Public Corporate Entity "ENAIRE" and Subsidiaries

Annual Accounts

ended 31 December 2023

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Financial Statements

Note

PUBLIC CORPORATE ENTITY "ENAIRE" AND SUBSIDIARIES

CONSOLIDATED BALANCE AT 31 DECEMBER 2023
(In thousands of euros)

ASSETS	Notes to the Report	Period 2023	Period 2022
NON-CURRENT ASSETS			
Intangible assets	**Note 10**	**1,986,010**	**1,024,117**
Research and Development		31,528	38,687
Concessions		1,514,549	640,598
Goodwill	**Note 6**	375	562
Computer Software		363,241	294,078
Other intangible assets		76,317	50,192
Property, plant and equipment	**Note 11**	**12,476,457**	**12,559,025**
Land and buildings		9,654,782	9,912,503
Technical installations and other items		1,827,410	1,766,822
Under construction and advances		994,265	879,700
Investment Properties	**Note 12**	**134,954**	**133,853**
Land		42,061	40,471
Buildings		92,890	93,355
Technical installations		3	27
Non-current investments in associates		**111,868**	**117,548**
Equity-accounted investees	**Note 9**	111,868	117,548
Non-current financial investments	**Note 14.1 and 14.3**	**154,484**	**188,589**
Long term Current tax assets	**Note 20.1.1**	**82,554**	**33**
Deferred tax assets	**Note 20.1.1 and 20.5**	**294,978**	**346,818**
Trade and other non-current receivables	**Note 20.1**	**8,907**	**12,938**
Total Non-Current Assets		**15,250,212**	**14,382,921**
CURRENT ASSETS:			
Inventories	**Note 16**	**6,420**	**6,943**
Trade and other receivables		**1,038,916**	**796,842**
Trade receivables	**Note 14.1.3**	806,969	706,367
Trade receivables from associates	**Note 26**	11,927	7,878
Other receivables	**Note 14.1.3**	5,019	3,338
Personnel	**Note 14.1**	5,525	1,080
Current tax assets	**Note 20.1.1**	153,930	9,101
Public entities, other	**Note 20.1.1**	55,546	69,078
Current financial investments in group companies and associates		**7**	**247**
Other financial assets	**Note 14.1**	7	247
Current financial investments	**Note 14.1**	**122,652**	**37,334**
Loans to companies		150	53
Derivatives	**Note 14.3**	32,795	31,514
Other current financial investments		89,707	5,767
Current accruals	**Note 21**	**24,979**	**16,526**
Cash and cash equivalents	**Note 14.1.4**	**2,379,236**	**1,603,134**
Total Current Assets		**3,572,210**	**2,461,026**
TOTAL ASSETS		**18,822,422**	**16,843,947**

EQUITY AND LIABILITIES	Notes to the Report	Period 2023	Period 2022
EQUITY			
Capital and reserves without valuation adjustments		**4,540,357**	**3,895,441**
Capital	**Note 18**	**1,813,363**	**1,813,363**
Reserves of the Parent Public Corporate Entity	**Note 18**	**309,757**	**148,270**
Legal and statutory reserves		516,889	516,889
Other reserves		372,708	5,040
Prior periods' losses		(579,840)	(373,659)
Reserves in consolidated companies	**Note 18**	**1,749,454**	**1,655,695**
Reserves in companies based on the equity method	**Note 18**	**24,355**	**22,543**
Profit/ (loss) attributable to parent company		**923,227**	**255,570**
Consolidated profit and loss		1,732,217	701,823
Profit/(Loss) attributed to non-controlling interest		808,990	446,253
Interim dividend (Payment on Account to the Public Treasury)	**Note 18**	**(279,799)**	**-**
Valuation adjustments		**(27,479)**	**(26,178)**
Hedging transactions	**Note 14.3**	20,946	39,695
Translation differences - associates	**Note 17**	(4,079)	(6,259)
Translation differences - group	**Note 17**	(44,346)	(59,614)
Grants, donations and bequests received	**Note 25**	**243,632**	**232,874**
Non-controlling interest	**Note 7**	**3,804,478**	**3,365,094**
Total equity		**8,560,988**	**7,467,231**
NON-CURRENT LIABILITIES			
Non-current provisions	**Note 19.1**	**441,270**	**351,573**
Long-term employee benefits		339,665	284,825
Environmental actions		53,852	53,732
Other provisions		47,753	13,016
Non-current payables	**Note 14.2**	**6,765,493**	**7,123,709**
Bonds and other marketable securities	**Note 14.4**	496,538	-
Debt with financial institutions		5,950,937	6,869,669
Other non-current payables		53,373	78,333
Payables public entities due to concessions		178	300
Finance lease payables		18,067	8,469
Other financial liabilities		246,400	166,938
Deferred tax liabilities	**Note 20.1.2 and 20.6**	**190,313**	**177,455**
Non-current accruals	**Note 21**	**14,683**	**20,831**
Total non-current liabilities		**7,411,759**	**7,673,568**
CURRENT LIABILITIES			
Current provisions	**Note 19.1**	**109,030**	**128,967**
Current payables	**Note 14.2**	**2,137,603**	**1,008,892**
Bonds and other marketable securities	**Note 14.4**	4,512	-
Debt with financial institutions		1,685,046	618,638
Other current payables		409	755
Finance lease payables		5,506	2,580
Derivatives	**Note 14.3**	-	50,240
Other financial liabilities		442,130	336,679
Group companies and associates, current	**Notes 14.2 and 26.1**	**2,784**	**1,937**
Debts with companies based on the equity method		2,784	1,937
Trade and other payables		**551,726**	**542,054**
Suppliers	**Note 14.2**	10,800	16,072
Other Payables	**Note 14.2**	290,985	282,179
Personnel	**Note 14.2**	105,384	111,178
Current tax liabilities	**Note 20.1.2**	270	1,061
Public Entities, other	**Note 20.1.2**	72,291	71,401
Advances from customers	**Note 14.2**	71,996	60,163
Current accruals	**Note 21**	**48,532**	**21,298**
Total Current Liabilities		**2,849,675**	**1,703,148**
TOTAL LIABILITIES		**18,822,422**	**16,843,947**

Notes 1 to 28 described in the attached report are an integral part of the consolidated balance sheet at 31 December 2023

ENAIRE

PUBLIC CORPORATE ENTITY "ENAIRE" AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED ON 31 DECEMBER 2023
(In thousands of euros)

	Notes to the Report	Period 2023	Period 2022
CONTINUING OPERATIONS			
Revenue	Note 22.1 and 5.11	5,643,590	4,641,271
Work carried out by the company for assets		12,917	12,924
Supplies	Note 22.2	(94,197)	(83,363)
Raw materials and other consumables used		(562)	(360)
Work performed by other companies		(92,457)	(83,003)
Impairment of goods, raw materials and other supplies		(1,178)	-
Other operating income		60,619	14,194
Non-trading and other operating income		11,574	11,229
Operating grants taken to income		49,045	2,965
Personnel expenses	Note 22.3	(1,217,523)	(1,233,489)
Wages, salaries and similar expenses		(935,218)	(884,756)
Employee benefits expense		(244,285)	(221,287)
Provisions		(38,020)	(127,446)
Other operating expenses		(1,497,613)	(1,418,819)
External services	Note 22.4	(1,203,293)	(1,169,469)
Taxes		(168,715)	(165,236)
Losses, impairment and changes in trade provisions		(25,200)	(19,925)
Other current operating expenses		(100,405)	(64,189)
Amortisation and depreciation	Notes 10, 11 and 12	(921,261)	(880,685)
Non-financial and other capital grants	Note 25	40,386	38,116
Provision Surpluses	Note 22.6	7,584	6,211
Impairment and gains/(losses) on disposal of fixed assets		137,383	24,527
Impairment	Note 5.5, 10.5 and 11.4	155,016	36,972
Disposal of fixed assets and others	Note 11.3	(17,633)	(12,445)
Other results	Note 22.7	(1,271)	(56,330)
RESULTS FROM OPERATING ACTIVITIES		2,170,614	1,064,557
Finance income	Note 22.5	113,715	18,689
Dividends		858	814
Marketable securities and other financial instruments		102,440	15,822
Capitalisation of finance expenses		10,417	2,053
Finance expenses	Note 22.5	(259,982)	(95,433)
Other		(258,087)	(94,482)
Provision adjustments		(1,895)	(951)
Change in fair value of financial instruments	Note 22.5	55,933	(70,005)
Exchange gains/losses	Note 22.5	9,204	(1,805)
Impairment and gains/(losses) on disposal of financial instruments	Note 14.1.1 and 22.5	(4,141)	(2)
NET FINANCE INCOME/(EXPENSES)	Note 22.5	(85,271)	(148,556)
Profit/loss by company based on the equity method	Note 9	34,834	40,056
Amortisation of consolidated goodwill from companies based on the equity method	Note 9	(212)	(213)
PROFIT/(LOSS) BEFORE INCOME TAX		2,119,965	955,844
Income tax	Note 20.2 and 20.3	(387,748)	(254,021)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1,732,217	701,823
CONSOLIDATED PROFIT/LOSS FOR THE PERIOD		1,732,217	701,823
Profit/(Loss) attributed to non-controlling interests	Note 7	808,990	446,253
PROFIT/(LOSS) ATTRIBUTABLE TO PARENT COMPANY		923,227	255,570

Notes 1 to 28 described in the attached report are an integral part of the consolidated Income statement at 31 December 2023

ENAIRE

PUBLIC CORPORATE ENTITY "ENAIRE" AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2023

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES

(In thousands of euros)

	Notes to the Report	Period 2023	Period 2022
A) Consolidated profit/(loss) for the period		**1,732,217**	**701,823**
Income and expenses recognised directly in equity			
Cash flow hedges	**Note 14.3**	(17,718)	161,255
Grants, donations and bequests received	**Note 25**	91,389	44,942
Actuarial gains and losses and other adjustments		330	701
Translation differences - group	**Note 17**	28,483	39,359
Translation differences - associates	**Note 17**	2,478	3,246
Tax effect		(18,084)	(51,090)
B) Total income and expense recognised directly in consolidated equity		**86,878**	**198,413**
Amounts transferred to the consolidated income statement			
Cash flow hedges	**Note 14.3**	(32,779)	20,927
Grants, donations and bequests received	**Note 25**	(88,863)	(40,062)
Translation differences - associates	**Note 17**	1,796	253
Tax effect		29,909	4,297
C) Total amounts transferred to the consolidated income statement		**(89,937)**	**(14,585)**
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSE (A + B + C)		**1,729,158**	**885,651**
Total income and expense attributed to non-controlling interests	**Note 7**	**796,413**	**527,749**
Total income and expense attributed to the Parent Public Corporate Entity		**932,745**	**357,902**

Notes 1 to 28 described in the attached report are an integral part of the consolidated statement of recognised income and expenses at 31 December 2023.

PUBLIC CORPORATE ENTITY "ENAIRE" AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2023
B) CONSOLIDATED STATEMENT OF TOTAL CHANGES IN NET EQUITY
(In thousands of euros)

	Capital	Statutory reserves	Voluntary Reserves of the Parent Entity	Consolidated reserves of the Parent Entity	Prior Periods Losses	Reserves in Consolidated Companies	Reserves in Companies based on the equity method	Interim dividend	Profit/ (loss) attributable to the Parent Entity	Valuation adjustments	Grants, donations and bequests received	Non-controlling interest	Total Equity
A. BALANCE AT 31 DECEMBER 2021	**1,813,395**	**516,890**	**2,237**	**3,235**	**(88,861)**	**1,903,977**	**24,637**	**-**	**(313,393)**	**(113,741)**	**218,314**	**3,051,134**	**7,017,824**
I. Adjustments for changes in criteria 2021 and prior periods	-	-	-	-	-	-	-	-	(223,462)	-	-	(214,699)	(438,161)
B. BALANCE AT 1 JANUARY 2022	**1,813,395**	**516,890**	**2,237**	**3,235**	**(88,861)**	**1,903,977**	**24,637**	**-**	**(536,855)**	**(113,741)**	**218,314**	**2,836,435**	**6,579,663**
I. Total recognised income and expenses.	-	-	-	-	-	209	-	-	255,570	87,563	14,560	527,749	885,651
II. Transactions with equity holders or owners.	-	-	-	(3,800)	(284,798)	(262,623)	14,366	-	536,855	-	-	-	-
4. (-) Distribution of dividends.	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Other transactions with equity holders and owners.	-	-	-	(3,800)	(284,798)	(262,623)	14,366	-	536,855	-	-	-	-
III. Other changes in equity.	(32)	(1)	-	3,368	-	14,132	(16,460)	-	-	-	-	910	1,917
C. BALANCE AT 31 DECEMBER 2022	**1,813,363**	**516,889**	**2,237**	**2,803**	**(373,659)**	**1,655,695**	**22,543**	**-**	**255,570**	**(26,178)**	**232,874**	**3,365,094**	**7,467,231**
D. BALANCE AT 1 JANUARY 2023	**1,813,363**	**516,889**	**2,237**	**2,803**	**(373,659)**	**1,655,695**	**22,543**	**-**	**255,570**	**(26,178)**	**232,874**	**3,365,094**	**7,467,231**
I. Total recognised income and expenses.	-	-	-	-	-	61	-	-	923,227	(1,301)	10,758	796,413	1,729,158
II. Transactions with equity holders or owners.	-	-	-	(2,561)	(206,181)	441,438	22,874	(279,799)	(255,570)	-	-	(354,883)	(634,682)
4. (-) Distribution of dividends.	-	-	-	-	-	-	-	(279,799)	-	-	-	(354,883)	(634,682)
7. Other transactions with equity holders and owners.	-	-	-	(2,561)	(206,181)	441,438	22,874	-	(255,570)	-	-	-	-
III. Other changes in equity.	-	-	-	370,229	-	(347,740)	(21,062)	-	-	-	-	(2,146)	(719)
E. BALANCE AT 31 DECEMBER 2023	**1,813,363**	**516,889**	**2,237**	**370,471**	**(579,840)**	**1,749,454**	**24,355**	**(279,799)**	**923,227**	**(27,479)**	**243,632**	**3,804,478**	**8,560,988**

Notes 1 to 28 described in the attached report are an integral part of the statement of changes in consolidated equity at 31 December 2023.

PUBLIC CORPORATE ENTITY "ENAIRE" AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31 DECEMBER 2023

(In thousands of euros)

	Notes to the Report	Period 2023	Period 2022
CASH FLOW FROM OPERATING ACTIVITIES (I)		**2,292,825**	**1,908,549**
Profit/(loss) for the period before tax		**2,119,965**	**955,844**
Adjustments for:		**879,085**	**1,099,576**
- Amortisation and depreciation	**Notes 10, 11 and 12**	921,261	880,685
- Valuation allowances for impairment losses	**Notes 5.5, 10.5 and 11.4**	(124,497)	(17,045)
- Change in provisions		60,823	146,710
- Grants recognised in the income statement	**Note 25**	(40,386)	(38,116)
- Proceeds from disposals of fixed assets	**Notes 11.3**	17,633	12,444
- Finance income	**Note 22.5**	(112,857)	(17,875)
- Finance expenses	**Note 22.5**	259,982	95,433
- Exchange gains/losses	**Note 17**	(9,204)	1,805
- Change in fair value of financial instruments	**Note 14.3 and 22.5**	(55,933)	70,005
- Income from dividends	**Note 22.5**	(858)	(814)
- Other income and expenses		(2,045)	6,400
- Profit/loss by company based on the equity method	**Note 9**	(34,834)	(40,056)
Changes in operating assets and liabilities		**(57,138)**	**90,442**
- Inventories	**Note 16**	(498)	(330)
- Trade and other receivables	**Note 14.1.3**	(76,655)	(72,563)
- Other current assets	**Note 14.1**	2,823	26,851
- Trade and other payables	**Note 14.2**	15,127	139,406
- Other current liabilities	**Note 14.2**	4,617	(1,757)
- Other non-current assets and liabilities	**Note 14.1 and 14.2**	(2,552)	(1,165)
Other cash flow from operating activities		**(649,087)**	**(237,313)**
- Interest paid		(200,827)	(97,019)
- Dividends received	**Note 9, 14.1.1 and 26.1**	45,268	30,268
- Interest received		60,452	8,125
- Income tax received (paid)	**Note 20**	(529,664)	(177,794)
- Other amounts paid (received)		(24,316)	(893)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(1,622,623)**	**(852,730)**
Payments for investments		**(1,622,762)**	**(908,330)**
- Group companies and associates	**Note 2**	-	(2,488)
- Intangible assets		(910,063)	(262,989)
- Property, plant and equipment		(629,453)	(632,709)
- Investment property		(1,386)	(430)
- Other financial assets	**Note 14.1.2**	(81,860)	(9,714)
Proceeds from sale of investments		**139**	**55,600**
- Non-current assets held for sale		139	-
- Other financial assets		-	55,600
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**97,038**	**(1,035,659)**
Proceeds from and payments for equity instruments		**31,791**	**52,935**
- Grants, donations and bequests received	**Note 25**	31,791	52,935
Proceeds from and payments for financial liability instruments		**705,921**	**(1,088,594)**
- Issue Bonds and other marketable securities	**Note 14.4**	500,000	54,903
- Issue debt with financial institutions	**Note 14.2**	1,714,467	309,199
- Others (+)		167,841	85,746
- Redemption of bonds and other marketable securities		-	(55,148)
- Redemption and repayment of debt with financial institutions	**Note 14.2**	(1,595,384)	(1,374,065)
- Redemption and repayment of debt		(26,549)	-
- Others (-)		(54,454)	(109,229)
Dividend and interest on other equity instruments paid		**(640,674)**	**-**
- Dividends		(640,674)	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)		**8,862**	**(2,702)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**776,102**	**17,458**
Cash and cash equivalents at beginning of period	**Note 14.1**	**1,603,134**	**1,585,676**
Cash and cash equivalents at end of period	**Note 14.1**	**2,379,236**	**1,603,134**

Notes 1 to 28 described in the attached report are an integral part of the consolidated cash flow statement for the 2023 fiscal year.

