the year		9,710,922.40	15,251,991.21
Cash and cash equivalents at the end of the year	12	7,839,275.10	9,710,922.40

The accompanying notes 1 to 28 form a comprehensive part
of the annual accounts at 31 December 2023

ITÍNERE INFRAESTRUCTURAS, S.A.

Notes to the Annual Accounts

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; 4ª 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.

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Notes to the Annual Accounts

- 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.
- 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.

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 2023 of 3,579,574 thousand euros, equity of 1,007,115 thousand euros and a consolidated loss attributable to the parent company of 3,965 thousand euros (3,632,960 thousand euros, 1,002,556 thousand euros and a 18,364 thousand euros, respectively, corresponding to the 2022 financial year's comparative figures, which appear in the consolidated annual accounts of said year).

(b) Background

In 2000, the Company merged with EUROVÍAS 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 aforesaid contribution represented the transfer of all human resources 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 00:00 am 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 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.

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Notes to the Annual Accounts

(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 1/2021 of 12 January, in force for the financial years starting as from 1st January 2023, in order to provide a true and fair view of the equity and financial position at 31 December 2023 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 approved without any changes. The 2022 annual accounts were approved by the shareholders at the general meeting held on 17 May 2023.

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.

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(b) 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.

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*

The Company tests its non-financial assets for impairment on an annual basis, using the appropriate impairment tests in the circumstances.

- *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.

- *Calculation of the recoverable amount of equity instruments*

The calculation of the recoverable value may involve the establishment of future cash flows and assumptions relating to the future values of these flows in addition to the discount rates applicable to them. 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.

(c) 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 2023 annual accounts include comparative figures relating to the 2022 financial year.

3. DISTRIBUTION OF PROFIT

(a) The proposal to apply the results for the year ended 31 December 2023, formulated by the Directors and pending approval by the General Shareholders' Meeting, consists of the transfer of the total losses for 2023 in the amount of 56,344,802.08 euros to negative results from previous years.

(b) The distribution of profit for the year ended 31 December 2022, carried out during 2023, is shown in the statement of total changes in equity, which forms an integral part of these annual accounts.

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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 2023 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 valuation change 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 regarding the time value of money and the specific risks of the asset. In the case of assets that do not generate highly independent cash flows, the recoverable amount is determined for the cash-generating units to which the assets being valued belong.

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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 fixed 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.
- 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.

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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 valuation change 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 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.

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(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) 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.

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 de-recognition 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.

Participative loans whose interest is of a contingent nature will be valued at cost, 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 valuation changes 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.

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.

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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.

(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.

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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 de-recognise 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).

If the company has not substantially assigned nor retained the risks and benefits, the financial asset shall be de-recognised 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 de-recognised, 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 de-recognising 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 de-recognise 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:

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- 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.

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 de-recognise 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 de-recognise 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 de-recognition 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 de-recognised 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 de-recognised 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

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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 2023 and 2022 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.

(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 revenue 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.

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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.

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

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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.

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

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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 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.

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5. INTANGIBLE FIXED ASSETS

The detail and movement are as follows:

Thousands of euros	Computer software
Cost at 31 December 2021	61
Additions	3
Cost at 31 December 2022	64
Accumulated amortization at 31 December 2021	(61)
Additions	-
Accumulated amortization at 31 December 2022	(61)
Net book value at 31 December 2022	3
Cost at 31 December 2022	64
Additions	-
Cost at 31 December 2023	64
Accumulated amortization at 31 December 2022	(61)
Additions	(1)
Accumulated amortization at 31 December 2023	(62)
Net book value at 31 December 2023	2

At 31 December 2023 and 2022, the Company had fully amortised intangible fixed assets totalling 62 thousand euros.

At 31 December 2023 and 2022, 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.

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	Total
Cost at 31 December 2021	1,077	246	1,323
Additions	3	-	3
Cost at 31 December 2022	1,080	246	1,326
Accumulated amortization at 31 December 2021	(377)	(199)	(576)
Additions	(85)	(21)	(106)
Accumulated amortization at 31 December 2022	(462)	(220)	(682)
Net book value at 31 December 2022	618	26	644
Cost at 31 December 2022	1,080	246	1,326
Additions	48	20	69
Disposals	-	(8)	(8)
Cost at 31 December 2023	1,128	258	1,387
Accumulated amortization at 31 December 2022	(462)	(220)	(682)
Additions	(87)	(17)	(104)
Other movements	-	5	5
Accumulated amortization at 31 December 2023	(549)	(232)	(781)
Net book value at 31 December 2023	579	26	606

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At 31 December 2023, the Company has fully depreciated property, plant and equipment totalling 478 thousand euros (404 thousand euros at 31 December 2022).

At 31 December 2023 and 2022, 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 2021	2,536
Additions	-
Cost at 31 December 2022	2,536
Accumulated amortization at 31 December 2021	(2,299)
Additions	(75)
Accumulated amortization at 31 December 2022	(2,374)
Net book value at 31 December 2022	162
Cost at 31 December 2022	2,536
Additions	-
Cost at 31 December 2023	2,536
Accumulated amortization at 31 December 2022	(2,374)
Additions	(75)
Accumulated amortization at 31 December 2023	(2,449)
Net book value at 31 December 2023	87

The investment properties registered at 31 December 2023 and 2022 refer to two business premises located in Bilbao and Vitoria that are owned by the Company. At 31 December 2023, 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 62 thousand euros in 2023 (67 thousand euros in 2022). All the expenses are recognised in the income statement on an accrual basis.

At 31 December 2023 and 2022, 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.

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8. LEASES

At 31 December 2023, 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 December 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	348
Between one and four years	1,044
More than four years	682
Total maturities	2,074

9. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

The breakdown of the financial assets by category at 31 December 2023 and 2022 is as follows:

Thousands of euros

Categories	Long - term financial instruments				Short - term financial instruments				Total	
	Equity Instruments		Credits Derivatives Other		Debt Securities		Credits Derivatives Other			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Financial asset carried at amortized cost	-	-	57	60	16,475	2,802	8,311	24,761	24,843	27,623
Financial asset cost (note 10)	2,586,975	2,586,373	-	-	-	-	-	-	2,586,975	2,586,373
Total financial assets	2,586,975	2,586,373	57	60	16,475	2,802	8,311	24,761	2,611,818	2,613,996

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

Thousands of euros

Categories	Long - term financial instruments				Short - term financial instruments				Total	
	Equity Instruments		Credits Derivatives Other		Debt Securities		Credits Derivatives Other			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Non-current financial assets:										
Non-current financial investments	2,586,975	2,586,373	-	-	-	-	-	-	2,586,975	2,586,373
Equity instruments (note 10)	2,586,975	2,586,373	-	-	-	-	-	-	2,586,975	2,586,373
Inversiones financieras a largo plazo	-	-	57	60	-	-	-	-	57	60
Other financial assets	-	-	57	60	-	-	-	-	57	60
Total non-current financial assets	2,586,975	2,586,373	57	60	-	-	-	-	2,587,032	2,586,433
Current financial assets:										
Trade and other receivables	-	-	-	-	-	-	8,311	24,761	8,311	24,761
Group companies and associates, receivable (notes 11)	-	-	-	-	-	-	8,287	24,743	8,287	24,743
Sundry debtors (note 11)	-	-	-	-	-	-	21	18	21	18
Staff (note 11)	-	-	-	-	-	-	3	-	3	-
Current financial investments	-	-	-	-	16,475	2,802	-	-	16,475	2,802
Debt Securities	-	-	-	-	16,475	2,802	-	-	16,475	2,802
Total current financial assets	-	-	-	-	16,475	2,802	8,311	24,761	24,786	27,563
Total financial assets	2,586,975	2,586,373	57	60	16,475	2,802	8,311	24,761	2,611,818	2,613,996

At 31 December 2023 and 2022, the carrying amount of financial assets does not differ significantly from their fair value.

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Financial assets at amortised cost

(a) Other non-current financial assets

At 31 December 2023 and 2022, this item mainly refers to the deposits handed over by the Company in connection with the lease of its offices (see note 8).

(b) Debt securities

Debt securities include the investments made by the Company in fixed income securities, which accrue interest at market rates and which mature at over 3 months. The total amount in said assets as at 31 December 2023 pertained to the balance of the debt service reserve account related with the syndicated loan taken out by the Company (see note 15). The return on said securities as at 31 December 2023 stood at an average rate of 3.63% (1.76% on 31 December 2022).

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	
	Debtentures and Other Marketable Securities		Debt with financial Institutions		Derivatives Other		Debt with financial Institutions		Derivatives Other		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
FINANCIAL LIABILITIES												
Current financial liabilities:												
Non-current payables	490,650	490,650	28,108	25,073	1	1	-	-	-	-	518,759	515,724
Debtentures and other marketable securities (note 14)	-	-	28,108	25,073	-	-	-	-	-	-	28,108	25,073
Debt with credit institutions (note 15)	490,650	490,650	-	-	-	-	-	-	-	-	490,650	490,650
Other financial liabilities	-	-	-	-	1	1	-	-	-	-	1	1
Non-current payables to group companies and associates (note 18)	-	-	-	-	712,284	661,235	-	-	-	-	712,284	661,235
Total non-current financial liabilities	490,650	490,650	28,108	25,073	712,285	661,236	-	-	-	-	1,231,043	1,176,959
Current financial liabilities:												
Current payables	-	-	-	-	-	-	12,191	6,190	-	-	12,191	6,190
Debt with credit institutions (note 15)	-	-	-	-	-	-	12,191	6,190	-	-	12,191	6,190
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Current payables to group companies and associates (note 18)	-	-	-	-	-	-	-	-	13,953	11,080	13,953	11,080
Trade and other payables	-	-	-	-	-	-	-	2,191	1,908	2,191	1,908	
Sundry payables	-	-	-	-	-	-	-	772	562	772	562	
Staff	-	-	-	-	-	-	-	1,419	1,346	1,419	1,346	
Total current financial liabilities	-	-	-	-	-	-	12,191	6,190	16,144	12,988	28,335	19,178
Total financial liabilities	490,650	490,650	28,108	25,073	712,285	661,236	12,191	6,190	16,144	12,988	1,259,378	1,196,137

At 31 December 2023 and 2022, the carrying amount of financial liabilities does not differ significantly from their fair value.

(a) Average period for payments to suppliers. Additional provision three. "Duty of Information" of Act 15/2010 of 5 July, amended by Act 18/2022 of 28 September.

The average period for payments to suppliers in 2023 and 2022 is shown below:

	2023	2022
	Days	
Average period for payments to suppliers	5	4
Ratio of transactions paid	5	3
Ratio of transactions pending payment	5	7
	Amount (Thousands of euros)	
Total payments made	4,107	3,965
Total payments made in a period less than the maximum established	4,104	3,964
Total payments pending	103	72
	Other information	
Number of invoices paid in a period less than the maximum established	705	780
Percentage of invoices paid in a period less than the maximum established	100%	98%
Percentage of payments made in a period less than the maximum established	100%	100%

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At 31 December 2023 and 2022, 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 2023 and 2022 is as follows:

Thousands of euros	Balance at 31/12/2021	Disposals	Balance at 31/12/2022	Additions	Balance at 31/12/2023
Enaitinere, S.A.	2,583,965	-	2,583,965	-	2,583,965
Equity investments in group companies	2,583,965	-	2,583,965	-	2,583,965
Tacel Inversiones, S.A.	3,130	-	3,130	-	3,130
Bip&Drive, E.D.E., S.A.	2,408	-	2,408	602	3,010
Equity investments in associates	5,538	-	5,538	602	6,140
Tacel Inversiones, S.A.	(3,130)	-	(3,130)	-	(3,130)
Enaitinere, S.A.	(59,486)	59,486	-	-	-
Impairment losses	(62,616)	59,486	(3,130)	-	(3,130)
EQUITY INSTRUMENTS	2,526,887	59,486	2,586,373	602	2,586,975
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)
TOTAL	2,526,887	59,486	2,586,373	602	2,586,975

(a) Equity investments in group companies

The breakdown of the stakes in Group companies at 31 December 2023 is as follows:

Thousands of euros									
Name of the Company	%Stake	Capital	Reserves	Other changes in equity	Operating loss	Profit for the year	Equity	Carrying amount (*)	Dividends received
Enaitinere, S.A. (1)	100.00%	139,062	1,326,314	-	(27)	70,796	1,536,172	2,583,965	-

(*) 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.	Holding of concessions	Calle Poeta Joan Maragall, 1 Edificio Eurocentro Madrid - España

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 2023, it is the owner of the following assets:

- 100% of the capital of ENA infrastructures, 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. (AUDASA), AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A. (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 Biscay until 30 June 2021.

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- 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 Biscay as from 1 July 2021 and for a term of 5 years.
- Impairment of investments in group companies

As at 31 December 2023, the Company had not identified the existence of any signs of impairment of its investments in Group companies. Notwithstanding with the foregoing, the Company has performed an impairment test on its investments. For this purpose, estimates have been made using discounted cash flow methods to determine the value in use of these investments in order to reliably determine their recoverable amount at year end.

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), 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 concession-granting administrations have been taken into account. Such estimates have been made on the basis of a 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 8.43%, 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.

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At 31 December 2022, based on the analysis performed, which was reviewed and validated by an independent expert, an impairment loss of 59,486 thousand euros was reversed, as the recoverable amount of the investments in group companies was higher than their carrying amount.

(b) Equity investments in associates

The breakdown of the stakes in associates at 31 December 2023 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	(202)	-	(9)	(8)	33,239	-	-
Bip&Drive, E.D.E., S.A.	25.00%	4,613	12,719	-	4,981	3,847	21,179	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 2023 and 2022, 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.

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., currently named Bip & Drive, E.D.E., S.A., was incorporated. 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.

On 4 May 2023, the acquisition of 230,648 shares in Bip & Drive, E.D.E., S.A. was executed in a public deed, for which 602 thousand euros were paid. This increased the Company's shareholding up to 25% (20% shareholding at 31 December 2022).

At the end of 2023, the Company has verified 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 2023 and 2022, the conditions established for this purpose were not met and, therefore, no interest accrued.

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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 2023 and 2022 are as follows:

Thousands of euros	2023	2022
Group companies and associates, receivable (note 18)	8,287	24,743
Sundry receivables	22	18
Staff	3	-
Current tax assets (note 17)	17,122	11,523
Trade and other receivables	25,434	36,284

As at 31 December 2023, Current tax assets included 6,440 thousand euros for the settlement of tax on profits for financial year 2022, 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 17).

At 31 December 2023 and 2022, no impairment of trade and other receivables has been recognised.