1. Activity

1.1. Parent Entity

The Public Corporate Entity ENAIRE, hereinafter ENAIRE or the Entity, was established under Article 82 of Law 4/1990 of 29 June, the General State Budget for 1990. Its effective constitution took place on 19 June 1991, after its previous Bylaws came into force, approved by Royal Decree 905/1991 of 14 June.

Until the publication of Law 18/2014 of 15 October, it was called the Entidad Pública Empresarial Aeropuertos Españoles y Navegación Aérea (Aena).

The Public Corporate Entity is established as a public body as outlined in Article 84.1.a).2. of Law 40/2015 of 1 October. It is attached to the Ministry of Transport and Sustainable Mobility, with its own legal personality, full capacity to act in order to fulfil its purposes, its own assets, and management autonomy as specified in its Bylaws.

In accordance with the European System of Accounts (SEC), the company is classified under the heading "S.11001 Non-financial State-Owned Companies: Central Administration", 100% owned by the Spanish state. ENAIRE's activity is classified as "522 Activities auxiliary to transport" in the Spanish National Classification of Economic Activities.

ENAIRE is governed by its Bylaws approved by Royal Decree 160/2023, of 7 March, which entered into force on 9 March 2023, replacing the initial statute approved by Royal Decree 905/1991 of 14 June, which included the airport activity carried out by Aena S.M.E, S.A.

The activity of ENAIRE is regulated by Law 18/2014 of 15 October. According to this law, ENAIRE exercises competencies in Air Navigation and airspace, as well as national and international operational coordination of the national air traffic management network and other activities related to efficient airspace management, taking into account user needs.

ENAIRE is the main Air Navigation Service Provider (ANSP) in Spain and the fourth-largest provider in Europe. The main purpose of the Entity is to offer maximum safety, quality and efficiency in the development and operation of the Spanish Air Navigation system, as well as to participate prominently and actively in all European Union projects related to the implementation of the Single Sky.

The Entity provides its services within the Spanish airspace, with an area of 2.2 million km ^{2}, which is divided into two areas (mainland Spain and the Canary Islands). It provides aerodrome control services in the control towers of 21 airports, including the 5 busiest airports in Spain. Additionally, it provides en-route and approach services, as well as technical services for Communications, Navigation, Surveillance and maintenance from five control centres in Madrid, Barcelona, Seville, Palma de Mallorca and the Canary Islands, and at 46 airports. It also offers aeronautical information services throughout Spanish airspace. To do so, it uses a network of infrastructures and aeronautical technology systems spread throughout the country.

The registered office and tax domicile of the Public Corporate Entity is located in Madrid at Avenida de Aragón s/n, Bloque 330, portal 2, Parque Empresarial Las Mercedes.

The governing bodies of the Entity are, on one hand, the Chairman of the Company, as stipulated in Article 7.1 of the Bylaws, which is held by the Secretary of State for Transport and Sustainable Mobility. On the other hand, there is the Governing Board of ENAIRE, which, in accordance with Article 8 of its Bylaws, is responsible for the administration and management and is composed of the Chairman of the Entity and eleven board directors (Article 9.1 of the Bylaws).

The Executive Bodies consist of the Director General and the other directorates subordinate to him/her, as stipulated in the second section of Article 7 of the current Bylaws.

The Entity is the parent of a group of companies that conduct airport infrastructure management and aeronautical consultancy work as their main activity. At the end of 2023, it was made up of 11 subsidiaries and 6 associates (11 subsidiaries and 6 associates in 2022).

For the preparation of consolidated financial statements, a group is deemed to exist when the parent entity has one or more subsidiary companies, which are those over which the parent company has control, either directly or indirectly. The principles applied in the preparation of the Group's consolidated financial statements, as well as the scope of consolidation, are set out in Notes 1,2, 3 and 5.

The main subsidiary of the Parent Entity is Aena S.M.E., S.A., of which it holds 51% of the capital at 31 December 2023 and 2022.

Aena S.M.E., S.A. began its activity on 8 June 2011 (by way of Ministerial Order FOM/1525/2011, of 7 June) with the name Aena Aeropuertos, S.A., changing its name to Aena M.E., S.A. after approval of Act 18/2014 of 15 October.

Aena S.M.E., S.A. stems from the non-monetary contribution of assets, rights, debts and obligations of ENAIRE that were allocated to the development of airport activities, commercial operations and other state services related to airport management, including aerodrome air traffic services. In other words, Aena S.M.E., S.A., since 8 June 2011, took over the activities mentioned in the Bylaws (in force until 8 March 2023 with the entry into force of Royal Decree 160/2023 of 7 March) of the Entity in these matters.

ENAIRE was the sole shareholder of Aena S.M.E., S.A. until 11 February 2015. Following the IPO of 49% of the shares, it remains the majority shareholder with 51% of the capital.

1.2. Subsidiaries

The detail of the Group's subsidiaries, which are integrated into the consolidated accounts by the global integration method, at 31 December 2023 and 2022, is as follows:

Subsidiaries Registered Office	Activity	Shareholding (%)	Holder	2023	2022	Value of the share (thousands of euros) 2023	2022
Aena S.M.E., S.A. (1) *Peonías, 12 Madrid*	Operation, conservation, management and administration of airport infrastructures, as well as complementary services.	Direct	Enaire	51%	51%	1,326,443	1,326,443
Centro de Referencia Investigación, Desarrollo e Innovación ATM. A.I.E. (CRIDA) (2) *C/ Campezo 1, P.E Las Mercedes, Edificio 7. Madrid*	Conducting R&D&I activities in the ATM field aimed at improving performance in safety, capacity and economic and environmental efficiency of the Air Navigation system.	Direct	Enaire	66.66%	66.66%	480	480
		Indirect	INECO	7.64%	7.64%	120	120
Aena Desarrollo Internacional S.M.E., S.A. (1) *Peonías, 12 Madrid*	Operation, conservation, management and administration of airport infrastructures, as well as complementary services.	Indirect	Aena	100%	100%	165,032	165,032
London Luton Airport Holdings III Limited (LLAH III) (3) *London (United Kingdom)*	Holding shares in the company that holds the concession for the operation of Luxton Airport.	Indirect	Aena Desarrollo Internacional	51%	51%	56,042	47,061
London Luton Airport Holdings II Limited (LLAH II) (3) *London (United Kingdom)*	Holding shares in the company that holds the concession for the operation of Luxton Airport	Indirect	London Luton Airport Holdings III Limited (LLAH III)	51%	51%		
London Luton Airport Holdings I Limited (LLAH I) (3) *London (United Kingdom)*	Holding shares in the company that holds the concession for the operation of Luxton Airport.	Indirect	London Luton Airport Holdings II Limited (LLAH II)	51%	51%		
London Luton Airport Operations Limited ("LLAOL") (3) *London (United Kingdom)*	Company that holds the concession for the operation of Luxton Airport.	Indirect	London Luton Airport Group Limited ("LLAGL")	51%	51%		
London Luton Airport Group Limited ("LLAGL") (3) *London (United Kingdom)*	Company guaranteeing the acquisition of the concession for the operation of Luxton Airport.	Indirect	London Luton Airport Holdings I Limited (LLAH I)	51%	51%		
Aena Concesionaria del Aeropuerto del Aeropuerto Internacional Región de Murcia (AIRM) (1) *Aeropuerto Internacional Región de Murcia*	Management, operation, maintenance and conservation of the Murcia International Airport in the form of a concession.	Indirect	Aena	100%	100%	16,192	16,192
Aena Concesionaria de los Aeropuertos del Nordeste de Brasil (ANB) (3) *Recife (Brazil)*	Management, operation, maintenance and conservation of the airports in the Northeast of Brazil (Recife, Maceió, Joao Pessoa-Bayeux, Aracajú, Juazeiro do Norte and Campina Grande) under a concession.	Indirect	Aena Desarrollo Internacional	100%	100%	523,840	274,292
Aena Concesionaria del Bloque de Once Aeropuertos de Brasil (BOAB) (3) *Sao Paulo (Brazil)*	Management, operation, maintenance and conservation of 11 airports in Brazil, located in the states of São Paulo, Mato Grosso do Sul, Minas Gerais and Pará, under concession.	Indirect	Aena Desarrollo Internacional	100%	100%	292,895	-

(1) Companies audited by KPMG Auditores, S.L.
(2) Company audited by CET Auditores S.L.
(3) Companies audited by the KPMG network

The closing date for the financial year of the latest annual accounts prepared by all the dependent companies is 31 December 2023, with their financial year coinciding with the calendar year.

Aena S.M.E., S.A is the parent company of a group of companies that, at the end of 2023, was made up of 9 subsidiaries and 4 associates (9 subsidiaries and 4 associates in 2022). Aena Aeropuertos S.A. was created as an independent legal entity under article 7 of Royal Decree Law 13/2010 of 3 December, which enabled the Council of Ministers to set up the company. The authorisation for the effective constitution took place on 25 February 2011 in the agreement of the Council of Ministers in accordance with the provisions of article 166 of Law 33/2003, of 3 November, on the Assets of Public Administrations (LPAP - Ley de Patrimonio de las Administraciones Públicas).

Aena S.M.E., S.A. has established a framework of action through Law 18/2014, which ensures the integrity of the airport network as its survival guarantees the mobility of citizens and economic, social and territorial cohesion, in terms of accessibility, sufficiency, suitability, sustainability and continuity. The framework to which the basic airport services are subject is established, as well as the characteristics and conditions that this network must possess to guarantee the objectives of general interest. Thus, the closure or sale, either total or partial, of any airport facilities or infrastructure necessary to maintain the provision of airport services is prohibited, except with authorisation from the Council of Ministers or the Ministry of Transport and Sustainable Mobility. Such authorisation can only be granted if it does not affect the objectives of general interest that the network must guarantee and as long as it does not compromise its sustainability; the absence of such authorisation results in the sanction of absolute nullity, all of this serving as a guarantee for the maintenance of the integrity of the state airport network; airport charges and their essential components are defined, along with basic airport services and the framework for determining minimum standards of quality, capacity and service delivery conditions. It also includes the investments required for compliance and the conditions for recovering the costs incurred in providing these basic airport services.

Following the IPO mentioned in note 1.1, Aena S.M.E., S.A. began trading on the Madrid Stock Exchange, with a starting price of €58 per share. In June 2015 Aena joined the Ibex 35, an indicator featuring the top 35 Spanish companies listed on the stock exchange.

The share price at 31 December 2023 of Aena S.M.E., S.A. shares was €164.10 per share (€117.3 per share in 2022). The average share price for the last quarter of 2023 was €150.10 (€117.35 in 2022).

The rest of the subsidiaries are not listed on an organised market.

In 2023, Aena S.M.E., S.A. distributed dividends totalling €712,500 thousand to its shareholders from the profits earned in 2022. Of this amount, ENAIRE received €363,375 thousand, while the remaining €349,125 thousand was distributed to external partners. In 2022, Aena S.M.E., S.A. did not distribute dividends from the 2021 profit to its shareholders.

For its part, Aena Desarrollo Internacional S.M.E., S.A. (ADI) did not distribute dividends in 2023, nor in 2022.

In 2023, the subsidiary Aena Desarrollo Internacional S.M.E., S.A. received dividends from LLAH III for the amount of €5,993 thousand (2022: LLAH III did not distribute dividends).

In compliance with Article 155 of the Capital Companies Act, the Group has notified all these companies that, either directly or through another subsidiary, it holds more than 10% of the capital.

There is no significant restriction on the ability of subsidiaries to transfer funds to the parent company in the form of cash dividends or to repay loans.

On 18 August 2022, Aena Desarrollo Internacional S.M.E., S.A. was awarded the concession of 11 airports in Brazil, located in the states of São Paulo, Mato Grosso do Sul, Minas Gerais and Pará, specifically the following airports in the SP/MS/PA/MG Block: Congonhas - São Paulo, Campo Grande, Corumbá, Ponta Porã, Maestro Wilson Fonseca – Santarém, João Corrêa da Rocha – Marabá, Carajás – Parauapebas, Altamira, Ten. Cel. Aviador César Bombonato – Uberlândia, MárioRibeiro - Montes Claros, Mario de Almeida Franco – Uberaba.

In accordance with the provisions of Law 40/2015, of 1 October, on the Legal Regime of the Public Sector, on 18 October 2022, the Council of Ministers approved authorizing Aena Desarrollo Internacional to establish in Brazil the state-owned company Bloco do Onze Aeroportos do Brasil S.A. (hereinafter, "BOAB"), to be the future concessionaire of the airports in the SP/MS/PA/MG Block. On 16 November 2022, BOAB was incorporated as a company wholly owned by Aena Desarrollo Internacional, with an initial share capital of 10 thousand Brazilian Reais, which was fully subscribed by Aena Desarrollo Internacional and of which 1,000 Brazilian Reais were paid up.

Its corporate purpose is the provision of public services for the expansion, maintenance and operation of the airport infrastructure of the airport complexes comprising the SP/MS/PA/MG block.

The Governing Board of BOAB, at its meeting held on 28 November 2022, approved a share capital increase of BRL 4.124 billion, which was fully subscribed by Aena Desarrollo Internacional. On 26 January 2023, Aena Desarrollo Internacional paid up the amount of BRL 1,639 million of the share capital, complying with the minimum amount to be paid up in accordance with the Tender Specifications.

On 28 March 2023, a concession contract was signed for the provision of public services related to the expansion, maintenance and operation of the airport infrastructure of 11 airports in Brazil, located in four states (São Paulo, Mato Grosso do Sul, Minas Gerais and Pará). The concession contract came into force on 5 June 2023 and has a duration of thirty years, with the possibility of extension for an additional five years. BOAB commenced the management of the 11 airports in a phased approach during the latter part of 2023, specifically in October and November, subsequent to the approval of the Operational Transition Plans by the regulator.

Considering the specifications outlined in the tender specifications, this contract falls under the category of a concession-based public service management contract. The selected bidder is obligated to deliver all services typically expected from an airport operator, excluding Air Traffic Control (ATC) services.

The concession is for a period of 30 years with the possibility of a 5-year extension. It is BOT (build, operate and transfer) concession, and all airports are subject to a dual-till regulatory model.

The new Concessionaire will be entitled to receive a fee for the use of the facilities and for the provision of services related to the management of the airport.

In addition, the Administration receives a fixed fee of BRL 2.45 billion (approximately €457.5 million) on the date of signing the contract and a variable fee from the fifth year onwards based on the gross revenues of the concession agreement. The fifth year consideration is 3.23% and increases progressively (6.46% in the sixth year, 9.69% in the seventh year and 12.92% in the eighth year) to 16.15% per annum in the ninth and subsequent years until the end of the concession.

The National Civil Aviation Agency (ANAC - Agência Nacional de Aviação Civil) estimated an investment amount of BRL 5,808 million, based on constant prices from October 2020, as outlined in the tender specifications. At Congonhas airport alone, a total investment of BRL 3.35 billion was planned over the 30-year concession period, of which 75.4% (BRL 2.53 billion) was to be invested in infrastructure expansion in the first five years of the contract.

On March 15, 2019, Aena Desarrollo Internacional S.M.E., S.A., was declared the winner by ANAC at the Sao Paulo Stock Exchange, in the auction related to the concession of the Northeast Brazil airport group. The concession is for a term of 30 years, with an additional optional extension of 5 years, and includes six airports: Recife, Maceió, João Pessoa-Bayeux, Aracajú, Juazeiro do Norte, and Campina Grande.

On April 12, 2019, the Council of Ministers, in line with Law 40/2015 of October 1, governing the Legal Regime of the Public Sector, granted authorization to Aena Desarrollo Internacional S.M.E., S.A. to establish in Brazil the state trading company Aeroportos do Nordeste do Brasil S.A.(hereinafter referred to as "ANB") as the concessionaire responsible for managing the aforementioned airports.

Considering the specifications outlined in the tender specifications, this contract falls under the category of a concession-based public service management contract for a period of 30 years, extendable for an additional 5 years. The selected bidder is obligated to deliver all services typically expected from an airport operator, excluding Air Traffic Control (ATC) services.

The Murcia Region International Airport (AIRM) was inaugurated and commenced operations on 15 January 2019, in accordance with the provisions outlined in the "Protocol to establish the foundations for the development of civil aviation in the Autonomous Community of the Region of Murcia" and the proposal submitted by Aena S.M.E., S.A. in the public tender for the management and operation of AIRM. Murcia San Javier Airport is now exclusively for military use.

Both the concession agreement for the Northeast Brazilian Airports and the Murcia Region International Airport are governed by Order EHA/3362/2010, dated 23 December, which approves the regulations for adapting the General Accounting Plan to public infrastructure concession companies. These agreements are reflected in the Group's consolidated financial statements. For the former company, they are included from 2019, and for the latter, from 2018, following the intangible asset model (refer to notes 5.2 and 10).

There were no operations carried out by the Group during the 2023 fiscal year that have led to changes in the scope.