12. CASH AND CASH EQUIVALENTS

Furthermore, other equivalent liquid assets include the investments made by the Company in fixed income securities, which accrue interest at market rates and which mature at under 3 months. The return on said securities as at 31 December 2023 stood at an average rate of 3.65% (1.80% on 31 December 2022).

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 14).

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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 Itinere 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 2022, it held an interest of 23.74% of the share capital of ITÍNERE.

On 25 April 2023, the transfer of 73,806,991 shares of the Company by Arcibo Servicios y Gestiones, S.L. to Globalvía GVIT, S.L.U. was notarised and therefore, at 31 December 2023, Globalvía GVIT, S.L.U.'s interest in the share capital of the Company was 39.64%. Correlatively, the interest of Arcibo Servicios y Gestiones, S.L. in the share capital of the Company at 31 December 2023 decreases from 52.87% to 36.97%.

By virtue of the agreements reached in 2023 between indirect shareholders of the Company, there has been a change in its controlling shareholder, which as of 31 December 2023 has become the pension fund "APG", through Stitching Depository APG Infraestructure Pool 2017-II, which at that date holds the majority of voting rights and appoints the majority of the members of the Board of Directors of the Company, and which indirectly participates in ITÍNERE through Arcibo Servicios y Gestiones, S.L., Itinere Investco, B.V. and Estivo Investments Holding, B.V.

The breakdown of the share capital at 31 December 2023 and 2022 is as follows:

	Number of shares	% Stake	Number of shares	% Stake
Arcibo Servicios y Gestiones, S.L.	171,560,370	36.97%	245,367,361	52.87%
Globalvía GVIT, S.L.U.	184,000,638	39.65%	110,193,647	23.74%
Itinere Investco, B.V.	81,498,852	17.56%	81,498,852	17.56%
Estivo Investments Holding, B.V.	26,298,086	5.67%	26,297,965	5.67%
Other shareholders	676,167	0.15%	676,288	0.15%
Treasury stock	53,464	0.01%	53,464	0.01%
TOTAL	464,087,577	100.00%	464,087,577	100.00%

At 31 December 2023 and 2022, 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 2023 and 2022, 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 2023 and 2022, 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 2023 and 2022, the Company has provisioned this reserve for an amount of 45,481 thousand euros.

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(d) Other reserves

At 31 December 2023 and 2022 it includes voluntary reserves amounting to 486,861 thousand euros at 31 December 2017 and 2016, 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. 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.

14. 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. Accordingly, 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 titleholders 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 ITÍNERE debt novation process completed in February 2016 (see note 15), 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 2023 and 2022, 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.

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The nominal amount of the outstanding debentures at 31 December 2023 and 2022 is 20,057 thousand euros, corresponding to 9,295 debentures with a unit par value of 2,157.80 euros.

In 2023, financial expenses deriving from this issue have been charged to the income statement, in application of the effective interest rate method, in an amount of 6,297 thousand euros (5,618 thousand euros in 2022) (note 21).

The breakdown of the debts for convertible debentures per subscriber, including accrued interest, at 31 December 2023 and 2022, is as follows:

Thousands of euros	2023				2022			
	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	30,260	-	30,260	4,815	27,018	-	27,018
Globalvia GVIT, S.L.U.	4,437	-	27,885	27,885	4,437	-	24,897	24,897
Directors, Senior management and other	43	-	270	270	43	-	241	241
Valuation adjustment at amortised cost	-	(50)	(47)	(97)	-	(70)	(65)	(135)
TOTAL	9,295	30,210	28,108	58,318	9,295	26,948	25,073	52,021

The movement for debentures in 2023 and 2022 is as follows:

Thousands of euros	2023	2022
Balance at beginning of period	52,021	46,403
Accrued interest	6,259	5,588
Valuation adjustment at amortised cost	38	30
Balance at end of period	58,318	52,021

15. DEBTS WITH CREDIT INSTITUTIONS

The breakdown of the current and non-current balances held with credit institutions at 31 December 2023 and 2022 is as follows:

Thousands of euros	Current		Non-current		Total	
	2023	2022	2023	2022	2023	2022
Debt with financial institutions	-	-	490,650	490,650	490,650	490,650
Borrowing costs	12,191	6,190	-	-	12,191	6,190
Debt with financial institutions	12,191	6,190	490,650	490,650	502,841	496,840

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.

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During the financial year of 2022, there were loan repayments for a total of 79,900 thousand euros. At 31 December 2023 and 2022, the nominal amount stands at 490,650 thousand euros.

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.

The breakdown of the maturity of non-current debt with credit institutions at 31 December 2023, is as follows:

Maturity	Thousands of euros
2025	490,650

The interest accrued and pending payment at 31 December 2023 amounts to 12,191 thousand euros (6,190 thousand euros at 31 December 2022). These amounts are shown under “debts with credit institutions” under the “Current liabilities – debts with credit institutions” heading on the attached balance sheets.

In 2023, financial expenses were allocated to the income statement in application of the effective interest rate method for an amount of 28,217 thousand euros (14,908 thousand euros in 2022) (see note 21).

16. PUBLIC ADMINISTRATION

The breakdown of the credit balances with the Public Administration at 31 December 2023 and 2022 is as follows:

Thousands of euros	2023	2022
Payable to Public Treasury:		
For tax withholdings	161	153
For VAT	3,270	3,335
Payable to the Social Security	18	17
Public Administration	3,449	3,505

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 18).

17. TAX POSITION

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 2023 are as follows: ITÍNERE INFRAESTRUCTURAS, S.A., ENAITINERE, S.A., ENA INFRAESTRUCTURAS, S.A., 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.

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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 beginning on 1 January 2016.

As at 31 December 2023, the Company had posted income from tax on profits for the sum of 13,610 thousand euros, which includes 6,806 thousand euros by way of income from current tax for the period and 6,804 thousand euros pertaining to the activation of tax credits.

As a consequence of paying tax under a fiscal consolidation regime, at 31 December 2023 the Company recorded a receivable with the Treasury Department for the amount of 10,682 thousand euros, corresponding to the Income Tax for 2023, as well as 6,440 thousand euros corresponding to the settlement of Corporate Income Tax for 2022 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 2023 financial year's consolidated tax return and that contributed to the 2022 financial year's tax return, is as follows:

Thousands of euros	2023			2022		
	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	(56,345)	-	(56,345)	36,291	-	36,291
Income tax	(13,610)	-	(13,610)	(6,917)	-	(6,917)
Permanent differences:	15,516	-	15,516	(57,042)	-	(57,042)
Non-deductible financial expenses	14,064	-	14,064	1,120	-	1,120
Reversion Impairment losses (note 10)	-	-	-	(59,486)	-	(59,486)
Other	1,452	-	1,452	1,324	-	1,324
Timing differences:	(13)	-	(13)	(13)	-	(13)
Arising in prior years	(13)	-	(13)	(13)	-	(13)
Reversal of the limit to the deductibility of redemptions	(13)	-	(13)	(13)	-	(13)
Non-computable tax losses	27,226	-	27,226	-	-	-
Taxable income	(27,226)	-	(27,226)	(27,681)	-	(27,681)
Total amount (tax result)	(6,806)	-	(6,806)	(6,920)	-	(6,920)
Deductions and other	-	-	-	-	-	-
Net tax payable	(6,806)	-	(6,806)	(6,920)	-	(6,920)

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.