ENAIRE

2. Associated and Multigroup Companies

Associated companies are organisations over which any of the companies included within the consolidation group exerts substantial influence. Significant influence must be construed as the participation in the company by the Group, having the power to intervene in financial and operating decisions of such company without the Group having the control. Details of associates accounted for using´ the equity method in the consolidated accounts at 31 December 2023 and 2022 are as follows:

Associate Registered Office	Activity	Shareholding (%)				Value of the share (Thousands of euros)	
			Holder	2023	2022	2023	2022
Ingeniería y Economía del Transporte S.M.E.M.P., S.A. (INECO) (1) *Paseo de la Habana, 138 Madrid*	Operation, conservation, management and administration of airport infrastructures, as well as complementary services.	Direct	Enaire	45.85%	45.85%	3,783	3,783
STARTICAL, S.L. (4) *Avda. de Aragón s/n*	Development and provision of satellite surveillance, ADS-B, VHF voice and data communications services	Direct	Enaire	50%	50%	3,323	7,463
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) (2) *México DF*	Pacific airports operator GAP	Indirect	Aena Desarrollo Internacional	33.33%	33.33%	50,555	50,555
Sociedad Aeroportuaria de la Costa S.A. (SACSA) (2) *Aeropuerto Rafael Núñez Cartagena de Indias – Colombia*	Operation Cartagena Airport	Indirect	Aena Desarrollo Internacional	37.89%	37.89%	690	690
Aeropuertos del Caribe, S.A. (ACSA) (3) *Aeropuerto Ernesto CortissozBarranquilla – Colombia*	Operation Barranquilla Airport	Indirect	Aena Desarrollo Internacional	40%	40%	-	-
Aerocali, S.A. (3) *Aeropuerto Alfons Bonilla Aragón Cali - Colombia*	Operation Cali Airport	Indirect	Aena Desarrollo Internacional	50%	50%	2,927	2,927

(1) Company audited by PKF ATTEST Servicios Empresariales, S.L.
(2) Companies audited by the KPMG network.
(3) Companies audited by other auditors.
(4) Company audited by Price Waterhouse Coopers, L.L.P

The closing date for the financial year of the latest annual accounts prepared by all the associates is 31 December 2023, with their financial year coinciding with the calendar year.

As of 31 December 2023 and 2022 none of the associated companies are listed on the stock exchange.

The initial share capital of STARTICAL S.L. was initially set at €3 million, represented by 3,000 shares with a nominal value of €1,000 each, and a share premium of €6,950 thousand. Both the initial share capital and the share premium were borne equally by ENAIRE and INDRA.

The shareholders' agreement stipulated in clause 3.1 that a capital increase would be executed in the first quarter of 2022, mirroring the previous one, both in terms of the number of shares and the share premium. However, as a result of the Company's financing needs, the shareholders decided at the Ordinary General Meeting of 14 June 2022 to execute a partial capital increase with respect to that previously agreed by the shareholders.

In this respect, the company's share capital was increased by €1,500 thousand by creating 1,500 shares with a nominal value of €1,000 each, with a total share premium of €3,475 thousand. These shares confer the same rights and obligations as the previous ones.

Following this capital increase through equal cash contributions from ENAIRE and INDRA, the share capital of STARTICAL S.L. amounts to €4,500 thousand, represented by 4,500 shares with a nominal value of €1,000 each, and an assumption premium of €10,425 thousand.

Taking into account the accumulation of negative results since the establishment of the Company and the resulting depletion of its Net Worth, coupled with the delay in its entry into service by approximately 3 years due to the new revenue forecast made by the Company in November 2023, and in accordance with section 2.5.3 of the 9th General Accounting Plan "Financial Instruments", ENAIRE has impaired, as of the end of 2023, in agreement with INDRA, its participation in STARTICAL, by an amount estimated to cover all losses incurred attributable to ENAIRE since its establishment until December 31, 2023.

This impairment charge of €4,139 thousand results in the carrying amount of ENAIRE's interest in STARTICAL decreasing from €7,463 thousand at 31 December 2022 to €3,323 thousand at 31 December 2023.

Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V. (AMP) has a stake in Grupo Aeropuerario del Pacífico, S.A. (GAP), which is listed on the Mexican and New York stock exchanges, which, as a consequence of the redemption of treasury shares by GAP during 2021 and 2022, increased AMP's stake in GAP to 18.5359% as of 31 December 2022 and 19.02% as of 31 December 2023.

On 13 April 2023, the GAP shareholders' meeting approved the cancellation of 7,024,113 shares acquired by the company itself, which resulted in an increase in AMP's stake in GAP from 19.02% to 19.28% following the cancellation, which is pending formal cancellation by the Mexican National Banking and Securities Commission.

In addition, the Group estimates the recoverable amount of this investment in AMP by reference to the listed value of Grupo Aeroportuario del Pacífico, S.A.B. de C.V. (Gap), main asset of AMP, as well as the revenue from management contracts between both companies.

The share price at the end of 2023 was MXN 296.43 (2022: MXN 279.40), and the average price for the last quarter in 2023 was MXN 251.74 (2022: MXN 300.16).

On 1 September 2020, the concession of the Alfonso Bonilla Aragón International Airport, Cali, managed by Sociedad Aerocali S.A., came to an end. The contract was extended on several occasions as a result of agreements reached with the Colombian National Infrastructure Agency (ANI - Agencia Nacional de Infraestructuras). On 31 October 2023, it was extended until 30 April 2024.

The Group has estimated that the cash flows generated and expected to be generated until the end of the concession will enable it to recover the value of its interest in Aerocali, making it unnecessary to recognise any impairment.

Similarly, the concession for the Rafael Núñez international airport in the city of Cartagena de Indias, managed by Sociedad Aeroportuaria de la Costa S.A., ended on 25 September 2020. The contract has subsequently been extended on several occasions as a result of agreements reached with the ANI. The last signed extension is until 29 February 2024, the date on which the concession will be definitively terminated.

In 2023, the subsidiary Aena Desarrollo Internacional S.M.E., S.A. received dividends from Aerocali for the amount of €5,999 thousand (2022: €1,945 thousand) and from CMB for €25,035 thousand (2022: €21,811 thousand). SACSA did not distribute dividends in 2023 (2022: €1,820 thousand).

In 2023, ENAIRE received dividends from its associated company INECO S.M.E.M.P., S.A. for the amount of €6,833 thousand (2022: €3,465 thousand).

In compliance with Article 155 of the Capital Companies Act, the Group has notified all these companies that, either directly or through another subsidiary, it holds more than 10% of the capital.

3. Basis of presentation

3.1. Legal framework for financial information applicable to the Group

These consolidated Annual Accounts have been prepared in accordance with the regulatory framework of financial information applicable to the Group, which is that established in:

a) Code of Commerce and other commercial legislation in force.

b) The Rules for the Formulation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 and the General Accounting Plan in force.

c) The mandatory rules approved by the Spanish Institute of Accounting and Auditing Standards (ICAC - Instituto de Contabilidad y Auditoría de Cuentas) in the development of the General Accounting Plan and its complementary standards.

d) All other applicable Spanish accounting legislation.

In accordance with the provisions of Article 43 bis section a) of the Commercial Code, because the Subsidiary Aena S.M.E., S.A. began listing its securities on the continuous market on 11 February 2015, ENAIRE must present its consolidated annual accounts applying the International Financial Reporting Standards starting from 2015.

Following an inquiry made to the IGAE, a response was received on 26 June 2015, determining that ENAIRE should continue presenting the consolidated accounts in accordance with the NOFCAC (PGC), because:

- The provisions outlined in Article 43 bis section a) are applicable when the parent company has the legal form of a "company".
- If the parent entity is a Public Corporate Entity, such as ENAIRE, the Sole Additional Provision shall apply. Obligation to consolidate certain entities of the state public sector according to the Order of 12 December 2000, which regulates the preparation of the General State Account, establishes:

  "Public corporate entities and other entities of the public sector, except for state-owned commercial companies subject to commercial accounting regulations, which form a group by controlling other entities under these regulations, according to the criteria set forth in section 1 of chapter 1 of the Rules for the Preparation of Consolidated Annual Accounts, approved by Royal Decree 1815/1991 of December 20, will prepare their consolidated annual accounts in accordance with these Rules for the purpose of drafting the General State Account".

3.2. Fair presentation

The attached consolidated Annual Accounts have been obtained from the accounting records of the Parent Entity and its subsidiaries and are presented in accordance with the regulatory framework of financial reporting applicable to it, and specifically with the requirements, principles and accounting criteria contained therein. As such, they provide a true and fair view of the company's assets, financial position, results and cash flows for the period.

The figures in all accounting statements that are part of the consolidated Annual Accounts (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement), and the notes to these consolidated Annual Accounts are expressed in thousands of euros, rounded to the nearest thousand, unless explicitly stated otherwise in millions of euros. The euro is the Group's functional and presentation currency.

The Consolidated Annual Accounts of the ENAIRE Group for the fiscal year 2022, prepared under the current regulatory framework, were approved during by the Governing Board held on 31 May 2023 and are accessible on ENAIRE's website.

Those accounts, along with those of the Entity, are published in the "Registry of Annual Accounts of the Public Sector", the reference of which was published in the Official State Gazette on 31 July 2023, by the General Intervention of the State Administration (IGAE - Intervención General de la Administración del Estado), in accordance with Article 136.3 of the General Budget Law, as amended by Order HAC/360/2021, of 14 April.

The consolidated Annual Accounts of ENAIRE and its Subsidiaries for the financial year 2023, prepared by the Chairman of the Parent Entity, will be submitted for approval by the Governing Board of ENAIRE, and are expected to be approved without modification.

3.3. Accounting principles applied

These consolidated Annual Accounts have been presented taking into account all the mandatory accounting principles and standards that have a significant effect thereon. All mandatory accounting principles have been applied.

3.4. Critical factors for measuring and estimating uncertainties

The preparation of consolidated financial statements requires assumptions and estimates that have an impact on the amount recognised for assets, liabilities, income, expenses and related disclosures.

The estimates and judgements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained below.

- The assessment of possible impairment losses on certain assets (note 5).
- The useful life of property, plant and equipment; intangible assets; and property investments (note 5).
- The calculation of provisions (note 19.1).
- The market value of certain financial instruments (note 14).
- Determination of current and deferred tax (notes 20.1, 20.5 and 20.7).
- The recoverability of the deferred tax asset (note 20.5).
- Recognition of income (note 5.11).

These estimates and assumptions are based on the best information available on the date of presentation of the Annual Accounts and are reviewed periodically. However, it is possible that either the availability of additional information or future events may make it necessary to change the estimates at the accounting close in future periods. In this case, the effects of changes in estimates would be recorded prospectively.

3.5. Comparison of information

In accordance with current regulations, the figures for the previous year are presented for comparative purposes in each of the items of the consolidated Balance Sheet, consolidated Income Statement, consolidated Statement of Changes in Equity, consolidated Cash Flow Statement and the quantitative information required in the notes to the consolidated Annual Accounts, in addition to the figures for 2023. During 2023, there were no significant changes in accounting criteria with respect to the criteria applied in 2022.

The figures in the accompanying consolidated Annual Accounts are expressed in thousands of euros, unless otherwise indicated.

Deferred Tax Assets

As indicated in note 5.10, the Parent Entity evaluates the unrecognised deferred tax assets at each closing, and these are recognised to the extent that it becomes probable that they will be recovered through future tax benefits.

In the 2023 financial year, in the preparation of the Tax Planning for the aforementioned assessment, the ruling of 18 January 2024 of the plenary session of the Constitutional Court (note 28), which unanimously declared unconstitutional and null and void certain corporate income tax measures introduced by Royal Decree-Law 3/2016 of 2 December, has been considered within its variables.

The measures contained in the Royal Decree-Law declared null and void by the Constitutional Court are as follows:

- The setting of stricter ceilings for the offsetting of tax loss carryforwards;
- 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.

In particular, the impact of considering this ruling as a variable on the tax planning of the Parent Entity has been that the offsetting of tax loss carryforwards has shifted from a 25% limit of the tax base to a 70% limit (the limit before the partially annulled Royal Decree-Law).

As a result of the increase in the compensation limit in Tax Planning and in application of the resolution from the Institute of Accounting and Auditing (ICAC) dated February 9, 2016 (see note 5.10), ENAIRE, after evaluating which tax assets are to be recognised on its balance sheet at the end of the 2023 fiscal year, has recognised 146.6 million in tax loss carryforwards as non-current assets at the end of the 2023 fiscal year. These were previously considered a Contingent Asset off-balance sheet as of 31 December 2022 (notes 19.2.2 and 20.5).

Special Active Reserve

On 20 December 2022, Law 26/2022 of 19 December, amending Law 38/2015 of 29 September on the railway sector, was published in the BOE. Its first final provision included an amendment to Law 9/2010 of 14 April, which regulates the provision of air traffic services, establishes the obligations of civil providers of these services, and sets certain working conditions for civil air traffic controllers.

Specifically, the concept of the Active Special Reserve was developed, addressing, among other issues, the problem of the mandatory retirement of air traffic controllers at the age of 65 (see note 19.1).

As a result of the creation of this new figure, a liability of €145 million was generated in the 2022 fiscal year. In 2023, only €23.4 million were added for this item.

3.6. Functional and reporting currency

The euro is the Group's functional and reporting currency. The figures in the accompanying consolidated Annual Accounts, rounded to the nearest thousand, are expressed in thousands of euros, unless otherwise indicated.

3.7. Grouping of items

Certain items in the consolidated Balance Sheet, the consolidated Income Statement, the consolidated Statement of Changes in Equity, and the consolidated Statement of Cash Flows are presented in an aggregated form to facilitate understanding. However, where significant, the mandatory disaggregated information has been included in the corresponding notes to the Financial Statements.

3.8. Changes in accounting criteria

The effect of any change in fundamental criteria is recorded as follows: if the change in the criteria had affected the Income Statement of previous years, the cumulative effect at the beginning of the year is adjusted in reserves, while the effect in the year itself is recorded against profit and loss. In these cases, financial data for the comparative financial year presented together with the current financial year are also expressed.

During 2023, there was no change in criteria with respect to the criteria applied in 2022.

4. Distribution of profit or application of losses of the Parent Company

As set out in Article 29 of ENAIRE's Bylaws, when its Annual Income Statement shows a surplus, this surplus shall be used for the following purposes:

- The dividends from subsidiaries unrelated to the air navigation business must be paid into the Public Treasury in the fiscal year in question, unless the surplus is less than these dividends, in which case the surplus will be paid.

  This will be done whenever the financial perspectives allow this result to be met.

- The remainder of the surplus shall be allocated, by resolution of the Governing Board, to offset losses, if any, from previous years, to reserves and to the Treasury.

The result for the financial year 2023 of €459,109 thousand originates from:

- Result attributable to ENAIRE's operations: €100,460 thousand. This positive result is mainly due to the activation of tax loss carryforwards which represent income tax revenue (see notes 3.5, 20.3 and 20.5).
- Dividends received in the month of April 2023 as distribution of the result of the financial year 2022 of Aena S.M.E., S.A: €358,649 thousand net of custody fees (passed on to ENAIRE by Banco Sabadell) and attributable corporate tax (5% of dividends received are subject to corporate tax and not exempt, with custody fees being deductible):

Item	Thousands of euros
Dividends received from Aena, S.M.E., S.A.	363,375
Custody expenses	(245)
Corporation tax	(4,481)
Net Amount of Dividends	**358,649**

Taking this into account, the proposed allocation of the profits for the year 2023 by the President of the Public Corporate Entity to the Governing Board of the Parent Entity, in accordance with its Bylaws, is as follows:

	Thousands of euros
Basis of distribution:	
Income Statement balance	**459,109**
Application:	
Public Treasury payment of dividends obtained from Aena S.M.E., S.A.	**358,649**
Offset of losses from prior years	**100,460**

On 26 April 2023, the Governing Board of ENAIRE approved the payment to the Public Treasury of 77% of the amount received by the Entity in dividends distributed by Aena, S.M.E, S.A., which represented an income of €279,799 thousand.

This percentage arises because, under corporate tax regulations, ENAIRE must make advance payments that are at least 23% of the income that includes the dividends received (see note 18).

Therefore, €78,850 thousand from the application of profit/loss for the financial year 2023 remain to be paid to the Public Treasury. ENAIRE will make this payment in January 2025 or when it receives the Corporation Tax refund for fiscal year 2023, if it occurs previously.

The allocation of fiscal year 2022 results, approved by the Governing Board of the Parent Entity on 31 May 2023, as included in the Annual Accounts Memorandum of the 2022 fiscal year, is presented in the Statement of Changes in Equity of the Entity.

5. Recognition and measurement standards

The main valuation standards used by the Public Corporate Entity and its subsidiary companies (ENAIRE Group) in preparing their consolidated Annual Accounts for fiscal year 2023, in accordance with the General Accounting Plan approved by Royal Decree 1514/2007 and its amendments introduced by Royal Decree 1159/2010, are as follows:

5.1. Principles of consolidation applied

- Subsidiary entities are considered those linked to the Public Corporate Entity "ENAIRE" through a controlling relationship (direct and indirect ownership percentage exceeding 50%). The annual accounts of subsidiaries are consolidated using the full consolidation method.
- Associates are entities in which the Entity has the capacity to exert significant influence. It is assumed that there is significant influence when the percentage of ownership in the subsidiary exceeds 20% and up to 50%. Such entities are included in the consolidation using the equity method.
- In cases where significant differences in accounting and valuation criteria have been followed by subsidiary companies compared to the parent company, appropriate adjustments have been made to present the consolidated Annual Accounts of the Group in a uniform manner.
- The different items from the individual Annual Accounts of the Parent Entity and its Subsidiaries, which have been standardised beforehand, are aggregated according to their nature.
- The carrying values of equity instruments of all subsidiary companies owned by the parent company are offset against their equity. In consolidations subsequent to the fiscal year in which control was acquired, the excess or deficit of net assets generated by the subsidiary from the acquisition date attributable to the parent company is presented in the Consolidated Balance Sheet within the items of reserves or adjustments for changes in value, depending on their nature. The portion attributable to minority stakes is recorded under “Non-controlling interests”.
- The balances, transactions and cash flows between the companies and entities of the ENAIRE Group have been eliminated in the consolidation process. Likewise, all results generated by internal operations are eliminated and deferred until they are realised with third parties outside the Group.