As at 31 December 2023, the Company accumulated net financial expenses which could not be deducted as they exceed the limit determined by said article, for an amount of 185,974 thousand euros (171,910 thousand euros as at 31 December 2022), 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 2023, calculated in line with the criteria stated by the Inspection, amounted to 157,998 thousand euros (148,587 thousand euros as at 31 December 2022). In this regard, and as commented on later, said Settlement agreement was appealed against on 12 November 2022 to the Central Economic-Administrative Court (hereinafter, TEAC).

In accordance with the Nineteenth Additional Provision of Act 27/2014, with effect for tax periods beginning in 2023, the offsetting of individual tax losses corresponding to the entities comprising the tax group is limited to 50%. Also, with effect for subsequent tax periods, the amount of individual tax losses not included in the tax base of the tax group by application of this limitation shall be included in the tax base of the tax group in equal shares in each of the first ten tax periods starting on or after 1 January 2024. At 31 December 2023, the Company has tax loss carryforwards of 6,807 thousand euros pending offset.

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The calculation of Corporate Income Tax for the financial year of 2022 assumes a negative adjustment to the taxable base of 59,486 thousand euros pertaining to the 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:

Thousands of euros	2023			2022		
	Income statement	Income and expenses recognised directly in equity	Total	Income statement	Income and expenses recognised directly in equity	Total
Profit before taxes from continued operations	(69,955)	-	(69,955)	29,374	-	29,374
Permanent differences	15,516	-	15,516	(57,042)	-	(57,042)
Applicable tax rate	25%	25%	25%	25%	25%	25%
Theoretical tax burden	(13,610)	-	(13,610)	(6,917)	-	(6,917)
Effect of:						
Deductions and other	-	-	-	-	-	-
Effective tax expense	(13,610)	-	(13,610)	(6,917)	-	(6,917)
Detail:						
Current	(6,806)	-	(6,806)	(6,920)	-	(6,920)
Deferred	(6,804)	-	(6,804)	3	-	3
Income tax	(13,610)	-	(13,610)	(6,917)	-	(6,917)

Details of deferred tax assets at 31 December 2023 and 2022 and movement are as follows:

Thousands of euros	ASSETS				
	Other deductible timing differences			Pending deductions due to amortization deductibility limitation	TOTAL
	Credit loss carryforwards	By activation of financial expenses	Other		
Balance at 31 December 2021	-	14,342	10	1	14,353
Disposals	-	-	(3)	-	(3)
Balance at 31 December 2022	-	14,342	7	1	14,350
Additions	6,807	-	-	-	6,807
Disposals	-	-	(3)	-	(3)
Balance at 31 December 2023	6,807	14,342	4	1	21,153

During financial year 2021, the Company recognised a tax credit arising from the financial expenses not deducted under the limit on deductions established in article 16 of Act 27/2014 for an amount of 14,342 thousand euros. In this respect, the Company records the aforementioned credit to the extent that the recovery thereof is considered probable in a maximum term of 10 years following the close of financial year. Subsequently, the probable recovery thereof is annually analysed, even if it is expected to take longer, pursuant Group's companies projections based on the economic-financial plans, which consider the specific characteristics of each concession arrangement, including, inter alia, the term of the related concession arrangements (see note 10).

In accordance with Royal Decree-law 3/2016 of 2 December, effective from 2016, the consolidated tax group in which the Company is integrated has 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.

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Act 16/2012 of 27 December sets a limit of 70% on the deductibility of amortisation and depreciation of intangible fixed 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 2023 the Company had recognised a deferred tax asset of 4 thousand euros in this respect (7 thousand euros at 31 December 2022).

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 2023 and 2022 the Company had recognised deductions pending application amounting to 1 thousand euros for reversal of the temporary measures.

Pursuant to the provisions of article 30 bis of Act 27/2014, of 27 November, regarding Corporate Income Tax introduced by Act 22/2021, of 28 December, taking effect as from 1 January 2022, a "Minimum Taxation" was determined for taxpayers whose net revenues amount is at least 20 million euros or which are taxed under the tax consolidation regime. Generally speaking, the tax liability may not be less than 15% of taxable income. Nevertheless, by way of exception, the application is permitted, inter alia, of double taxation deductions up to a limit of 50% of the net tax liability and this liability after the application of the double taxation deductions is regarded as the minimum net tax liability. As a result of the above, in the financial years of 2023 and 2022 the Company was unable to apply the deduction owing to the reversal of temporary measures foreseen in transitory provision thirty-seven of Act 27/2014, pertaining to the depreciation not deducted for Corporate Income Tax in the financial years of 2013 and 2014.

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 2020 open for inspection by the tax authorities (fiscal year ended 31 December 2018 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.

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At 06 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 euros, 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 increased to 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.

On 18 March 2022, the Company submitted to TEAC various pleadings with regard to claims pertaining to withholdings for Non-Resident Income Tax (IRNR) and the transfer price adjustment of convertible bonds and on 8 April 2022 it lodged the relevant pleading with regard to the claim pertaining to deductions owing to double taxation. As at the date of drawing up the present annual accounts, no Decision had been received from the TEAC with regard to these three claims.

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 Infraestructure Partners L.P. (note 1 (c)).

18. 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 2023 and 2022 are as follows:

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Thousand euros	2023		2022	
	Other group companies	Other related parties	Other group companies	Other related parties
Trade and other receivables (note 11)	8,287	-	24,743	-
Ena Infraestructuras, S.A.	44	-	42	-
Ena Infraestructuras, S.A., Consolidated tax	223	-	-	-
Autopistas del Atlántico, S.A.	1,018	-	1,054	-
Autopistas del Atlántico, S.A., Consolidated tax	3,184	-	16,916	-
Autopistas del Atlántico, S.A., VAT group	1,974	-	1,685	-
Autopista Astur Leonesa, S.A.	131	-	114	-
Autopista Astur Leonesa, S.A., Consolidated tax	263	-	129	-
Autopista Astur Leonesa, S.A., VAT group	951	-	4,318	-
Autoestradas de Galicia, A.G., C.X.G., S.A.	51	-	47	-
Autoestradas de Galicia, A.G., C.X.G., S.A., Consolidated tax	236	-	207	-
Autoestradas de Galicia, A.G., C.X.G., S.A., VAT group	148	-	164	-
Europistas, S.A. Consolidated tax	-	-	6	-
Europistas, S.A. VAT group	2	-	1	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	62	-	60	-
Current debt balances with Group, Multi-group and Associated companies	8,287	-	24,743	-
Non-current payables - Convertible Debentures (note 14)	30,210	28,108	26,948	25,073
Globalvía GVIT, S.L.	-	27,885	-	24,897
Estivo Investments Holding, B.V.	30,260	-	27,018	-
Directors, Senior Management and other	-	270	-	241
Valuation adjustment at amortised cost	(50)	(47)	(70)	(65)
Non-current payables - Other payables	682,074	-	634,287	-
Enaitinere, S.A.	554,836	-	513,908	-
Ena Infraestructuras, S.A.	115,369	-	108,974	-
Autopista Concesionaria Astur-Leonesa, S.A.	5,259	-	4,967	-
Autoestradas de Galicia, A.G., C.X.G., S.A.	1,088	-	1,028	-
Europistas, S.A.	5,522	-	5,410	-
Non-current credit balances with Group, Multi-group and Associated companies	712,284	28,108	661,235	25,073
Trade and other receivables	13,953	-	11,080	-
Enaitinere, S.A., Consolidated tax	13,773	-	10,851	-
Enaitinere, S.A., VAT Group	2	-	2	-
Ena Infraestructuras, S.A.	34	-	-	-
Ena Infraestructuras, S.A., Consolidated tax	-	-	179	-
Ena Infraestructuras, S.A., VAT Group	2	-	48	-
Europistas, S.A., Consolidated tax	142	-	-	-
Current credit balances with Group, Multi-group and Associated companies	13,953	-	11,080	-

At 31 December 2023 and 2022, 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 2023 and 2022, ITÍNERE has credits and debits with the companies in its Group integrated under the consolidated taxation regime relating to income tax (see note 17).