- Any variations in the reserves of the various subsidiary companies between the different dates of acquisition or initial consolidation and 31 December 2023 are included in the 'Reserves in consolidated companies' section of the Consolidated Balance Sheet.
- The annual accounts of the companies and entities within the Group used in the consolidation process are, in all cases, those corresponding to the financial year ended 31 December 2023.
- The results of operations of acquired or disposed companies have been included from or up to the date of acquisition or disposal, as applicable.
- For the purposes of these Consolidated Annual Accounts, the date of initial consolidation for each consolidated subsidiary is considered to be the date control was obtained or the date of initial consolidation, if later.
- **Conversion of annual accounts of foreign companies included in the consolidation perimeter**: The financial statements of investee entities whose functional currency is different from the Group's presentation currency, which is the euro, have been converted using the following procedures:
    - The assets and liabilities of their Balances are converted to the closing exchange rate at the date of the corresponding consolidated balance sheet.
    - The revenues and expenses of each item in the income statement are converted at the average exchange rate prevailing during the period in which they occurred.
    - All resulting exchange differences are recognised in the other comprehensive result.

  The adjustments to goodwill and fair value arising from the acquisition of a foreign entity are considered assets and liabilities of the foreign entity and are converted using the closing exchange rate. The resulting exchange differences are recognised in other comprehensive result.
- **External partners**: The value of third-party interests in the equity and results of companies consolidated using the full integration method is presented in the "non-controlling interest" section of the consolidated balance sheet's equity and in the "Profit/(Loss) attributed to non-controlling interests" line item of the attached consolidated income statement for the 2023 fiscal year.

5.2. Intangible assets

Intangible assets are recorded in the Assets section of the Balance Sheet at their acquisition price, production cost or assigned market value, adjusted for amortisation and any impairment losses incurred. Amortisation is calculated using the straight-line method based on the useful life of the various assets, utilizing the following years:

Item	Estimated years of useful life
Development	4
Computer Software	4-8
Other intangible assets	4-8

Development costs

Development costs are recognised as an expense when incurred; however, they are capitalised when the following conditions are met:

- They are specifically itemised by projects and their cost clearly established so that it can be distributed over time.
- They have sound reasons for the technical success and the economic and commercial profitability of the project.

The expenses that appear in the asset are amortised on a straight-line basis during the estimated useful life for each project, without it exceeding 4 years.

If the favourable circumstances of the project that allowed the capitalisation of development costs change, or if there are reasonable doubts as to the technical success or profitability of the project, the unamortised portion is charged directly to loss for the year.

Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the fair value at the acquisition date of any previously held equity interest in the acquired entity over the fair value of identifiable net assets acquired. If the total consideration transferred, recognised non-controlling interest and previously held equity interest valued at fair value are less than the fair value of the net assets acquired of the subsidiary, in the case of a very advantageous acquisition, the difference is recognised directly in the income statement.

For impairment testing purposes, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is controlled at the operational segment level.

Reviews of impairment losses on goodwill are conducted annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of the CGU containing the goodwill is compared with the recoverable amount, which is the higher of its value in use or its fair value less costs to sell. Any impairment loss is recognised immediately as an expense and is subsequently not reversed.

Goodwill is amortised over 10 years (see note 6).

Computer software

The amounts paid for access to ownership or for the right to use programs and software applications, whether acquired from third parties or developed internally by the Group, are included.

Acquired software licences are capitalised based on the costs incurred for their acquisition and for preparing the specific program for use. Development costs directly attributable to the design and performance of software tests that are identifiable and unique and likely to be controlled by the Group are recognised as intangible assets when the following conditions are met:

- Technically, it is possible to complete the production of the intangible asset so that it can be available for use or sale.
- The Group intends to complete the intangible asset in question, for use or sale.
- The Group has the capacity to use or sell the intangible asset.
- It can be demonstrated how the intangible asset will generate probable economic benefits in the future.
- There are adequate technical, financial or other resources available to complete the development and to use or sell the intangible asset.
- The disbursement attributable to the intangible asset during its development can be reliably valued.

Directly attributable costs that are capitalised as part of the software programs include personnel expenses for those developing the programs and an appropriate percentage of overhead costs.

Expenses that do not meet these criteria are recognised as expenses at the time they are incurred. Disbursements on an intangible asset initially recognised as expenses for the period are not subsequently recognised as intangible assets.

Software applications are amortised during their estimated useful lives, which normally do not exceed 8 years.

Maintenance expenses, comprehensive system review costs and recurring expenses resulting from the modification or update of these applications are recorded directly as expenses in the period in which they are incurred.

Concession agreements, regulated assets

Service concession agreements are public-private partnerships in which the public sector (i) controls or regulates the services that the concessionaire must provide using the infrastructure, to whom these services must be provided and at what price; and (ii) contractually controls any significant residual interest in the infrastructure at the end of the term of the agreement. The infrastructures accounted for by the Group as concessions refer to the Ceuta and Algeciras heliports, the Murcia International Airport, six Brazilian airports grouped under the so-called Grupo Aeroportuario del Nordeste de Brasil, and another eleven airports in Brazil corresponding to the SP/MS/PA/MG Block (Note 10).

The sectoral plan for public infrastructure concession companies regulates the treatment of service concession agreements, defining these as agreements whereby the granting entity entrusts a concessionaire company with the construction, including improvement, and operation of infrastructures intended for the provision of public services of an economic nature during the period specified in the agreement, in exchange for the right to receive compensation.

All concession agreements must meet the following requirements:

- The grantor controls or regulates which public services must be provided by the concession operator using the infrastructure, to whom they must be provided, and at what price; and

- The granting entity controls any significant residual interest in the infrastructure at the end of the term of the agreement.

In these concession agreements, the concessionaire acts as a service provider, specifically providing construction or infrastructure improvement services on the one hand, and operation and maintenance services during the agreement period on the other. The consideration received by the concessionaire company for the construction or improvement of infrastructure services is accounted for at fair value of the service provided. It is recorded as an intangible asset in cases where the right is received to charge users for the use of the public service, and this right is not unconditional but depends on users actually using the service. The consideration for the construction or improvement service is recorded as an intangible asset under the item "Concession agreement, regulated asset" in the "Intangible assets" section, applying the intangible model, where the demand risk is assumed by the concessionaire. In the case of the Group, intangible assets include the investment made in facilities received by the Group, which, once construction is completed, are operated under an administrative concession.

The right of access to infrastructure granted by the granting entity to the concessionaire for the purpose of operating services will be accounted for by the concessionaire as an intangible asset, in accordance with the 5th accounting standard "Intangible Assets" of the General Accounting Plan.

If there is no consideration, the counterpart will be recognised in accordance with the 18th accounting standard "Grants, donations and bequests" of the General Accounting Plan.

If, despite there being consideration, it is substantially lower than the fair value of the said right, the difference will be treated in accordance with the provisions of the previous paragraph.

In any case, it shall be understood that there is consideration and that it corresponds to the fair value of the said right, provided that the transfer of the infrastructure is included within the conditions of a tender in which the concessionaire company undertakes to make an investment or provide another type of consideration, and in return obtains the right to operate either only the pre-existing infrastructure or both the said infrastructure and any newly constructed infrastructure.

Only in the case of concession agreements classified as intangible assets, from the moment the infrastructure is ready for operation, financial expenses will be capitalised provided they are separately identifiable, reliably measurable, there is reasonable evidence, and future revenues are likely to recover the capitalised amount.

In case actual revenues for the period exceed those forecasted, the ratio will be calculated as the actual revenue divided by the total forecasted revenue.

If the amount of financial expenses for a period differs from the forecasted amount, the difference will be charged to the income statement in accordance with the paragraphs above.

If revenue forecasts are revised, the effects of the change will be applied prospectively as established in the preceding paragraphs.

The costs incurred to obtain concessions are amortised on a straight-line basis over the concession period, commencing amortisation when the infrastructure is ready for operation.

ENAIRE

Other intangible assets

The Group primarily has activated under Other Intangible Assets the Master Plans of airports and associated studies, which are amortised over a period of 8 years.

5.3. Property, Plant and Equipment

The property, plant and equipment are presented at their acquisition cost, production cost or fair market value of allocation, adjusted for accumulated depreciation and impairment losses, if any, according to the criteria mentioned in note 5.5.

The property, plant and equipment under allocation are valued at their fair market value at the time of allocation, determined by an independent appraisal.

The additions and purchases of fixed assets made by the Group are valued at their acquisition cost and include all necessary costs to bring the asset into working condition.

Interest costs incurred for the construction of any qualifying asset in the airport segment are capitalised during the period necessary to complete and prepare the asset for its intended use. The remaining interest costs are expensed in the period in which they are incurred.

The work carried out by the Group for its own fixed assets is recorded at the accumulated cost resulting from adding the consumption of materials, the direct labour force incurred and the general manufacturing costs.

Replacements or renewals of entire components that increase the useful life of the asset or its economic capacity are capitalised as an increase in the carrying amount of property, plant and equipment, with the corresponding retirement of the replaced or renewed components.

Routine maintenance, conservation and repair expenses are charged to the Income Statement, following the accrual principle, as costs in the period in which they are incurred.

The Group amortises its property, plant and equipment once they are in use using the straight-line method, spreading the carrying value of the assets over their estimated useful lives, except for land and works of art, which are not amortised. For allocated fixed assets, the estimated useful life was determined at the time of allocation based on the degree of utilisation of the different components comprising each category. The useful lives used are those listed below:

Item	Estimated years of useful life
Buildings	10-51
Technical Installations	4-22
Machinery	5-20
Other Installations	6-25
Furniture	4-13
Other Fixed Assets	5-20

The fixed assets related to airports are amortised based on the following criteria of useful life:

Item	Estimated years of useful life
Passenger and freight terminals	32-40
Airport civil works	25-44
Terminal equipment	4-22
Passenger transport between terminals	15-50
Airport civil works equipment	15

5.4. Investment Properties

Property investments include office buildings, land, hangars and owned facilities held for long-term rental income and not occupied by the Group.

The items included under this heading are stated at acquisition cost less accumulated depreciation and any impairment losses. For the calculation of amortisation on property investments, the straight-line method is used based on the estimated useful life:

Item	Estimated years of useful life
Buildings and warehouses	32-51
Technical installations	15

5.5. Impairment of intangible assets, property, plant and equipment, and Investment properties

According to Order EHA 733/2010, ENAIRE, the parent company of the Group, considers all its property, plant and equipment and intangible assets as non-cash-generating assets, as the required conditions are met:

- Required condition: this Order is mandatory for entities within the State Public Corporate Sector that must apply the accounting principles and standards outlined in the Commercial Code and the General Accounting Plan. It applies specifically to entities whose activities, considered strategic or of public utility, involve regularly delivering goods or providing services to other entities or users without compensation, or in exchange for a fee or a politically set price, directly or indirectly by the Public Administration.
- Sufficient condition: the assets are held for a purpose other than generating commercial returns, such as the social economic flows they generate, benefiting society as a whole. This includes their social benefit or potential service.

In accordance with the aforementioned Order, the impairment of value of these assets corresponds to a decrease in the usefulness of the asset to the entity that controls it.

At least at the end of the fiscal year, the Group assesses whether there are indications of impairment of its property, plant and equipment and intangible assets. A loss due to impairment should be recognised for a non-cash-generating asset or cash-generating unit or service if its carrying amount exceeds its recoverable amount at the determination date. For these purposes, the recoverable amount is the greater amount between:

- its fair value minus sales costs,
- and its value in use.

This value is determined, unless more reliable evidence is available, by considering its depreciated replacement cost. Depreciated replacement cost is defined as the cost to replace the asset, adjusted for accumulated amortisation based on that cost. This approach ensures that the assessment reflects the operational use and benefits derived from the asset while also accounting for any technical obsolescence that may affect it.

Given the losses recorded from 2020 to 2022 due to the global health crisis caused by the COVID-19 pandemic affecting air traffic, there may be indications of impairment of the assets of the Parent Entity. However, in accordance with Order EHA 733/2010, since the assets of the entity are non-cash-generating, impairment would not be recognised. This is because they continue to provide the same utility to the Entity, and their value in use remains unchanged, as the replacement cost has not varied.

On the other hand, the subsidiary Aena S.M.E., S.A. considers all its assets to be cash-flow generating. The recoverable amount is calculated for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the Cash-Generating Unit (CGU) to which it belongs.

The cash-generating units determined by the Group are as follows:

- The airport network, comprising all the Spanish airports managed by the Group except the one owned by AIRM.
- AIRM is considered a single cash-generating unit, encompassing both revenue from aeronautical activities and commercial activities at airports. This is due to the high interdependence of revenue between the two and the existence of a single asset shared by both activities, given the legal impossibility of disposing of, selling, or separating airport assets.
- The LLAH III (Luton) subgroup is also considered as a cash-generating unit.
- The state-owned company Aeroportos do Nordeste do Brasil S.A. also considered a single cash-generating unit in itself, similar to the assets related to the subsidiary AIRM.
- The new state-owned company, Bloco de Onze Aeroportos do Brasil S.A. (BOAB), established in November 2022, formed a cash-generating unit in 2023 following formalization of the concession agreement.

In the case of assets included in the property segment, the recoverable amount is calculated individually for each asset. The Group estimates impairments based on the fair value obtained from an independent expert appraisal.

Regarding the calculation of recoverable value, the procedure implemented by the Group for impairment testing at the level of cash-generating units, when applicable, is as follows:

- The Group prepares an annual business plan generally covering a period of four financial years, including the current financial year. The main components of this plan, which form the basis of the impairment test, are as follows:

- Income projections.
- Investment and working capital forecasts.

In these projections, financial forecasts included in the Group's Strategic Plan for the National Airport Network are taken into account, as well as business projections approved by the Group for the entire concession period in other concessionary companies. Other variables having an influence on the calculation of recoverable value are:

- Type of discount to be applied, understood as the weighted average cost of capital, the main variables influencing the calculation being the cost of the liabilities and the specific risks of the assets.
- Rate of cash flow growth used to extrapolate cash flow projections beyond the period covered by budgets or forecasts.

In addition, the Group conducts a sensitivity analysis of the impairment calculation resulting from the base model used, varying within a reasonable range the key financial assumptions considered in the calculation.

The losses related to impairment of the CGU initially reduce, if applicable, the value of goodwill allocated to it, and subsequently, the other assets of the CGU. This reduction is allocated based on the carrying amount of each asset, with the limit for each being the higher of its fair value less costs of disposal, its value in use or zero.

Except for goodwill impairments, which are not reversible, the potential reversal of impairment losses on non-financial assets is reviewed at each reporting date where financial information is presented. When an impairment loss reverses subsequently, the carrying amount of the cash-generating unit is increased by the lower of the asset's carrying amount that it would have had if no impairment had been recognised or its current fair value less any costs of disposal. This reversal is classified in the same line where the impairment loss was originally classified.

The Group has conducted impairment tests on CGUs where, following an analysis of impairment indicators, indications of impairment or reversal thereof have been identified.

The results of impairment tests conducted by the Group on these CGUs in the years 2023 and 2022, and their impact on the income statement, are as follows (negative amounts represent reversals and positive amounts represent provisions):

Cash Generating Unit	Impairment 31/12/2023	Impairment 31/12/2022
Real Estate Services	445	(159)
Murcia International Airport (AIRM - Aeropuerto Internacional Región de Murcia)	-	(3,841)
Airports in Northeast Brazil (ANB - Aeroportos do Nordeste do Brasil)	(155,462)	(32,972)
Total in thousands of euros	**(155,017)**	**(36,972)**

The hypotheses on the evolution of air traffic continue to be key aspects in the development of the different scenarios of the impairment tests. In this regard, the significant recovery in traffic, as well as the economic and financial results achieved in 2022 and, especially, in 2023, demonstrate a substantial improvement, confirming that the negative effects of the pandemic have been thoroughly overcome.

The reasonableness of the key assumptions made, the sensitivity analyses performed, the results and the conclusions reached regarding the impairment tests have been favourably reviewed by independent professionals from Deloitte at the close of the fiscal years ending 31 December 2023 and 2022. In no case were there significant discrepancies between the assumptions considered by the Group and those of the independent experts.

5.6. Leases

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

Finance lease

In finance lease operations where the Group acts as the lessee, the cost of the leased assets is presented in the consolidated Balance Sheet according to the nature of the leased asset. The cost is calculated by updating the payments to be paid under the contract, including the amount corresponding to the purchase option and the effective interest rate stipulated in the agreement. Simultaneously with the recognition of the cost, a liability is recorded for the same amount. The total financial burden of the contract is attributed to the consolidated income statement for the financial year in which it accrues, applying the effective interest rate. Contingent rents are recognised as an expense in the year in which they are incurred. The fixed assets acquired under financial leases are amortised and are depreciated in the period between the useful life of the asset and the duration of the contract.

In finance lease transactions where the Group acts as the lessor, at the commencement of the lease, a receivable is recognised for the present value of the minimum lease payments to be received plus the residual value of the asset, discounted at the interest rate implicit in the lease. The difference between the receivable recorded as an asset and the amount to be collected, corresponding to unearned interest, is recognised in the income statement as it accrues, in accordance with the effective interest method. Contingent instalments are expenses for the financial year when incurred. The corresponding lease obligations, net of finance charges, are included under the heading "Finance Lease Payables".

Operational Lease

Income and expenses arising from operating lease agreements are recognised in the consolidated income statement in the period in which they accrue.

Any payments or receipts made upon entering into an operating lease are treated as prepaid expenses or income and are recognised in the income statement over the lease term.

5.7. Financial instruments

Financial assets

The Group's financial assets are classified into the following categories:

i. ***Loans and receivables:*** These are non-derivative financial assets with fixed or determinable payments that do not trade in an active market. These are included under current assets, except those with a maturity date beyond twelve months from the date of the Balance Sheet, which are classified as non-current assets. Loans and receivables are included in "Trade and other receivables" in the Balance Sheet. These financial assets are initially measured at fair value, including directly attributable transaction costs, and subsequently at amortised cost. However, trade receivables with a maturity of one year or less are valued, both at initial recognition and subsequently, at their nominal value, provided that the effect of not discounting the cash flows is not significant.

At least at year-end, the Company makes the necessary impairment adjustments when there is objective evidence that it will not receive the owed amounts.

The amount of the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate at the moment of initial recognition. If the recoverable amount of these assets is estimated to be lower than their amortised cost, taking into consideration the debtor's solvency and the age of the debt, the Entity creates a provision for impairment equal to the amount of the difference.

Any adjustments and their reversal are recognised in the income statement.

ii. ***Financial assets held for trading***: those acquired with the aim of disposing of them in the short term or those that form part of a portfolio of which there is evidence of recent actions with this objective. This category also includes financial derivatives that are not financial guarantee contracts (e.g., guarantees) and have not been designated as hedging instruments. At 31 December 2023 and 2022, no assets of this category have been recorded.

iii. ***Available-for-sale financial assets*** : these are equity instruments of other companies. This category includes debt securities and equity instruments that are not classified in any of the above categories. They are included in non-current assets unless the Group intends to dispose of the investment within 12 months from the Balance Sheet date. They are valued at fair value, with changes directly recognised in equity until the asset is disposed of or impaired, at which point any accumulated gains or losses in equity are transferred to the income statement, provided that fair value can be reliably determined. If fair value cannot be reliably determined, these assets are recorded at cost less impairment losses. For available-for-sale financial assets, impairment adjustments are made when there is objective evidence that their value has declined due to a reduction or delay in estimated future cash flows for debt instruments acquired, or due to the lack of recoverability of the carrying amount for equity instruments. The valuation adjustment is the difference between its cost or amortised cost minus, where applicable, any valuation adjustments previously recognised in the income statement, and the fair value at the time of the valuation. In the case of equity instruments valued at cost because their fair value cannot be reliably determined, the valuation adjustment is determined in the same manner as for investments in the equity of group, multigroup and associated companies. If there is objective evidence of impairment, the Group recognises in the income statement the cumulative losses previously recognised in equity due to decrease in fair value. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. The fair values of the investments listed are based on current purchase prices. If the market for a financial asset is not active (including for non-traded securities), the Group determines fair value using valuation techniques that include recent transactions between knowledgeable and willing parties, references to substantially similar instruments, discounted cash flow methods based on estimated future cash flows and option pricing models, making maximal use of observable market data and minimising reliance on subjective considerations by the Group.

Financial Assets are derecognised from the books when the rights to receive cash flows related to them have expired or have been transferred, and the Group has substantially transferred the risks and benefits associated with ownership. In the specific case of receivables, it is understood that this event takes place, in general, if the insolvency and default risks have been transferred. Assets designated as hedged items are subject to the valuation requirements of hedge accounting.

The derecognition of a financial asset in its entirety involves recognising gains or losses for the difference between its carrying amount and the sum of the consideration received, net of transaction costs, including any assets obtained or liabilities assumed, and any deferred gains or losses recognised in equity.

The criteria for recognising the derecognition of financial assets in transactions where the Entity neither transfers nor retains substantially all risks and benefits inherent in their ownership are based on the analysis of the degree of control maintained.

iv. ***Cash and cash equivalents***: This includes cash on hand and in banks, as well as deposits and other financial assets that are convertible to cash with a maturity of no more than three months at the time of acquisition, are not subject to a significant risk of value change and are part of the Entity's normal cash management policy. These financial assets are recognised initially at the fair value of the consideration given plus any directly attributable transaction costs.

Financial liabilities

This category includes both trade and non-trade payables. These liabilities are classified as current liabilities, unless the Group has an unconditional right to defer their settlement for at least 12 months after the Balance Sheet date.

Debits and accounts payable are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs. Such liabilities are subsequently measured at amortised cost.

Nevertheless, the trade payables falling due within one year which do not have a contractual interest rate are measured initially and subsequently at their nominal amount, provided that the effect of not discounting the cash flow is not material.

In the event of renegotiation of existing debts, it is understood that there are no substantial changes to financial liabilities when the lender of the new loan is the same as that which granted the initial loan and the present value of the cash flow, including net commissions, does not differ by more than 10% of the present value of the outstanding cash flow on the original liability calculated under the same method.

Derivative instruments

The Group uses derivative financial instruments to cover the risks to which its future cash flows are exposed. Basically, these risks are caused by changes in exchange rates and interest rates.

For a financial instrument to qualify as an accounting hedge, it must have been designated as such initially, with the hedging relationship documented. Furthermore, the effectiveness of the hedging relationship is assessed initially and periodically throughout its life (at least at each financial closing) to ensure that, prospectively, changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) are expected to be almost completely offset by changes in the hedging instrument. Retrospectively, the results of the hedging have fluctuated within a range of variation from 80% to 125% compared to the result of the hedged item.

Financial derivatives designated as hedges according to the previous paragraph are recorded as assets or liabilities, based on their sign, at fair value, with the offsetting entry in the "Hedging Operations" account in equity, until their maturity, at which point they are recognised in the income statement concurrently with the hedged item.

The accounting of hedges is halted when the hedging instrument expires, is sold, terminated or exercised, or ceases to meet the hedge accounting criteria. At that time, any accumulated profit or loss corresponding to the hedging instrument is transferred to the results of the period.

Confirming

The Group has contracted reverse factoring services with diverse financial institutions to manage payments to suppliers. As of 31 December 2023, and 2022, there are no debts with financial intermediaries arising from reverse factoring operations on trade payables, nor has there been any postponement of debts initially held with trade creditors.

5.8. Inventories

Inventories include spare parts and various materials held at the Central Warehouses and the Logistics Support Depot of Aena S.M.E., S.A., as well as the Logistics Support Centre of the parent Public Corporate Entity, and are initially valued at acquisition cost. Subsequently, if the net replacement value of the inventories is lower than the acquisition cost, the corresponding valuation adjustments are made. If the circumstances that caused the correction of the inventory value cease to exist, the amount of the correction is subject to reversal.

5.9. Foreign currency transactions

Functional and reporting currency

The items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in euro, which is the functional and presentation currency of the ENAIRE Group.

Transactions and balances

Foreign currency transactions are converted to the functional currency using the exchange rates in force on the dates of the transactions. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive result as cash flow hedges and net investment hedges. Exchange differences on losses and gains related to loans and cash and cash equivalents are presented in the consolidated income statement under the line item "Other net financial income/expenses". The remaining exchange rate gains and losses are presented under the same heading.

The results of companies accounted for using the equity method are translated into the presentation currency by translating all assets, rights and obligations using the exchange rate prevailing at the date of the consolidated financial statements and by translating the items in the consolidated income statement of each foreign company into the presentation currency using the average annual exchange rate, calculated as the arithmetic mean of the average exchange rates for each of the twelve months of the year, which do not differ significantly from the rate at the date of the transaction. The difference between the amount of equity, including the result calculated as above, translated at the historical exchange rate, and the net asset and liability position resulting from the translation of assets, rights and obligations, is recorded, with a positive or negative sign as appropriate, in equity under Translation Differences.

5.10. Income tax

The expenditure or income from the Income Tax comprises the portion relating to the expenditure or income from the current tax and the part corresponding to the expense or deferred tax income. Both the expense (income) for deferred and current tax is recorded in the Consolidated Income Statement. However, the tax effect related to items that are recognised directly in Equity is recognised in Equity.

Current tax is the amount the Group pays as a result of the income tax assessments relative to a fiscal year. Deductions and other tax benefits on the tax liability generated in the year itself, excluding withholdings and payments on account, result in a lower amount of current tax.

The deferred tax expense or income corresponds to the recognition and reversal of deferred tax assets and liabilities, which include temporary differences identified as the amounts expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their tax value. Tax loss carryforwards and unused tax credit carryforwards of the same year are recorded as positive tax adjustments. Such amounts are recognised at the tax rates that are expected to be applied to the timing difference or credit when the asset is realised or the liability is settled.

However, tax loss carryforwards and tax deductions from previous years that are applied to the tax do not result in a higher or lower expense as they have been capitalised in previous years.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are only recognised to the extent that it is considered probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Deferred tax assets and liabilities arising from transactions debited or credited directly in equity are also recognised in equity as the balancing entry.

At year-end, the recognised deferred tax assets of the Parent Entity are reassessed, and appropriate adjustments are made to the extent that there are doubts regarding their future recovery. Similarly, the Parent Entity evaluates the unrecognised deferred tax assets at each closing, and these are recognised to the extent that it becomes probable that they will be recovered through future tax benefits. As a result of the application of the resolution of the Institute of Accounting and Auditing (ICAC) of 9 February 2016, after estimating the 2023 corporate tax, tax planning required an increase in the tax bases by €146,618 thousand and a decrease in temporary differences by €26,588 thousand. In 2022, due to the year's losses and tax loss carryforwards, a theoretical capitalisation of €57,461 thousand in tax credits (tax losses, temporary differences and deductions) was generated. However, during tax planning, it was necessary to reduce them by €47,766 thousand.

5.11. Income and expenses

Income and expenses are booked on an accrual basis, that is, when the actual flow of the goods and services they represent occurs, regardless of when the monetary or financial flow derived thereof takes place.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts to be collected for goods sold, net of discounts, returns and value-added tax.

The most important revenue obtained by the Parent Entity for Air Navigation services comes mainly from En-route Air Navigation fees.

En-route Air Navigation Services:

The En-route Air Navigation fees are governed by a regulated system at the European level, established in Commission Implementing Regulation (EU) 2019/317 of 11 February 2019, which sets out a performance assessment and pricing system for Air Navigation Services and network functions in the Single European Sky. This regulation entered into force on 17 March 2019 (applying to the third reference period (2020-2024) and subsequent periods), repealing the previous Implementing Regulations (EU) No. 390/2013 and (EU) No. 391/2013.

The operation of the charge system is based on regulated rates and the principle of risk-sharing between Air Navigation Service Providers and users (airlines), including the development of a Performance Plan for a five-year period that includes cost and traffic scenarios, as well as cost-efficiency targets.

The mechanism for determining annual unit rates is based on cost and traffic data specified in the current Performance Plan, which is adjusted by a series of corrections that reflect the aforementioned risk-sharing and aim to partially rectify discrepancies between actual annual data and the planned data.

In the case of deviations between actual and determined costs, these are borne (either favourably or unfavourably) by the service providers, aiming to promote greater efficiency in management, except for the exceptions specified in Commission Implementing Regulation (EU) 2019/317. Furthermore, deviations between actual and determined traffic are shared between service providers and users according to the provisions of the aforementioned Regulation. As such, a portion of the lower or higher revenues from fees in a given year, due to traffic differences, will be considered in the calculation of the unit rates for year n+2.

Similarly, there are other adjustment factors, such as deviations between planned and forecasted inflation, and also the possible occurrence of cost variations (favourable or unfavourable) caused by factors beyond the service provider's control (e.g., changes in a law, variations in tax regulations, etc.).

In summary, it could be said that the calculation of the unit rate for a year is based on the sum of the costs determined for that year, plus (or minus) the adjustments, divided by the determined traffic (service units).

In the year 2023, in accordance with the strategic plan "Flight Plan 2025", route rates increased by 11% in the Peninsula and 8% in the Canary Islands, remaining lower than those of 2019.

Regarding the year 2024, the route rate has increased by 14.7% in the Peninsula and 9.6% in the Canary Islands, in line with the Strategic Plan (PV2025) and the RP3 Performance Plan, reaching levels very similar to those of 2019.

In 2022, with the aim of helping Ukraine and other countries near the conflict caused by Russia's invasion of Ukraine, the following European Solidarity Funds related to the Route Fee were created, to which Spain contributed:

- **Ukraine and Moldova European ATM Voluntary Contribution Fund for 2022 and 2023.**
  Aimed at covering personnel/training costs and any other costs to ensure the operational availability of Air Navigation Service providers once air traffic recovers. The maximum amount of the Fund amounted to a total of €46.5 million (€43.5 million for Ukraine and €3 million for Moldova).

  The Fund was created on 12 December 2022 following voluntary confirmation from the participating countries before 1 December 2022. Spain's contribution amounted to €4.69 million, for which Eurocontrol reduced the reimbursements for en-route fees to ENAIRE, in equal amounts of €782 thousand for 6 months, between 15 December 2022 and 14 May 2023.

  In July 2023, the Ministry of Transport and Sustainable Mobility compensated the €4.69 million through a budget allocation.

After the temporal scope for 2022 and 2023 was completed, and facing the prospect of ongoing conflict into 2024, Eurocontrol proposed, at the request of Ukraine and Moldova, the extension of this voluntary ATM Solidarity Fund to ensure operational sustainability and continuity, this time throughout 2024 and beyond into the recovery period.

The total amount requested by Ukraine and Moldova to cover the costs of personnel, training and other technical and operational needs for the year 2024 amounts to €37.36 million euros, which is lower than the amount requested for 2022-23.

Following Spain's affirmative vote in the Provisional Council (PC) of Eurocontrol regarding the continuity of the fund. Spain maintains its contribution to the **“Extension of the European ATM Voluntary Solidarity Fund”** by reducing ENAIRE's route navigation fee revenues by €3.15 million, divided into equal amounts of €0.525 million over 6 months, from 15 January 2024 to 15 June 2024. The Ministry of Transport and Sustainable Mobility is expected to compensate ENAIRE, assuming the total amount corresponding to Spain of the extension of the Fund through a budget item, as confirmed by the Ministry.

- **Front Line States Voluntary Temporary Contribution Fund for 2022 and 2023.**

Aimed at covering personnel/training costs and any other expenses to ensure continuity of operations. The amount of this Fund amounted to €46.1 million (Estonia €6 million, Latvia €5.6 million, Lithuania €6.2 million and Poland €28.3 million).

The Fund was established on 12 December 2022 following voluntary confirmation by participating countries prior to 1 December 2022, with the expectation that beneficiary countries would be able to repay, in 2025, the amounts received from the fund.

Spain's contribution amounted to €4.82 million, for which Eurocontrol also reduced the reimbursements for en-route fees to ENAIRE, in equal amounts of €803.9 thousand from 15 December 2022 and for 6 months until May 2023.

In December 2023, ENAIRE received the repayment of the Fund earmarked for Lithuania in the amount of €0.65 million, as the Fund was not needed, while €4.17 million relating to Estonia, Latvia and Poland remained to be repaid at year-end.

This interest-free loan is expected to be recovered starting in 1 January 2025.

En Route Navigation Services - Exempted Flights

The Commission Implementing Regulation (EU) 2019/317 of 11 February 2019, in line with previous Regulations governing charges in the Single European Sky, sets out the funding regime for en-route air navigation services through the navigation aid charge. It mandates Member States to cover the costs incurred by air navigation service providers for services rendered to exempted flights.

Until 1 October 2019, in force was the Economic Agreement of 27 December 1995, involving the Ministry of Economy and Finance, the Ministry of Public Works, Transport and the Environment, and the Public Entity Aeropuertos Españoles y Navegación Aérea, currently known as ENAIRE. Under that agreement, ENAIRE deducted from the revenue transferred to the Public Treasury the costs borne by the State Meteorological Agency and the State Air Safety Agency for exempted flights.

Starting on 2 October 2019, this agreement expired. As of the closing of the 2023 fiscal year, a draft Ministerial Order managed by the Ministry of Transport and Sustainable Mobility, pending approval, establishes the mechanism through which the state must compensate air navigation service providers for the value of services rendered to exempted flights.

According to the draft Ministerial Order, ENAIRE would directly receive from the State budgets (specifically from the budgets of the Ministry of Defence, the Ministry of Foreign Affairs, and the Ministry of Transport and Sustainable Mobility, depending on the type of exempted flights) the amount of these exemptions, retroactively effective from October 2019.

As of 31 December 2023, the Ministerial Order has not been approved; however, the Ministry of Transport and Sustainable Mobility and the Ministry of Defence have allocated budgetary funds for this purpose, reimbursing ENAIRE for the exempted flights carried out between 2 October 2019 and 31 December 2022.

In the 2021 and 2022 fiscal years, given the evidence provided by the reimbursements from the Ministries of Defence and Transport and Sustainable Mobility for exempted flights and the inclusion of budgetary allocations for this purpose in the General State Budgets, the Entity included, in its revenue figures, the valuation of the cost of the exempted flights conducted in each fiscal year, reimbursed by the aforementioned Ministries as well as by the Ministry of Foreign Affairs, European Union and Cooperation.

However, in 2023, due to the Ministry of Foreign Affairs, European Union and Cooperation's refusal to pay their portion of the exempted flights' costs because the corresponding legal instrument had not been approved, ENAIRE, following the recommendations of the IGAE, proceeded to write off, from the Balance Sheet, the amounts that the aforementioned Ministry should theoretically assume and include these amounts as a contingent asset (see note 19.2.2).

In the fiscal year 2023, the Entity recorded €1,453 thousand in revenue from exempted flights, with €894 thousand attributable to the Ministry of Defence and €540 thousand attributable to the Ministry of Transport and Sustainable Mobility, along with €19 thousand from the adjustment of the valuation from the 2022 fiscal year.