At 31 December 2023 and 2022, 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 Tax, in which the integrated companies are taxed since 1 January 2010, and of which ITÍNERE is the parent company (notes 11 and 16).

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. On 31 December 2023, the capital drawdown under the aforesaid loan amounted to 115,369 thousand euros (108,974 thousand euros at 31 December 2022). This loan provides for the capitalisation of any unpaid interest at the end of the settlement period. The interest accrued in 2023 amounts to 6,395 thousand euros (1,893 thousand euros in 2022), which have been capitalised.

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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 427,237 thousand euros had been drawn down at 31 December 2022. That loan envisages that the interest will be settled on a yearly basis and is pegged to 1-year Euribor plus a spread. In addition, interest outstanding at the end of the settlement period will be capitalised. That loan will mature on 31 October 2025. In 2023, the Company capitalised tax balances amounting to 10,856 thousand euros (9,130 thousand euros in 2022) and unsettled interest payable totalling 25,367 thousand euros (6,939 thousand euros in 2022), and a loan repayment of 381 thousand euros was made. As a result, at 31 December 2023 the balance of the aforementioned loan amounts to 463,079 thousand euros. This loan accrued interest of 25,367 thousand euros in 2023 (6,939 thousand euros in 2022).

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.) 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, at 31 December 2023, the loan between the Company and EUROPISTAS, S.A. amounts to 5,522 thousand euros (5,410 thousand euros in 2022) and considers a partial repayment in 2023 of 200 thousand euros. In 2023, the aforementioned loan accrued interest, which has been capitalised, for an amount of 312 thousand euros (94 thousand euros during the 2022 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 2022 amounted up to 86,671 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 2023, interest payable totalling 5,086 thousand euros were capitalised (1,513 thousand euros in 2022), so the balance of said loan stood at 91,757 thousand euros on 31 December 2023. This loan accrued interest of 5,086 thousand euros in 2023 (1,513 thousand euros in 2022).

With effect 31 December 2020, the Company subscribed a loan agreement with AUTOPISTA ASTUR LEONESA, C.E.S.A that on 31 December 2022 stood at 4,967 thousand euros and accruing 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. On 31 December 2023, the capital drawdown under the aforesaid loan amounted to 5,259 thousand euros. In financial year 2023, this loan accrued interest amounting to 292 thousand euros (83 thousand euros in 2022).

On 31 August 2021, the Company signed a loan agreement with AUTOESTRADAS DE GALICIA, A.G., C.X.G., S.A. that 31 December 2022 stood at 1,028 thousand euros, maturing in October 2025 and whose remuneration is tied to 1-year Euribor plus a margin. On 31 December 2023, the capital drawdown under the aforesaid loan amounted to 1,088 thousand euros. This loan provides for the capitalisation of any unpaid interest at the end of the settlement period. The interest accrued in 2023 amounts to 60 thousand euros (18 thousand euros during financial year 2022), which have been capitalised.

The breakdown of transactions with group companies, jointly controlled entities and other related parties in 2023 and 2022 is as follows:

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	2023				2022			
	Other group companies	Jointly controlled entities	Total	Other related parties	Other group companies	Jointly controlled entities	Total	Other related parties
Thousands of euros								
Financial expenses - Convertible Debentures (notes 14 and 21)	3,262	-	3,262	3,035	2,910	-	2,910	2,708
Estivo Investments Holding, B.V.	3,242	-	3,242	-	2,895	-	2,895	-
Globalvía GVIT, S.L.	-	-	-	2,988	-	-	-	2,668
Directors, Senior Management and other	-	-	-	29	-	-	-	26
Valuation adjustment at amortised cost	20	-	20	18	15	-	15	14
Financial expenses - Other payables (note 21)	37,511	-	37,512	-	10,539	-	10,539	-
Enaitinere, S.A.U.	30,453	-	30,453	-	8,451	-	8,451	-
Ena Infraestructuras, S.A.	6,395	-	6,395	-	1,893	-	1,893	-
Autopista Concesionaria Astur-Leonesa, S.A.	292	-	292	-	83	-	83	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	60	-	60	-	18	-	18	-
Europistas, S.A.	312	-	312	-	94	-	94	-
Total expenses	40,773	-	40,773	3,035	13,449	-	13,449	2,708
Management or collaboration contracts (note 18)	8,732	-	8,732	-	7,869	-	7,869	-
Autopistas del Atlántico, C.E.S.A.	6,158	-	6,158	-	5,547	-	5,547	-
Autopista Concesionaria Astur-Leonesa, S.A.	1,411	-	1,411	-	1,253	-	1,253	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	551	-	551	-	490	-	490	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	612	-	612	-	579	-	579	-
Rendering of services and other income	1,061	153	1,214	-	986	153	1,139	-
Enaitinere, S.A.U.	84	-	84	-	84	-	84	-
Ena Infraestructuras, S.A.	356	-	356	-	343	-	343	-
Autopistas del Atlántico, C.E.S.A.	441	-	441	-	395	-	395	-
Autopista Astur Leonesa, S.A.	108	-	108	-	99	-	99	-
Autopistas de Navarra, S.A.	-	153	153	-	-	153	153	-
Autoestradas de Galicia, Autopistas de Galicia, C.X.G., S.A.U.	42	-	42	-	39	-	39	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	30	-	30	-	26	-	26	-
Total income	9,793	153	9,946	-	8,855	153	9,008	-

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

19. NET REVENUES

The breakdown of net revenues in 2023 and 2022 is as follows:

Thousands of euros	2023	2022
Income from services rendered	8,732	7,869
Autopistas del Atlántico, S.A.	6,158	5,547
Autopista Concesionaria Astur-Leonesa, S.A.	1,411	1,253
Autoestradas de Galicia, A.G., C.X.G., S.A.	551	490
Gestión de Infraestructuras de Bizkaia, S.A.	-	-
Gestión de Infraestructuras Viarias de Bizkaia, S.A.	612	579
Other services for group companies, jointly controlled entities and other related parties	928	864
Net revenues	9,660	8,733

By virtue of the various contracts signed by the Company with certain Group companies, a total of 8,732 thousand euros was invoiced in 2023 (7,869 thousand euros in 2022), for technical, operational, financial and legal advisory services.

The revenues recorded by the Company in 2023 and 2022 was obtained in Spain.