In the 2022 fiscal year, the Parent Entity recorded €3,746 thousand in revenue from exempted flights, with €2,502 thousand from the valuation of exempted flights in 2022 attributable to the Ministry of Foreign Affairs, European Union and Cooperation, €776 thousand attributable to the Ministry of Defence, and €484 thousand attributable to the Ministry of Transport and Sustainable Mobility. Additionally, there was a reversal of €16 thousand from the adjustment of the valuation from the 2021 fiscal year.

Approach Navigation Services:

The revenues generated from the use of Approach and Departure Air Navigation Services are obtained through Approach fees. According to EU regulations under the Single European Sky initiative, these fees have been calculated using the same formula across all EU member states since 2015. The fee calculation is directly related to the weight of the aircraft.

The approach fee, which has been in deficit since its implementation in 1998, remained frozen for a long period, subject to approval in the General State Budgets.

In 2023, the approach fees in Spain have increased by 29% compared to the previous year. This increase is due, on the one hand, to the fact that ENAIRE has been able to raise its fees for the first time in 11 years; and on the other hand, to the increase in the AESA fee, which includes its supervision costs for the approach service since 2021.

Most revenues for Aena and its subsidiaries come from aviation services, mainly corresponding to the use of airport infrastructure by airlines and passengers (including public revenue services and private fees).

Aeronautical (Airport Charges):

The regulatory framework applicable to the airport network of the subsidiary company Aena S.M.E., S.A. regarding fees is defined in Articles 32 to 40 of Law 18/2014 of 15 October. It has evolved in recent years in line with European regulations, adapting the changes introduced to Directive 2009/12/EC on airport fees.

According to this law, the following public property benefits are considered airport charges and are therefore subject to regulation:

- Use of runways at civil airports, joint-use airports and air bases open to civil traffic by aircraft, and the provision of necessary services for such use, excluding ground handling of aircraft, passengers and cargo.
- Aerodrome air traffic services provided by the airport manager, without prejudice to such services being provided through duly certified air traffic service providers contracted by the airport manager and designated for this purpose by the Ministry of Transport and Sustainable Mobility.
- Meteorological services provided by the airport manager, without prejudice to such services being provided through duly certified meteorological service providers and those designated for this purpose by the Ministry for Ecological Transition and the Demographic Challenge.
- Inspection and control services for passengers and baggage within airport premises, as well as the means, facilities and equipment necessary for the provision of control and surveillance services in aircraft movement areas, unrestricted access areas, controlled access areas and restricted security areas throughout the entire airport premises linked to public property benefits.
- Providing passengers with access to airport facilities not accessible to visitors, including terminals, aprons, and runways, necessary to fulfil their air transport contract.
- Services that allow general passenger mobility and the necessary assistance to persons with reduced mobility (PRMs) to enable them to move from an airport arrival point to the aircraft, or from the aircraft to a departure point, including boarding and disembarking.
- Use of designated aircraft parking areas at airports.
- Use of airport facilities to facilitate passenger boarding and disembarkation for airlines, using telescopic jet bridges or a designated ramp position that restricts access to the jet bridge for other users.

- Use of the airport premises for the transport and supply of fuels and lubricants, regardless of the mode of transportation or supply.
- Use of the airport premises for the provision of ground handling services that are not covered by another specific charge.

Furthermore, according to the provisions of section 2 of the First Additional Provision of Law 2/2021, of March 29, the Group, through its subsidiary Aena, will have the right to recover any costs incurred as a result of collaboration with health authorities and other operational safety and hygiene measures required due to the COVID-19 pandemic. COVID costs will be recovered within the framework of the DORA and will be analysed and supervised by the CNMC (Spanish National Markets and Competition Commission) during the consultation process. If these costs cannot be recovered within the framework of the DORA 2017-2021, with the aim of minimising their impact on the sector, they may be recovered, properly capitalised, in any of the following DORAs.

Regarding the revenues to be received by Aena, the law establishes a ceiling on revenues per passenger, known as the Maximum Annual Income per Passenger (IMAP - Ingreso Máximo Anual por Pasajero). Such a ceiling should allow for the recovery of the operator's efficient costs, including the cost of capital.

The IMAP will be adjusted annually according to the penalties/bonuses for compliance with certain service quality levels and in relation to the annual investment programme, thus establishing the Adjusted Maximum Annual Revenue per Passenger (IMAAJ - Ingreso Máximo anual por Pasajero Ajustado).

Additionally, Law 18/2014 establishes that the Airport Regulation Document (DORA - Documento de Regulación Aeroportuaria) is the instrument that must determine the five-year regulatory conditions for the entire network of Aena airports.

The DORA sets the variation of the IMAP for five-year periods, establishing an initial value, IMAP0, and an annual percentage change, X, consistent for all years within the quinquennium. This percentage is applied to the IMAP of the previous year for each year of the regulatory period.

To this annual percentage variation, an additional percentage adjustment for the increase or decrease in prices of inputs outside the operator's control (index P) is subsequently added. This adjustment is not forecasted in the DORA but is determined in the year preceding the application of each IMAP.

On 10 April 2019, Royal Decree 162/2020, of March 22, was published, which develops the calculation mechanism of this index through a formula that depends on specific indices applicable for reviewing airport operator costs, as well as the procedure for determining its annual value. The Spanish National Market and Competition Commission (CNMC - Comisión Nacional de los Mercados y la Competencia) is the body responsible for approving the value of the P index in accordance with the current regulations.

On 28 September 2021 the Council of Ministers approved the DORA for the period 2022-26 (DORA II). The initial value of the IMAP for the period 2022-2026, as set in the document, is €9.89, which corresponds to the regulated revenue per passenger established for the year 2021, according to the CNMC Resolution of 11 February 2021.

The airport fees will be determined and established on the basis of the following scheme:

- Establishment of the IMAP to allow for the recovery of costs of basic airport services over the five-year period, with the application of the annually calculated index P.
- IMAJ calculation: The State Aviation Safety Agency (AESA) oversees annual compliance of the DORA and issues a report. Aena calculates the IMAAJ taking into account incentives and penalties for quality of service and delay in the execution of investments.
- Calculation of fees: Aena proposes the fee per service and airport based on the IMAAJ.
- Consultation: holding of the user consultation process and negotiation of possible adjustments.
- Supervision: supervision and resolution of appeals by the CNMC.

Considering all the above, on 22 December 2020, the Board of Directors of the subsidiary company Aena S.M.E., S.A. approved the tariffs for the year 2021, which came into effect on 1 March 2021. These tariffs were based on freezing the Maximum Annual Adjusted Income per Passenger (IMAAJ) for 2021 at the level of the Maximum Annual Adjusted Income per Passenger (IMAAJ) for 2020, set at €10.27 per passenger, resulting in a tariff variation of 0%.

On 11 February 2021, the CNMC issued its Resolution on the supervision of Aena airport fees in 2021, where it ratified the decision of the Board of Directors.

On 21 December 2021, the Board of Directors of Aena approved an IMAAJ of €9.95 per passenger for 2022, which includes €0.80 per passenger for the recovery of COVID costs incurred by the Parent Company from 2020 to September 2021, inclusive, representing a fee variation of -3.17% compared to the 2021 IMAAJ. On 17 February 2022, the CNMC issued its resolution on the supervision of airport fees for 2022, declaring the fees approved by Aena's Board of Directors to be compliant and applicable.

On 24 November 2022, the CNMC issued its Resolution on the supervision of airport fees for 2023, establishing that an IMAAJ of €9.95 per passenger should be applied, which represents a fee variation of 0%.

On 25 July 2023, the Board of Directors approved the airport fees for 2024, on which the Spanish National Market and Competition Commission (CNMC - Comisión Nacional de los Mercados y la Competencia) ruled on 1 February 2024. The IMAAJ for 2024 is set at €10.35 per passenger, which implies a variation of 4.09% compared to 2023, equivalent to €0.40 cents per passenger on average. The fees endorsed by the CNMC will enter into force on 1 March 2024 (note 28).

All these regulations have not led to any change in the Company's revenue recognition policy, which is still subject to the terms of this Note. In particular, regulated revenues in the DORA period have been recognised in 2022 on the same basis as in previous years, i.e., it has been recorded when the service is provided, based on the approved regulated fees.

<u>Other non-regulated airport services:</u>

The same principle is applied to the rest of the non-regulated aeronautical services provided by the Group, recognising revenues at the time they are rendered and at the prices and fees applicable in each case, taking into account the recording and valuation criteria applicable to concession operations.

Therefore, for any amounts received (or receivable) for which the Group does not expect to be entitled, the Group does not recognise revenues from ordinary activities when transferring products to customers, but recognises such amounts received (or receivable) as a reimbursement liability. Subsequently, at the end of each reporting period, the Group updates its assessment of the amounts to which it expects to be entitled in exchange for the transferred products and makes an appropriate change to the transaction price and, accordingly, to the amount of revenues recognised.

Commercial:

Airport revenues include revenues from commercial activities, which include rents from leasing contracts or the assignment of business premises between the Group and the various private operators for commercial activities at the airports, as well as those managed directly by Aena (car parks and VIP lounges).

Revenues from the leasing of commercial spaces located within airport infrastructure are recognised on a straight-line basis, unless another criterion better reflects the economic substance of the lease agreements stipulated with the counterparties. The contingent portion of revenues from leasing related to the variable levels of revenue generated by commercial spaces is recognised as revenue in the period in which it is earned.

Parking revenues are recognised as services are rendered.

Real estate services:

Revenues from real estate services relate to the rental of land, warehouses and hangars, and the management and operation of freight centres. Leasing revenues are recognised on a straight-line basis on the basis of the rental agreements stipulated with the counterparties. The conditional portion of rental income is recognised as revenue in the period in which it is earned.

Service concession agreements:

Service concession agreements are public-private partnerships in which the public sector (i) controls or regulates the services that the concessionaire must provide using the infrastructure, to whom these services must be provided and at what price; and (ii) contractually controls any significant residual interest in the infrastructure at the end of the term of the agreement. The infrastructures counted by the Group as concessions refer to:

- AIRM concession. The concession period is 25 years.
- Concession for the operation and maintenance of the airports of Recife, Maceió, Aracajú, Campina Grande, João Pessoa and Juazeiro do Norte in Brazil, grouped under the so-called Northeast Brazil Airport Group. The concession period is 30 years, which can be extended by 5 additional years.
- Concession for the operation and maintenance of 11 airports in Brazil, namely the following airports in the SP/MS/PA/MG Block: Congonhas - São Paulo, Campo Grande, Corumbá, Ponta Porã, Maestro Wilson Fonseca – Santarém, João Corrêa da Rocha –

Marabá, Carajás – Parauapebas, Altamira, Ten. Cel. Aviador César Bombonato – Uberlândia, MárioRibeiro - Montes Claros, Mario de Almeida Franco – Uberaba. The concession is for a period of 30 years with the possibility of a 5-year extension.

- The heliports of Ceuta and Algeciras. The duration of the two concessions is 30 years and 25 years, respectively, ending in 2033 and 2034, respectively.

Infrastructure used in a concession may be classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements set out in the agreement.

The Group recognises an intangible asset to the extent that it has the right to charge end customers for the use of the infrastructure. Such intangible asset is amortised on a straight-line basis during the life of the concession.

The most significant accounting criteria applied by the Group in relation to the service concession agreements are as follows:

- The Group recognises and measures revenue from services rendered in accordance with AS 14, recognising an intangible or financial asset depending on the nature of the consideration.
- Ordinary income from the fees received from the infrastructure users is recognised in each period.
- In addition, income from infrastructure operation services rendered is also recorded in accordance with AVS 14. In such cases, when modifications occur in a contract that do not change its scope and for which partial performance obligations have been fulfilled, the Group records the effect of the contract modification on transaction prices as an adjustment to revenue from ordinary activities on the date of the contract modification.
- Operational and maintenance expenses that do not extend the useful life of assets are charged to the income statement in the period in which they occur.
- Intangible assets are amortised on a straight-line basis over the life of the concession.
- Financial expenses accrued during the construction period of the asset are capitalised as an increase in the value of the asset and are recognised as an expense after the asset is brought into operation.
- The total construction or acquisition cost is recognised as an intangible asset, and the benefits attributed to the construction phase of the infrastructure are recognised using the percentage-of-completion method, based on the fair value assigned to the construction phase and the concession phase.
- The concession agreement includes infrastructure replacement actions during its term which are carried out in respect of periods of use exceeding one year and are required to maintain the infrastructure in order to adequately provide the services. These actions, insofar as they reveal wear and tear on part of the infrastructure, entail the provision of a systematic provision until such time as these actions are to be carried out. This provision gives rise to the recording of an expense in the income statement.

- The provision for replacement includes the allocation for use, calculated based on the present value, of the replacements planned for the concession. The Group makes a provision in each cycle for the replacements accruing in each period. The year-on-year differences in current values are recorded as financial expenses for the update of provisions in the attached income statement.

5.12. Provisions and contingencies

The Group, in the presentation of the consolidated Annual Accounts, differentiates between:

Provisions

The Group recognises provisions in its Balance Sheet when it has a present obligation, whether due to a legal or contractual requirement, or an implicit or tacit obligation, as a result of a past event, a reliable estimate of the obligation can be made, and it is likely that it will result in a future outflow of resources for its settlement.

No discounting is applied for provisions made for obligations without a defined maturity, or with a maturity of one year or less and whose financial effect is not material. For other obligations, provisions are recorded at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation to a third party, with adjustments arising from the update of the provision recorded as a financial expense as they accrue, aiming to reflect the best current estimate of the corresponding liability at each moment.

When, based on experience, the Group is uncertain about the calculation of the amount and the date of payment of the amounts provided for, the Group classifies the liabilities under the appropriate heading based on their nature (Note 19.1).

Contingent liabilities

Possible obligations that arise from past events and whose future realisation is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the Group. These contingent liabilities are not recognised in the accounts and are detailed and explained in note 19.2.1.

Contingent assets

Possible rights arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. As with contingent liabilities, contingent assets are not recognised but disclosed in the notes to the financial statements (see note 19.2.2).

5.13. Provisions for acquired employment commitments

The cost of obligations arising from personnel commitments is recognised on an accrual basis according to the best estimate based on the data available to the Group.

The Group is committed to providing long-term compensation to personnel, including both defined contribution and defined benefit plans. In the case of defined contribution benefits, there will be liabilities for benefits when, at the end of the fiscal year, accrued but unpaid contributions are recorded. In the case of defined benefit plans, the amount to be recognised as a provision corresponds to the difference between the present value of the committed benefits and the fair value of any assets allocated to the commitments that will settle the obligations.

Specifically, the accompanying consolidated balance sheet includes the following provisions for acquired employment commitments:

Longevity awards

Article 138 of the I Collective Agreement of the ENAIRE Group of Companies (Public Corporate Entity ENAIRE, Aena S.ME., S.A., and AIRM S.M.E., S.A.) and Article 141 of the III Air Traffic Controllers Agreement establish longevity awards for services effectively rendered over a period of 25 and 30 years in the first case and 25 and 35 years in the second. The Group provides for the present value of the best possible estimate of future committed obligations, based on an actuarial calculation. The most relevant assumptions taken into account for the actuarial calculation are as follows:

	2023	2022
Technical Interest Rate:	3.25% - 3.31%	3.74% - 3.90%
Increase in the amount of awards:	3.5% For 2023, 2.5% for 2024 and 2% for the 2022 awards	2.5% in 2023 and 2% thereafter
Mortality Table:	1st Order PERMF 2020 and PERM/F 2020 NP	1st Order PERMF 2020
Financial System used:	Individual Capitalisation	Individual Capitalisation
Accrual method:	Projection Unit Credit	Projection Unit Credit
Retirement age:	In accordance with Act 27/2011	In accordance with Act 27/2011
Disability tables:	OM 1977	OM 1977

Early retirement award

Article 154 of the I Collective Agreement of the ENAIRE Group of Companies (Public Corporate Entity ENAIRE and Aena S.M.E., S.A.) establishes that any worker between the ages of 60 and 64, who is entitled to it according to the applicable regulations, may retire voluntarily and early and will receive compensation such that, when added to the vested rights in the Pension Plan, at the time of the termination of their contract, it is equivalent to four monthly payments of the calculation base and the seniority bonus for each year remaining until they reach 64, or the corresponding proportional part.

In 2014, the Parent Entity conducted an actuarial study for the end of that fiscal year, which indicated that the liability that could arise from the present value of the committed benefits was practically nil. Additionally, due to the new regulations on ordinary retirement, it is highly unlikely that any employee will exercise this right. Therefore, the Entity considers that there is no liability for this concept at the close of the 2023 and 2022 fiscal years.

Remuneration of the Air Traffic Controllers Collective

This heading records accrued and unpaid salary items corresponding to remuneration arising from agreements entered into between ENAIRE and the Air Traffic Controllers' Union in previous years. These provisions are valued at their nominal value, as they do not differ significantly from their current value.

Special Paid Leave (SPL) and Active Reserve (AR) scheme

This provision accounts for the actuarial liability that values the commitments made to those employees within the Air Traffic Controllers' Collective who are on Special Paid Leave or Active Reserve scheme, as well as the best estimate of employees who may opt for Active Reserve status in the future.

The main actuarial assumptions used for the calculation are as follows:

	2023	2022
Interest rate:	3.20% Liabilities and 3.25% Assets	3.65%
Long-term wage growth:	Liabilities: 3.79% in year 2024. 3% in year 2025 and 2% thereafter.	2%
Growth of maximum bases	Assets: 2.5% in year 2024, 2% thereafter.	8.60% in 2023, 3% thereafter
Mortality table:	5% in year 2024, 4.2% in year 2025 and 3.2% thereafter	1st Order PERMF 2020
Financial System used:	1st Order PERMF 2020	Individual Capitalisation
Accrual method:	Individual Capitalisation	Projection Unit Credit
Retirement age:	Projection Unit Credit	In accordance with Act 27/2011

Since this is not a post-employment benefit, the impacts generated by changes in actuarial assumptions are recorded in the income statement.