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20. EXTERNAL SERVICES

The breakdown of external services at 31 December 2023 and 2022 is as follows:

Thousands of euros	2023	2022
Leasing and royalties	478	446
Repairs and maintenance	64	50
Services of independent professionals	732	687
Insurance premiums	901	837
Bank services and similar	3	14
Advertising, propaganda and public relations	63	84
Supplies	47	66
Other services	287	251
External services	2,575	2,435

21. FINANCIAL INCOME AND EXPENSES

Details of financial expenses in 2023 and 2022 are as follows:

Thousands of euros	2023	2022
Interest on debts with group companies, jointly controlled entities and associates (note 18)	40,773	13,449
Interests on debentures (note 14)	3,262	2,910
Other payable interests	37,511	10,539
Interest on debts (note 15)	28,217	14,908
Interest on debentures with other related parties (notes 14 and 18)	3,035	2,708
Other financial expenses	64	106
Financial expenses	72,090	31,171

Details of financial income in 2023 and 2022 are as follows:

Thousands of euros	2023	2022
Interests of other negotiable securities	559	5
Other interests and similar income	6	2
Financial income	565	7

22. STAFF

The average headcount in 2023 and 2022, broken down by category, is as follows:

	2023	2022
Managers	7	7
Technical staff	3	3
Administrative staff	1	1
Total	11	11

At 31 December 2023 and 2022, the breakdown of the Company's headcount by category and gender is as follows:

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	Men		Women		Total	
	2023	2022	2023	2022	2023	2022
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 2023 and 2022, the Company did not have any employees with a disability of 33% or higher.

As at 31 December 2023, the Board of Directors of the Company comprised 11 men and 1 women (9 men and 3 women at 31 December 2022, though as at the date of drawing up the present annual accounts had the same composition as at the closing date of 2023).

Likewise, of the amount of social security contributions for 2023, 185 thousand euros correspond to the company's social security cost (168 thousand euros in 2022).

23. 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 remuneration accrued in 2023 in favour of the Chairman and the Chief Executive Officer amounted to 254 thousand euros (253 thousand euros in 2022) and 1,072 thousand euros (1,035 thousand euros in 2022), respectively, for all items contemplated in the Articles of Association (fixed and variable remuneration, in cash or in kind, indemnities, pensions and compensation of any kind). The rest of the directors have not received any remuneration for any reason. Likewise, in 2023 and 2022, 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. In addition, in 2023, a three-year variable remuneration in the amount of 1,486 thousand euros was accrued in favour of the Chief Executive Officer, to be received in the first quarter of 2024, contractually established and approved by the Board of Directors held on 20 May 2021, as well as by the General Meeting of Shareholders held on 24 May 2021.

Likewise, the members of the Company's Senior Management, who do not form part of its Board of Directors, have accrued remuneration in 2023 for a total amount of 2,167 thousand euros (1,922 thousand euros during the financial year 2022), as well as a three-year variable remuneration amounting to 2,364 thousand euros, contractually established and approved by the Board of Directors on 20 May 2021, to be received in the first quarter of 2024. Executives reporting to the Chief Executive Officer who hold senior management contracts are considered to be members of the Company's senior management.

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 2023 and 2022 there are also no debit or credit balances with the Company, other than those mentioned above in notes 14 and 18. Likewise, in 2023 and 2022, the Company paid civil liability insurance premiums to directors and managers in an amount of 114 thousand euros, respectively, 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.

In 2023 and 2022, 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.

ITÍNERE INFRAESTRUCTURAS, S.A.

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24. GUARANTEES UNDERTAKEN WITH THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

(a) Guarantees to third parties

At 31 December 2023 and 2022, the Company has provided a guarantee to a public body for an amount of 131 thousand euros. Furthermore, on 31 December 2023 and 2022 the Company had a guarantee 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., has a guaranteed line of 3,500 thousand euros which, at 31 December 2023 and 2022, is drawn down for a total amount of 1,832 thousand euros, of which 131 thousand euros correspond to the aforementioned guarantee, the remaining amount having been drawn down by EUROPISTAS.

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 15.

(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 containing the "Agreement regulating ITÍNERE's participation in the Pedemontana-Veneta toll road project", which regulates, among other things, ITÍNERE's exit from the project.

According to the latest information published by Sacyr and CONSORZIO STABILE SIS S.c.p.A., authorisation was received on 28 December 2023 for the commissioning of the last section of the Pedemontana-Veneta toll road. The six-kilometre-long Malo Tunnel was thus officially opened to traffic on 29 December 2023.

25. 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 2023 and 2022 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.

26. 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.

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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 2023 and 2022, 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.

Any possible change of ± 100 basis points with respect to the interest rate prevailing at year-end would have a quantitative effect which would entail an impact on net profit for the fiscal year of $\pm 8,918$ thousand euros, respectively.

- **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), a 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 15, 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 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 as follows:

- **Climate change risk:** Climate change and its consequences is one of the greatest challenges facing humankind in environmental, social and economic terms, requiring active management by all the players involved.

Greenhouse gas emissions mainly generated by the use of fossil fuels have accelerated global warming in recent decades and their effects are already visible.

The ITÍNERE Group is fully aware of the major challenge that climate change represents and it is committed to improving its performance with regard to environmental sustainability, taking measures which seek to minimise the environmental impact in all its fields of action, promoting energy saving and resources and contributing to the upkeep and improvement of our environment.

With this in mind, the Group is considering environmental aspects in transversal fashion, seeking more sustainable options and the continuous improvement of its processes.

ITÍNERE INFRAESTRUCTURAS, S.A.

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27. OTHER INFORMATION

The auditors of the annual accounts of the Company, PricewaterhouseCoopers Auditores, S.L., have rendered professional services to the Company during the years ended 31 December 2023 and 2022 totalling 79,400 and 75,100 thousand euros, respectively.

These amounts correspond to total audit fees for 2023 and 2022, irrespective of the date of invoice.

PricewaterhouseCoopers Auditores, S.L. has provided the Company with accounting verification services for financial years 2023 and 2022, with fees amounting to 3,700 and 3,500 euros, respectively.

During the financial years of 2023 and 2022, 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 2023 and 2022 financial years.

28. SUBSEQUENT EVENTS

- Notification of the commencement of verification and investigation actions by the Tax Agency

On 7 February 2024, the Company received notification from the tax authorities of the commencement of tax audits and investigations into corporate income tax for 2019 and 2020, and value added tax, corresponding to the period between January and December 2020. 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.

- Unconstitutionality of Royal Decree-law 3/2012, of 2 February.

Pursuant the Ruling of the Constitutional Court (hereinafter, CC) dated 18 January 2024, published in the Spanish Official Gazette of 20 February 2024, the CC has declared unconstitutional certain measures in the Corporate Income Tax introduced by Royal Decree-law 3/2016, of 2 December, adopting measures in the tax field aimed at the consolidation of public finances and other urgent measures in social matters. The CC considers that the approval of these measures by Royal Decree-law violated Article 86.1 of the Spanish Constitution, as this regulatory instrument cannot "affect the rights, duties and freedoms of citizens regulated in Title I".

In particular, the amendments to corporate income tax under scrutiny are: the setting of stricter ceilings for the offsetting of tax losses; the introduction *ex novo* of a limit on the application of double taxation deductions; and the obligation to automatically include in the tax base any impairment losses on holdings that have been deducted in previous years.

As a result of the application of the aforementioned Royal Decree-law 3/2016, since the 2016 corporate income tax, the tax consolidation group of which ITÍNERE is the parent company has been limited in its right to offset tax losses and to the application of deductions to avoid double taxation. ITÍNERE therefore requested the rectification of the corresponding corporate tax self-assessments of the tax group. These annual accounts do not consider the effects derived from the unconstitutionality of Royal Decree-law 3/2016.