Special Active Reserve (SAR)

This provision accounts for the actuarial liability that values the best estimate of the commitments that would be acquired with those employees of the Air Traffic Controllers' Collective that could benefit from the Special Active Reserve status.

The main actuarial assumptions used for the calculation are as follows:

	2023	2022
Interest rate:	3.20% Liabilities and 3.25% Assets	3.65% Liabilities and 3.90% Assets
Long-term wage growth:	Liabilities: 3.79% in year 2024. 3% in year 2025 and 2% thereafter. Assets: 2.5% in year 2024. 2% thereafter.	Liabilities: 8.6% in year 2023. 2% thereafter. Assets: 2.5% in year 2023. 2% thereafter.
Growth of maximum bases	5% in year 2024, 4.2% in year 2025 and 3.2% thereafter	8.60% in 2023, 3% thereafter.
Mortality table:	1st Order PERMF 2020	1st Order PERMF 2020
Financial System used:	Individual Capitalisation	Individual Capitalisation
Accrual method:	Projection Unit Credit	Projection Unit Credit
Retirement age:	In accordance with Act 27/2011	In accordance with Act 27/2011

Since this is not a post-employment benefit, the impacts generated by changes in actuarial assumptions are recorded in the income statement.

London Luton Airport Operations Limited (LLAOL) Pension Plan

The main actuarial assumptions used were as follows:

	2023	2022
Technical interest rate:	4.55%	4.75%
Inflation:	3.10%	3.23%
Pension growth rate:	3.00%	3.05%
Accrual method:	Projection Unit Credit	Projection Unit Credit
Retirement age:	65 Years	65 Years

The discount rate used of 4.55% (4.75% in 2022) is based on the market interest rate of high quality corporate bonds and maturity years consistent with the expected maturity of the post-employment obligations. It is slightly lower than the one used in 2022 due to the decrease in the profitability of corporate bonds. An increase in the discount rate implies a lower present value of the accrued obligation.

Longevity at the age of 65 for current pensioners (years):

- Men: 21.1 (2022: 21.6).
- Women: 23.7 (2022: 24.1).

Longevity at the age of 65 for future pensioners, with a current age of 45 years (years):

- Men: 22.3 (2022: 22.9).
- Women: 25.1 (2022: 25.6).

5.14. Termination benefits

In accordance with the current labour regulations, the parent company is obliged to pay compensation to employees with whom it terminates its employment relations under certain circumstances.

Severance payments are paid to employees as a result of the Group's decision to terminate its employment contract before the normal retirement age or when the employee agrees to voluntarily withdraw in exchange for such benefits. The Group recognises these benefits when it has demonstrably undertaken to terminate its employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid in the twelve months following the balance sheet date are discounted to their present value.

At year-end there is no personnel reduction plan that would require the creation of a provision for this item.

5.15. Environmental activities

Environmental activity is defined as any action intended to prevent, reduce or repair damage to the environment.

In this regard, investments derived from environmental activities are valued at acquisition cost and capitalised as an increase in the cost of fixed assets in the year in which they are incurred, following the criteria described in section four of this note.

Environmental protection and improvement expenses are charged to income in the year in which they accrue, regardless of when the resulting monetary or financial flow arises.

Provisions related to probable or certain liabilities, ongoing litigation and compensation or obligations of an indeterminate amount of an environmental nature, not covered by subscribed insurance policies, are established at the time the liability or obligation that determines the compensation arises.

5.16. Grants, donations and bequests received

Non-reimbursable capital grants, donations and legacies are recorded as such when there is an individualised concession agreement, the established conditions for the grant have been met and there are no reasonable doubts about their receipt.

Since the 2009 fiscal year, following the approval of Order EHA/733/2010, of 25 March, which approves accounting procedures for public companies operating under certain circumstances, grants awarded for the construction of an asset whose execution is not yet completed are classified as non-reimbursable in proportion to the work completed, provided there are no reasonable doubts that the construction will be completed according to the conditions established in the concession agreement.

In general, they are valued at the fair value of the amount or asset granted and are recorded in net equity, net of tax effects, and allocated to income in proportion to the depreciation of the assets financed by these grants. If the assets are non-depreciable, they are allocated to profit/loss for the financial year in which the sale or value adjustment of the assets occurs. Official subsidies granted to offset costs are recognised as revenue on a systematic basis, over periods in which the costs to be balanced are extended.

Grants, donations and bequests that are refundable are recorded as liabilities until they become non-refundable or until they are refunded.

Operating subsidies are paid to profit or loss at the time they are granted. If they are granted to finance specific expenses, the allocation will be made as the financed expenses are incurred. In the meantime, they are recorded as liabilities or net equity, depending on whether they are considered refundable or non-refundable.

5.17. Profit-sharing plans and variable compensation schemes

The Group recognises a liability and an expense for variable compensation and profit-sharing based on the results of the annual performance evaluation of the employees. The Group recognises a provision when it is contractually obliged or when past practice has created an implied obligation.

5.18. Joint ventures

A joint venture is an economic activity jointly controlled by two or more individuals or legal entities. For these purposes, joint control is a statutory or contractual agreement whereby two or more shareholders agree to share the power to direct financial and operating policies on an economic activity in order to obtain economic benefits, such as strategic, financial and operating decisions, relating to the activity, requiring the unanimous consent of all participants.

Joint ventures can be:

- Joint ventures that do not involve the creation of a company or the establishment of a financial structure independent of the participants, such as temporary business unions and joint ownership arrangements, and which include:
    - Jointly controlled operations: activities involving the use of assets and other resources owned by participants.
    - Jointly controlled assets: assets that are owned or controlled jointly by the participants.
- Joint ventures that involve the creation of an independent legal entity or jointly controlled companies.

Operations and assets controlled jointly

The Group holds interests in jointly controlled assets with the Ministry of Defence for the operation of Air Bases Open to Civil Traffic (BAATC - Bases Aéreas Abiertas al Tráfico Civil) through an Agreement with the Ministry of Defence. This agreement sets out the sharing arrangements and compensation criteria for the use of the BAATCs in Villanubla (Valladolid), León, Los Llanos (Albacete), Matacán (Salamanca), Talavera la Real (Badajoz) and the joint-use aerodrome in Zaragoza by civil aircraft. This Agreement is based on the application of Royal Decree 1167/1995, of 7 July, regarding the use regime of aerodromes jointly used by an air base and an airport, as well as air bases open to civil traffic.

Until the opening of the Murcia International Airport on 15 January 2019, the Murcia San Javier air base was open to civil traffic. Since that date, it has been used exclusively for military purposes.

The Group's interests in these assets are recognised by their share of the jointly controlled assets, classified according to their nature, and any liabilities incurred; their share of the liabilities jointly incurred with the other participants in relation to the joint venture; any income from the sale or use of their share in the production of the joint venture, along with their share of any expenses incurred by the joint venture and any expenses incurred in relation to their participation in the joint venture.

Since the assets, liabilities, expenses and income of the joint venture are already recognised in the Group's financial statements, no adjustments or other consolidation procedures are required for such items when preparing and presenting the consolidated financial statements.

5.19. Related party transactions

The Public Corporate Entity and subsidiaries carry out all related party transactions at fair value. The directors of the Public Corporate Entity and subsidiaries consider that there are no significant risks in this respect that could give rise to material liabilities in the future.

In general, operations among group companies are accounted for at the initial point at their fair value. If the price agreed differs from the fair value, the difference is recorded taking into account the economic reality of the transaction. The subsequent measurement is made in accordance with that envisaged in the corresponding standards.

Notwithstanding the foregoing, in mergers, spin-offs or non-monetary contributions of a business, the constituent elements of the acquired business are valued at the amount corresponding to them, once the transaction has been carried out, in the consolidated annual accounts of the group or subgroup.

When the parent company of the group or subgroup and the subsidiary are not involved, the annual accounts considered for these purposes will be those of the higher-level group or subgroup where the assets and liabilities are included whose parent company is based in Spain.

In such cases, the difference that may arise between the net amount of the assets and liabilities of the acquired company, adjusted for the balance of the groupings of subsidies, donations and legacies received and the adjustments for changes in value and any amounts of the capital and share premium, where applicable, issued by the absorbing company are recognised under reserves.

On 22 June 2022, the Entity and the ENAIRE Foundation signed a new document authorising the free use of the property in which the Foundation carries out its activity and which is the property of ENAIRE. According to Recognition and Valuation Standard 21, which stipulates that the difference between the agreed price in an operation and its fair value should be recorded based on the economic substance of the operation and to assess the operation at market rates, the Group has accounted for the provision of services in 2023 at market value as self-consumption, totalling €81 thousand (€81 thousand in 2022). This includes recognising revenue of €67 thousand pre-tax (€67 thousand in 2022) and €14 thousand as VAT collected (€14 thousand in 2022), in compliance with Article 18 of the Corporate Tax Law.

5.20. Business combinations

Mergers, demergers and non-monetary contributions of a business between group companies are recorded in accordance with the provisions for related party transactions (note 5.19).

Mergers or demergers other than those above and business combinations arising from the acquisition of all the assets of a company or of a part which constitutes one or more businesses are recorded in accordance with the acquisition method.

In the case of business combinations resulting from the acquisition of shares or equity interests in a company, the Group recognises the investment in accordance with the requirements for equity investments in Group companies, jointly controlled entities and associates.

5.21. Consolidated Statement of Cash Flows

The consolidated Cash Flow Statement includes the cash movements made during the financial year. In these cash flow statements, the following expressions are used in the following sense:

- Cash Flows: inflows and outflows of cash and cash equivalents, defined as highly liquid investments with a term of less than three months and a low risk of changes in value.
- Operating Activities: activities that constitute the main source of the Group's ordinary revenues, as well as other activities that do not qualify as investing or financing activities.
- Investment Activities: those related to the acquisition, disposal or use by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing Activities: activities that result in changes in the size and composition of equity and financial liabilities. Debt novation fees paid are included as an increase in the value of the financing received.

The 2022 collections on investments in Other Financial Assets include cash movements resulting from fixed-term deposits with a term of more than three months (no such movements in 2023).

Impairment adjustments to profit or loss include, in 2023, the reversal of impairment losses of €155,017 thousand (2022 included €36,972 thousand of reversal of impairment losses recognised in prior years) corresponding to the impairment of fixed assets of Aena and its subsidiaries (note 5.5).

6. Consolidated Goodwill

The acquisition by the Group of control over the company LLAHL III through Aena Desarrollo Internacional S.M.E., S.A., generated goodwill, the value of which at the end of the 2023 fiscal year is €375 thousand (2022: €562 thousand). See details of the reconciliation between the opening balance and closing balance of this item in note 10.

7. Minority Shareholders

The composition of the Minority shareholders is as follows:

Company	Thousands of euros					
	Segment	Country	% ENAIRE Group	% Minority shareholders	2023	2022
Aena S.M.E., S.A.	Airports	Spain	51%	49%	3,872,714	3,439,340
CRIDA	Research and Development	Spain	66.66%	33.33%	679	671
LUTON LLAHIII	International	United Kingdom	51%	49%	(68,915)	(74,917)
Total					**3,804,478**	**3,365,094**

The movements in Minority shareholders in each subsidiary have been as follows:

2023 Financial year

Company	Thousands of euros							
	Balance at 31/12/2022	Reserves	Valuation Adjustments and Translation Differences	Grants	Dividends	Share in profit/loss	Others	Balance at 31/12/2023
AENA S.M.E., S.A	3,439,340	58	(1,251)	(8,864)	(349,125)	794,702	(2,146)	3,872,714
CRIDA	671	-	-	-	-	8	-	679
LUTON LLAHIII	(74,917)	-	(2,520)	-	(5,758)	14,280	-	(68,915)
Total	**3,365,094**	**58**	**(3,771)**	**(8,864)**	**(354,883)**	**808,990**	**(2,146)**	**3,804,478**

2022 Financial year

Company	Thousands of euros						
	Balance at 31/12/2021 (*)	Reserves	Valuation Adjustments and Translation Differences	Grants	Share in profit/loss	Others	Balance at 31/12/2022
AENA S.M.E., S.A	2,923,641	200	84,130	(10,900)	441,359	910	3,439,340
CRIDA	697	-	-	-	(26)	-	671
LUTON LLAHIII	(87,903)	-	8,066	-	4,920	-	(74,917)
Total	**2,836,435**	**200**	**92,196**	**(10,900)**	**446,253**	**910**	**3,365,094**

(*) Restated data (note 3.8 of the 2022 Consolidated Annual Accounts Report)

8. Joint ventures

The Group has an agreement with the Ministry of Defence to establish the cost allocation keys and compensation criteria for the use of the Villanubla, León, Albacete, Matacán, and Talavera Air Bases open to civilian traffic, as well as the jointly used Zaragoza Aerodrome for civilian aircraft. Said agreement is based on the application of Royal Decree 1167/1995, of 7 July, regarding the use regime of aerodromes jointly used by an air base and an airport, as well as air bases open to civil traffic.

The Group's shares in assets and liabilities, excluding the allocation of indirect costs, that have been included in the Balance Sheet are shown below (in thousands of euros):

	31 December	
	2023	2022
- Non-current assets	161,560	169,143
Net assets	**161,560**	**169,143**
- Income	14,733	13,946
- Expenses	(41,195)	(41,118)
Profit after taxes	**(26,462)**	**(27,172)**

At 31 December 2023 and 2022, there were no contingent liabilities corresponding to the Group's share in joint ventures, nor were there contingent liabilities specific to joint ventures.

9. Shares in companies based on the equity method

The details and movements for the years 2023 and 2022 in the " Shares in companies based on the equity method " section are as follows:

2023 Financial year

Company	Thousands of euros						
	Balance at 31/12/2022	**Share in profits/loss in companies consolidated by the equity method**	**Dividends distributed**	**Translation differences**	**Share in comprehensive profit/loss of associates**	**Others**	**Balance at 31/12/2023**
SACSA (*)	2,642	(2,335)	-	585	-	(51)	**841**
AMP (**)	62,438	26,037	(25,035)	4,519	(349)	(7,935)	**59,675**
AEROCALI	6,131	4,856	(5,599)	(871)	-	1,644	**6,161**
INECO (***)	41,192	7,338	(6,833)	-	-	353	**42,050**
STARTICAL S.L. (*)	5,145	(1,062)	-	-	-	(942)	**3,141**
	117,548	**34,834**	**(37,467)**	**4,233**	**(349)**	**(6,931)**	**111,868**

(*) The balance as of 31 December 2023, includes the impairment of the interest in SACSA amounting to €3,079 thousand and in Startical S.L. amounting to €4,139 thousand.

(**) "Others" includes the amortisation of €212 thousand for the implied goodwill of AMP (€213 thousand in 2022), totalling €2,125 thousand, which is being amortised over 10 years in accordance with RD 602/2016 (see note 5.2). This heading also includes the translation differences of dividends distributed in previous years, representing reserves of companies consolidated using the equity method.

(***) "Others" primarily includes the difference between the actual dividends received in the fiscal year 2023 and the share of profit/loss for the financial year 2022. This difference arises from the elimination of the margin on assets acquired by the Group from INECO S.M.E.M.P., S.A.

2022 Financial year

Company	Thousands of euros							
	Balance at 31/12/2021	**Additions 2022**	**Share in profits/loss in companies consolidated by the equity method**	**Dividends distributed**	**Translation differences**	**Share in comprehensive profit/loss of associates**	**Others**	**Balance at 31/12/2022**
SACSA	**3,642**	-	1,040	(1,820)	(375)	-	155	**2,642**
AMP (*)	**49,510**	-	28,560	(21,811)	4,452	587	1,140	**62,438**
AEROCALI	**2,549**	-	5,465	(1,945)	(578)	-	640	**6,131**
INECO (**)	**37,827**	-	6,731	(3,465)	-	-	99	**41,192**
STARTICAL S.L.	**4,398**	2,487	(1,740)	-	-	-	-	**5,145**
	97,926	**2,487**	**40,056**	**(29,041)**	**3,499**	**587**	**2,034**	**117,548**

(*) "Others" included the amortisation of €213 thousand for the implied goodwill of AMP (€212 thousand in 2021), totalling €2,125 thousand, which is being amortised over 10 years in accordance with RD 602/2016 (see note 5.2).

(**) "Others" primarily included the difference between the actual dividends received in the fiscal year 2023 and the share of profit/loss for the financial year 2022. This difference arises from the elimination of the margin on assets acquired by the Group from INECO S.M.E.M.P., S.A.