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Directors' Report

1. COMPANY BUSINESS PERFORMANCE AND POSITION

The activity undertaken by ITÍNERE INFRAESTRUCTURAS, S.A. in 2023 consisted of managing and developing its concession companies and searching for new opportunities in the concession and transport infrastructure management and conservation market.

At 31 December 2023, 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 Biscay until 30 June 2021 and GESBISA, which became the operator on said toll road as from 1 July 2021. Added 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.

In 2023, ITÍNERE carried out the management, coordination and development activities of the Group's companies, which have undertaken their activity without any incidents or interruptions to their operations. 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. Financial year 2023 has been a year in which the positive evolution of traffic levels in the group's concession companies that began in 2021 has continued, although not with the same intensity as in previous years, with the pre-pandemic traffic levels of 2019 having been surpassed.

The overall average daily traffic (ADT) for all of the toll roads operated by ITINERE's subsidiaries during 2023 was 19,691 vehicles (19,080 vehicles in 2022). This means that traffic increased 3.2% compared to the same period in the previous year (increase of 3.5% for light vehicles and 0.9% for heavy vehicles). The good performance of traffic in the last two financial years has led to the recovery of the levels recorded in 2019.

The revenues mainly relates to billings for services to the investee companies, amounting to 9.7 million euros, 10.6% 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 8.2 million euros, increasing by 5.4% compared to the previous year. EBITDA in 2023 shows a positive result of 1.7 million euros, up to 0.5 million euros more than recorded in 2022.

The financial result presents a negative figure of 71.5 million euros, which corresponds to the financial expenses of the corporate debt, both with third parties and other inter-company debts. Financial expenses are 131.3% higher than those of the previous financial year (+40.9 million euros) which can essentially be put down to the increase in interest rates applicable to the loans subscribed by the Company, as well as the higher interest generated by the convertible bonds compared to 2022. It should be noted that in 2022 the Company recorded the reversal of a valuation change amounting to 59,486 thousand euros derived from the impairment test carried out on its financial investments.

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.

Therefore, considering the calculation of corporate income tax for the year shows an income of 13.6 million euros.

ITÍNERE INFRAESTRUCTURAS, S.A.

Directors' Report

All of the above means that the 2023 financial year result stands at a loss of 56.3 million euros.

As for the consolidated magnitudes, the consolidated revenues for 2023 amounts to 272.5 million euros, 12.6% up on the comparative figure of the financial year 2022, mainly as a result of the increase in toll income posted by the concessionary companies, deriving from the growth in traffic experienced by them in 2023. The increase in toll income is also derived from the update of toll tariffs applied as of 1 January 2023, varying between 6.90% and 9.40%. Particularly, AUDASA also applied the 1% one-off increase according to the Royal Decree 1733/2011 of 18 November. Taking the proportional income of AUDENASA, as was done prior to the application of IFRS 11, revenues would have been 303.5 million euros, 12.1% higher than the previous year's figure.

Consolidated EBITDA in 2023 amounts to 214.7 million euros, representing a margin on revenues of 78.8%. Compared with the previous year, there is a 15.3% increase which can mainly be put down to the higher toll income. With the proportional contribution from AUDENASA, this figure would stand at 242.3 million euros in 2023, representing a year-on-year increase of 14.7%, with the EBITDA margin increasing by 1.8 points compared to 2022. Operating expenses have increased by 4.7% (+7.2 million euros) compared to 2022, with a notable increase in the provision for replacement activities and, to a lesser extent, in supplies and staff expenses, partly due to the increase in the level of activity.

The consolidated operating expenses increased on 27.9% at 2023 year-end (+25.5 million euros) with respect to 2022, mainly based on the evolution of EBITDA. As far as the proportional contribution of AUDENASA is concerned, the operating income would register a 27.0% increase (+27.3 million euros).

At the end of 2023, the consolidated financial result shows a 33.7% deterioration in comparison to 2022 (31.1 million euros higher negative financial result), mainly due to the higher financial expenses recorded in the year as a result of the considerable increase in interest rates applied in 2023, and despite the reduction of the Group's debt and the refinancing processes carried out in 2022 and 2023, which have led to a reduction in the cost of the debt.

In light of all the above, profit after tax for financial year 2023 amounted to 4.0 million euros, meaning a reduction of 78.4% on the figure posted in 2022 (-14.4 million euros of profit). It should be noted that the corporate income tax for the year 2022 included a higher double taxation deduction income of 6.5 million euros.

After the Western economies had recovered significantly from the impact of the COVID-19 pandemic, Russia's aggression against Ukraine at the beginning of 2022 increased the problems of demand, supply and, especially, energy products in European countries. Monetary policies on both sides of the Atlantic hardened intensely, particularly from mid-2022 and until mid-2023 in response to inflationary pressures, raising official interest rates and reducing the size of their balance sheets.

Inflation, which was initially expected to have a markedly temporary behaviour, is showing a high downward resistance, although the monetary restrictions implemented are gradually reducing it, and core inflation is now above the headline rate in some economies such as Spain.

This major restriction to monetary policy is negatively impacting as it contributes to the global economic slowdown, though the latter is occurring at a less intensely than was expected a few months ago. In actual fact, Eurozone's GDP grew by 0.5% on a year-on-year basis, though, as occurs with inflation rates, in an uneven manner amongst the members of the monetary union.

Although it takes months for the effects of monetary restrictions on economic magnitudes to show their extent, the stagnation of economies has taken place, and the debate is beginning to move from concerns about inflation to a discussion about growth. Markets are discounting interest rate cuts in 2024 by central banks, although monetary institutions are more cautious, both in terms of depth and mainly in terms of their being in the very short term.

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In this context, the Spanish economy is the one that has grown the most among the main economies of the Eurozone, estimating an increase of around 2.5% for the whole of 2023, with this growth being sustained, mainly in the first half of the year, by both domestic demand and the contribution of the external balance. In line with the European labour market, the Spanish labour market has presented a marked dynamism in terms of job creation with growth of 3% and exceeding 21 million employees, although pointing to a slowdown in the last months of the year. For its part, the tourism sector has expanded its activity notably throughout 2023, which, given its weight in GDP, has favoured the positive performance of the Spanish economy as a whole. Inflation moderated to 3.1%, as did core inflation, which ended the year at 3.8%, almost at its lowest level in the last two years.

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 2023, after the significant debt refinancing carried out in the 7 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 3,149 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 26 June, a low-tax debentures issue was disbursed in AUDASA for the sum of 180.3 million euros, the purpose of which was to redeem the issue of tax subsidised bonds maturing on the same date and amounting to 193 million euros. The repayment of said issue is at a fixed interest rate of 4.40% and it is scheduled to mature in June 2030. The improvement in the conditions of this refinancing should also be noted, given that the previous bond issue had a fixed interest rate of 5.20%. This issue is guaranteed by ENA.
- On 27 September, AUTOESTRADAS repaid at maturity a bank loan at a variable interest rate amounting to 25.0 million euros contracted in 2018, by contracting a new loan, also bank and identical amount, with maturity in 2030 and interest rate referenced to Euribor plus a margin of 1.50%. This loan is guaranteed by ENA.

With the financial operations described above, the nature of the lenders has remained diversified, extending their mean lives, maintaining the percentage of fixed-rate debt in AUDASA and reducing its financial cost.

During the 2023 financial year, the following milestones in the financial area can also be highlighted:

- Repayment of ENAITINERE debt amounting to 77.3 million.
- The average rate of the Group's financial debt at 31 December 2023 is 4.89% and the average life of its debt is 3.5 years.
- The nominal amount of the gross financial debt amounts to 2,322.2 million euros, of which 39.7% is at a fixed interest rate.

The amounts accrued by the Group companies to the various public authorities for taxes, social security contributions, etc. totalled 85 million euros (92 million euros in 2023, if the proportional consolidation of AUDENASA is taken into consideration).

In financial year 2023 the average workforce of the Company did not vary at all with regard to the average theoretical staff for 2022.

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At 31 December 2023, 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 2023 was 5 days.

2. SUBSEQUENT EVENTS

The events subsequent to the close are those described in note 28 of the attached report.

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 in different geographical areas.

During 2024, the usual replacement and maintenance tasks, as well as the implementing improvements, will be performed by the investee companies in their respective concessions, meaning a constant improvement of the service for users, which is a fundamental objective of the management. Likewise, if necessary, the requirements of the concession-granting administrations 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 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, AUTOESTRADAS 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. 91.7% of the Group's debt is non-current.

During the financial year 2024 there are two contractual maturities of financial debt in the Group, both in AUDASA and in November, corresponding to a bond issue amounting to 100.0 million euros and a multilateral bank loan amounting to 84.9 million euros. At the date of preparation of these annual accounts, AUDASA has subscribed and disbursed a loan contract with institutional investors for an amount of 84.9 million euros, with a fixed interest rate of 4.40% and maturity in 2034, with which the entire bank loan for the same amount maturing in November has been repaid in advance, while the refinancing of the issue, given its maturity date, will be undertaken closer to its maturity date.

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 of the economic crisis that began in 2008 and those related with the COVID-19 crisis, the Group maintained its financial stability through bond issues, loans with institutional investors 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

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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 General 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 01 January 2024, the review of the tariffs to be applied has been authorised which, in the case of the toll roads owned by the Ministry of Transport and Sustainable Mobility has involved an 5.00% increase in tariffs in AUCALSA and of 6.55% in AUDASA, assuming in the latter, in addition to the ordinary review, the 1% rise pertaining to Royal Decree 1733/2011. The toll roads owned by the regional governments AUDENASA and AUTOESTRADAS had a positive review of 3.33% and 3.29%, 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 and Sustainable Mobility 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.

In relation to the above, and with respect to the revision of AUDASA and AUCALSA tariffs, Royal Decree-law 20/2022, of 27 December, established the limitation to 4.0% of the increase in tolls applicable to users of toll roads owned by the General State Administration, with the Administration assuming, with effect from 1 January 2023, the difference up to the applicable tariff revision based on the evolution of the CPI. The aforementioned Royal Decree takes into consideration that this measure must be reversed before 31 December 2026. In this respect, in view of the uncertainty about the extension of the inflationary situation and in order for the reduction to be staggered so that it can be assumed in better conditions by users, the Ministry of Transport and Sustainable Mobility has decided to reduce the percentage of tariffs revision for 2024 corresponding to the financial year 2023 that it compensates, passing on to the user an additional percentage of the percentage of revision for 2024, which in the case of AUDASA is 1.50% and in AUCALSA 1.0%.

4. MAIN RISKS AND UNCERTAINTIES

The future of the toll road concession sector in which ITÍNERE's investees carry out their activities is undoubtedly affected by both the overall economic situation and changes in the regulatory norms that may significantly affect the expected results.

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, several investees' companies of ITINERE filed litigious-administrative claims asking their granting Administrations to restore the economic and financial equilibrium of their concession agreements under the applicable regulatory framework. These proceedings are still pending.

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

- **Demand risk:** In toll road concessions, the tolls collected by concessionary companies, which are their main source of income, depend on the number of vehicles using the road and its capacity to attract traffic from the corridor along its route. 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

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current characteristics of ITÍNERE's portfolio (mature and widely consolidated business) mitigate this risk.

- **Regulatory risk:** The Group's concessionary 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-granting administrations 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:** 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 analysis of its implications on all areas 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 stated above, financial year 2023 has been a year in which the positive evolution of traffic levels in the group's concession companies that began in 2021 has continued, although not with the same intensity as in previous years, having surpassed the traffic levels of 2019, the year that preceded COVID.

The outlook for the global economy, while uncertain, is more positive than was expected a year ago. This requires that the risks that threaten it do not materialise, including geopolitical tensions, concerns about inflation that has not yet reached levels consistent with central bank targets, financial markets with interest rates above neutral, weakness in the Chinese economy and energy transition. In 2024, a slight slowdown in advanced economies is expected to be offset by growth in emerging countries. The pace of GDP growth is weakening, albeit gently, as a result of the tightening of monetary policies implemented by central banks since the summer of 2022. It is expected that the reversal of restrictive policies, interest rate cuts, will begin to occur in the coming months and with this the economies will gain sufficient dynamism to allow global GDP growth in the vicinity of 3%.

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

The Financial Risk Management Policies applied by the Company are set out in note 26 of the attached report.

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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 2023. As a consequence of the acquisitions in previous financial years, at 31 December 2023 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.

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**PROPOSED DISTRIBUTION OF PROFIT
FOR 2023**

The result for the financial year 2023 was a loss of 56,344,802.08 euros that will be transferred in its entirety to negative results from previous years.

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SIGNATURE DUE DILIGENCE

ONE: Pursuant to the requirements of Article 253 of the Capital Companies Act and Article 37 of the Spanish Code of Commerce, the Directors of **ITÍNERE INFRAESTRUCTURAS, S.A.**, detailed hereinbelow and comprising the Board of Directors in its entirety, have prepared the attached Annual Accounts, including the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and Annual Report, the management report and the proposed distribution of profit for the year ended 31 December 2023, to be approved by the Single Shareholder of the Company. Said documents are included on the preceding pages, correlatively numbered from 1 to the present one.

TWO: At the same time, the undersigned, as the Company's Directors, declare that the Company's books, which form the basis of these Annual Accounts, do not contain any items that need to be included in the specific environmental information document provided for in Justice Ministry Order JUS/206/2009 of 28 January.

Signed in Madrid on 26 March 2024.

Mr. Juan María Nin Génova
Chairman

Mr. René Defize
Vicechairman

Mr. Francisco Javier Pérez Gracia
CEO

Mr. Thijs Beudeker
Director

Mr. Arjan Reinders
Director

Mr. Laurens-Jan Sipma
Director

Mr. Viktor Mladen Filipan
Director

Mr. Ronaldus Theodorus Joannes Gertruda Boots
Director

Mr. Laurie Glenn Patrick Mcfadden
Director

Ms. Lea Maria Catharina Sporken
Director

Mr. Bart Saenen
Director

Mr. Hari Rajan
Director

Mr. Santiago del Pino Aguilera
Secretary, non Director

The Secretary certifies the authenticity of the above signatures and states for the record that it was not possible for the Board Members identified in the following detail to sign this document: (1) by not attending the meeting for being outside of Spain and delegating their vote to another Board Member; (2) by not attending the meeting for personal reasons and not delegating their vote to another Board Member; (3) by attending the Board meeting through audiovisual media, having not expressed any opposition or reservations whatsoever regarding this document which was forwarded along with the call for the meeting of the Board of Directors.