10. Intangible assets

The movements under the heading "Intangible Assets" for the years 2023 and 2022 were as follows:

2023 Financial year

Movements	Thousands of euros						
	Development	Service concessions	LLAHIII Concession	Other intangible assets	Computer Software	Goodwill	Total
Cost:							
Opening balance	177,400	584,908	486,438	136,425	1,027,779	1,872	2,414,822
Entries/ Additions	12,586	741,192	-	28,831	137,890	-	920,499
Exits/ Derecognitions	-	(2,753)	-	(408)	(8,511)	-	(11,672)
Transfers (note 11)	(7,725)	6	-	1,436	12,030	-	5,747
Translation differences	-	34,104	10,008	414	421	-	44,947
Closing balance	**182,261**	**1,357,457**	**496,446**	**166,698**	**1,169,609**	**1,872**	**3,374,343**
Amortisation:							
Opening balance	(138,713)	(43,545)	(239,471)	(86,233)	(733,701)	(1,310)	(1,242,973)
Provision	(12,020)	(23,063)	(26,664)	(4,628)	(80,281)	(187)	(146,843)
Exits/ Derecognitions	-	41	-	451	7,641	-	8,133
Transfers (note 11)	-	-	-	48	10	-	58
Translation differences	-	(1,702)	(4,950)	(19)	(37)	-	(6,708)
Closing balance	**(150,733)**	**(68,269)**	**(271,085)**	**(90,381)**	**(806,368)**	**(1,497)**	**(1,388,333)**
Impairment	-	-	-	-	-	-	-
Net	**31,528**	**1,289,188**	**225,361**	**76,317**	**363,241**	**375**	**1,986,010**

2022 Financial year

Movements	Thousands of euros						
	Development	Service Concessions Agreement	LLAHIII Concession	Other intangible assets	Computer Software	Goodwill	Total
Cost:							
Opening balance	166,900	400,210	513,444	128,807	934,095	1,872	2,145,328
Entries/ Additions	12,510	176,825	-	9,617	105,573	-	304,525
Exits/ Derecognitions	(2,053)	(660)	-	(1,182)	(8,735)	-	(12,630)
Transfers (note 11)	43	11	-	280	(2,422)	-	(2,088)
Translation differences	-	8,522	(27,006)	(1,097)	(732)	-	(20,313)
Closing balance	**177,400**	**584,908**	**486,438**	**136,425**	**1,027,779**	**1,872**	**2,414,822**
Amortisation:							
Opening balance	(129,304)	(31,796)	(225,605)	(84,932)	(683,177)	(1,123)	(1,155,937)
Provision	(11,462)	(9,883)	(26,763)	(2,315)	(58,340)	(187)	(108,950)
Exits/ Derecognitions	2,053	81	-	1,011	7,776	-	10,921
Transfers (note 11)		-	-	-	30	-	30
Translation differences	-	(1,947)	12,897	3	10	-	10,963
Closing balance	**(138,713)**	**(43,545)**	**(239,471)**	**(86,233)**	**(733,701)**	**(1,310)**	**(1,242,973)**
Impairment	-	(147,732)	-	-	-	-	(147,732)
Net:	**38,687**	**393,631**	**246,967**	**50,192**	**294,078**	**562**	**1,024,117**

10.1. Main additions

In 2023, intangible assets increased by €961,893 thousand primarily due to the capitalisation of the BOAB concession agreement and investments in ANB infrastructure.

Regarding the concession managed by BOAB, during the year 2023, the higher value of the new concession agreement was recognised by capitalising the initial concession fee amounting to

€462 million (2,533.3 million BRL), as well as payments required under the tender specifications totalling approximately €150 million (821 million BRL). These payments mainly correspond to reimbursements of various costs to the previous concessionaire entity and to Brazilian regulatory agencies.

At Aeroportos do Nordeste do Brasil S.A., the expansion works corresponding to Phase 1-B of the concession contract have been completed. These included expansion and renovation activities in both the terminals and the airside areas of all airports. These actions are considered substantially completed for all airports. (2022: engineering activities were conducted to execute construction works required by the concession contract milestones, scheduled for completion by 2023. These were primarily recorded under "Intangible Assets under construction", totalling €144 million: expansion of capacity and improvement of physical and operational security equipment, as well as enhancement works at the 6 airports, mainly involving the supply of complex facilities such as baggage handling systems, boarding bridges and security equipment.

In 2023, the main additions under the "Computer Applications" heading correspond to evolutionary developments and new functionalities of the SACTA air traffic control applications, HERON program and other business management applications. This includes Phase 2 of the SYSRED H24 EYWA operational network supervision system, as well as acquisitions, improvements and developments of new technologies for computer applications related to airports and central services. Significant investments were made in preparing an ERP for the Aena Group, updating Oracle and Microsoft systems, process reengineering and automation, cybersecurity and the strategy and implementation of digital transformation in passenger and PRM (Persons with Reduced Mobility) guidance and route calculation.

In 2022, the main additions under the "Computer Applications" heading consisted of evolutionary developments and new functionalities of the SACTA air traffic control applications, CPDS and HERON virtualisation systems and other business management applications. This included workforce planning and shift management, the SYSRED H24 EYWA operational network supervision system, as well as acquisitions, improvements and developments of new technologies for computer applications related to airports and Aena's central services. Notable investments included hyper-converged Windows and Linux equipment and process reengineering and automation efforts.

Additions to the "Development" heading were also related to projects to analyse and optimise scenarios, ATC position simulation.

The Group classifies the consideration received in the concessions of Aeroportos do Nordeste do Brasil, Bloco de Onze Aeroportos do Brasil S.A. and Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia as intangible assets (note 5.2). This consideration represents the right to collect corresponding fees based on the level of utilisation of the public service provided, assuming demand risk. The intangible asset derived from the concession agreement has been valued based on the consideration paid or payable, excluding contingent payments associated with the operation, i.e., based on the present value of minimum guaranteed fees.

10.2. Intangible assets under construction

Of the total costs activated at 31 December 2023 and 2022 for the different types of intangible assets, assets under construction are included in accordance with the following details:

Description	Thousands of euros	
	2023	2022
Development	2,083	12,734
Service Concessions Agreement	53,950	125,545
Computer software	102,347	107,808
Other intangible assets	42,708	42,413
Total	**201,088**	**288,500**

10.3. Fully depreciated intangible assets

As of 31 December 2023, there are intangible assets in use with an original cost of €851.2 million (€788.6 million as of 31 December 2022), which is fully depreciated. The details of the 2023 and 2022 financial years are as follows:

Description	Thousands of euros	
	2023	2022
Concessions	774	762
Development	132,608	117,670
Computer software	637,749	590,852
Other intangible assets	80,023	79,304
Total	**851,154**	**788,588**

10.4. Concession agreement. Regulated assets

The Group operates London Luton Airport, the airports in Northeast Brazil (Recife, Maceió, Aracajú, Campina Grande, João Pessoa, and Juazeiro do Norte), the eleven airports in the SP/MS/PA/MG Block (Congonhas - São Paulo, Campo Grande, Corumbá, Ponta Porã, Maestro Wilson Fonseca – Santarém, João Corrêa da Rocha – Marabá, Carajás – Parauapebas, Altamira, Ten. Cel. Aviador César Bombonato – Uberlândia, Mário Ribeiro – Montes Claros, Mario de Almeida Franco – Uberabel), the Murcia International Airport and the heliports of Ceuta and Algeciras under administrative concession contracts. The main conditions are described below:

<u>Concession of heliport services of Ceuta</u>

The Group, through its subsidiary Aena S.M.E., S.A., operates the civil heliport of Ceuta with all its services under an administrative concession contract with the Port Authority of Ceuta. This concession has its start date on 28 March 2003, with a maturity of 30 years. The subsidiary Aena S.M.E., S.A. pays an annual fee of €39 thousand for the use of the port public domain. Similarly, in accordance with Article 69 bis of Law 27/92, Aena S.M.E., S.A. pays a fee to the Port Authority based on passenger movements, which amounts to €0.823386 per passenger.

Concession of heliport services of Algeciras

The Group, through its subsidiary Aena S.M.E., S.A., holds an administrative concession contract with the Bay Port of Algeciras for the use of facilities intended for the installation and operation of a publicly owned heliport at the Port of Algeciras. This concession commenced on 3 February 2009, and has a duration of 25 years. The contract establishes an annual fee for the exclusive use of the port public domain of €82 thousand and a special use fee of €1 euro for each passenger embarked or disembarked at the facilities.

London Luton administrative concession

The accounts of London Luton Airport Holdings III Limited ("LLAHL III") have been fully integrated in the group's consolidation perimeter since 16 October 2014. LLAHL III was established with the objective, through its wholly owned subsidiary London Luton Airport Holdings II Limited ("LLAHL II"), which in turn wholly owns London Luton Airport Holdings I Limited ("LLAHL I"), to acquire London Luton Airport Group Limited on 27 November 2013. London Luton Airport Group Limited manages and operates Luton Airport in the United Kingdom. Luton Airport is managed by the company London Luton Airport Operations Limited (LLAOL) under a concession. The concession contract was signed on 20 August 1998. Initially valid until 31 March 2031, it was subsequently extended until 15 August 2032 as part of the compensatory measures of the negative consequences of the COVID-19 pandemic on airport air traffic. The concession contract provides for the company London Luton Airport Group Limited (LLGL) as the guarantor of the operator. The concession of Luton Airport does not meet the requirements of the Sectoral Plan for Concessionaire Companies of Public Infrastructures to be classified as a service concession (see Note 5.2). Consequently, it is accounted for as an operating lease.

To compensate for the loss of activity due to the pandemic, on 17 November 2021, a sustainable recovery agreement for Luton Airport was formalised with Luton Borough Council. This agreement is part of the Special Force Majeure (SFM) mechanism included in the concession contract. The final agreement includes a reduction of the concession fee by 45 million GBP (until the year 2023), an extension of the concession period by 16.5 months (from 31 March 2031 to 15 August 2032), and agreements on other environmental and socio-economic issues beneficial to both parties. A mechanism was also established to offset the fee expected in the SFM, although it did not take effect in 2023 or 2022, since the volume of passengers in both years exceeded those projected in the forecast for the agreement.

Administrative concession of the Murcia International Airport:

Within the group's consolidation scope, the accounts of AIRM, S.M.E., S.A. have been fully integrated since 1 January 2018. This entity was established to manage, under a concession regime, the Murcia International Airport. The main lines of the concession agreement are:

- Once the total term of the concession has ended, the full and unlimited possession of the land and all existing facilities (including the useful expenses incurred by the concessionaire and any improvements that may have been incorporated by the concessionaire) will revert to the Autonomous Community of the Region of Murcia without any compensation in favour.
- The obligation is to operate, maintain and preserve the Murcia International Airport.

- Right to receive compensation in the form of fees for the use of facilities and the provision of services related to air traffic and transport activities (e.g., landing fees, commercial operation of terminals, passenger services, cargo services and air transport companies), as well as activities related to airport management.
- Prior to the start-up of the Airport, the Concessionaire will propose, to the granting Administration for its approval, the maximum fees to be applied for airport services, as well as for any other service and activity that it carries out at the Airport. Similarly, before the start of each calendar year, it must propose the update of the same for approval.
- For its part, the Administration receives an operating fee for passenger traffic, which will be the result of applying a certain amount as a fee per passenger/year to the volume of traffic reflected in the Annual Traffic Report. In the Economic Offer, the Traffic Threshold of one million passengers is set, from which the Company will compensate passenger traffic, starting from the first passenger onward. The Administration will also have the right to receive a guaranteed minimum fee and to participate in the revenue derived from the traffic of goods.

Administrative concession of the Aeroportos do Nordeste do Brasil Group

Aeroportos do Nordeste do Brasil, S.A. was created with the objective of managing, under concession, the airports of Recife, Maceió, Aracajú, Campina Grande, João Pessoa, and Juazeiro do Norte. The Group was awarded the concession on 15 March 2019. The main lines of the concession agreement are:

- The concession, which has a 30-year term extendable for an additional 5 years, is of the BOT (build, operate and transfer) type. Once the total term of the concession has ended, the full and unlimited possession of the land and all existing facilities (including the useful expenses incurred by the concessionaire and any improvements that may have been incorporated by the concessionaire) will revert to the National Civil Aviation Agency of Brazil without any compensation in favour.
- The new Concessionaire will be entitled to receive a fee for the use of the facilities and for the provision of services related to the management of the airport.
- For its part, the Administration receives a fixed fee of BRL 1.9 billion (approximately €42.7 million) on the date of signing the contract and a variable fee from the fifth year onwards based on the gross revenues of the concession agreement. The variable economic consideration is set at 8.16% of gross revenues, with an initial 5-year grace period and progressive rates over the subsequent 5 years starting in 2025 at 1.63%, increasing gradually to 3.26% in 2026, 4.90% in 2027, 6.53% in 2028, reaching the contractual 8.16% applicable in 2029 and subsequent years.
- The National Civil Aviation Agency (ANAC) estimated in the tender documents an investment amount of BRL 2.153 billion (equivalent to €486.6 million at the exchange rate of 4.4239 BRL/EUR) distributed among investments to adapt the infrastructure to traffic (25.6% of the total estimated by the Brazilian authority); discretionary (31.7%) non-compulsory investments, mainly in the commercial areas; and maintenance of infrastructures, runways and equipment (42.7%).

SP/MS/PA/MG block

BOAB is the Group company that, on 28 March 2023, signed a concession contract for the provision of public services related to the expansion, maintenance and operation of the airport infrastructure of 11 airports in Brazil, located in four states (São Paulo, Mato Grosso do Sul, Minas Gerais and Pará). The concession contract came into force on 5 June 2023 and has a duration of thirty years, with the possibility of extension for an additional five years. The Group began managing the 11 airports in phases between October and November 2023. Given the characteristics of the concession contract, this contract can be classified as a public service management contract under the concession modality.

The granting authority received a fixed concession fee of BRL 2.450 billion (approximately €457.5 million) upon signing the concession contract. This amount has been recorded in the attached consolidated balance sheet under the heading "Intangible Assets" as Service Concession.

10.5. Impairment of intangible assets

In 2020, due to the negative impact and uncertainty surrounding the airport business stemming from the pandemic, an impairment was recorded on the concession asset related to the Special Use Group established by the state-owned commercial company Aeropuertos do Nordeste do Brasil (ANB). As of the close of the 2022, the accumulated impairment on its assets amounted to €147.7 million (833 million BRL, converted at the exchange rate of 5.6386 BRL/EUR as of 31 December 2022), following a reversal of €32.972 thousand in the 2022 fiscal year. This reversal was due to improved inflation projections (enhancing future cash flow projections) and reduced investment costs, partially offset by an increased discount rate.

Consistent with what occurred in the previous fiscal year, during the 2023 fiscal year, indications of reversal of previously recognised impairment have been identified. In this regard, two main aspects have been observed that have justified the need to update the analysis of the impairment of these assets: on the one hand, the performance indicators of the company have been favourable with respect to the forecasts made at the end of 2022; and, on the other, there has been a drop in interest rates and the risk premium in Brazil, as indicated above. Therefore, the Group considered it necessary to prepare a specific impairment test.

The impairment test conducted on the base scenario determined a recoverable amount of €737,441 thousand, valued at the exchange rate of 5.36180 BRL/EUR as of 31 December 2023 (31 December 2022: €359,235 thousand, applying the exchange rate 5.6386 BRL/EUR). Therefore, compared to its carrying amount, there has been a reversal of the total accumulated impairment amounting to €155,358 thousand (as of 31 December 2022, there was also an impairment reversal of €32,972 thousand).

10.6. Guarantees

At the close of the 2023 and 2022 financial years, there are no intangible assets subject to guarantees.

11. Property, Plant and Equipment

The movements in the accounts included in "Property, Plant and Equipment" in the 2023 and 2022 fiscal years were as follows:

2023 Financial year

	Thousands of euros					
	Land and buildings	**Plant and Machinery**	**Other facilities, Equipment and Furnishings**	**Assets under construction**	**Other Fixed Assets**	**Total**
Cost:						
Opening balance	17,761,790	2,251,272	5,011,099	879,700	519,176	26,423,037
Entries/ Additions	68,884	37,254	64,394	532,885	18,247	721,664
Exits/ Derecognitions	(39,547)	(59,350)	(72,971)	(5,175)	(16,992)	(194,035)
Transfers (notes 10 and 12)	112,663	61,994	203,284	(413,696)	23,974	(11,781)
Translation differences	5,087	1,270	20	551	8	6,936
Closing balance	**17,908,877**	**2,292,440**	**5,205,826**	**994,265**	**544,413**	**26,945,821**
Amortisation						
Opening balance	(7,849,287)	(1,710,367)	(3,884,439)	-	(419,919)	(13,864,012)
Provision	(423,146)	(100,779)	(211,737)	-	(33,048)	(768,710)
Exits/ Derecognitions	19,631	58,107	71,292	-	16,935	165,965
Transfers (notes 10 and 12)	846	(356)	255	-	(414)	331
Translation differences	(2,139)	(786)	(10)	-	(3)	(2,938)
Closing balance	**(8,254,095)**	**(1,754,181)**	**(4,024,639)**	**-**	**(436,449)**	**(14,469,364)**
Impairment	-	-	-	-	-	-
Net	**9,654,782**	**538,259**	**1,181,187**	**994,265**	**107,964**	**12,476,457**

2022 Financial year

	Thousands of euros						
	Land and buildings	**Plant and Machinery**	**Other facilities, Equipment and Furnishings**	**Advances for fixed assets**	**Assets under construction**	**Other Fixed Assets**	**Total**
Cost:							
Opening balance	17,600,421	2,233,173	4,860,406	1,813	914,383	515,928	26,126,124
Entries/ Additions	51,951	34,905	48,712	-	446,934	10,130	592,632
Exits/ Derecognitions	(59,497)	(76,140)	(102,521)	(1,389)	(5,368)	(31,615)	(276,530)
Transfers (notes 10 and 12)	182,568	62,755	204,458	(424)	(475,101)	24,731	(1,013)
Translation differences	(13,653)	(3,421)	44	-	(1,148)	2	(18,176)
Closing balance	**17,761,790**	**2,251,272**	**5,011,099**	**-**	**879,700**	**519,176**	**26,423,037**
Amortisation							
Opening balance	(7,452,547)	(1,683,579)	(3,769,809)	-	-	(420,216)	(13,326,151)
Provision	(421,290)	(102,769)	(211,533)	-	-	(30,661)	(766,253)
Exits/ Derecognitions	17,766	74,116	97,182	-	-	30,990	220,054
Transfers (10 and 12)	1,343	(97)	(264)	-	-	(32)	950
Translation differences	5,441	1,962	(15)	-	-	-	7,388
Closing balance	**(7,849,287)**	**(1,710,367)**	**(3,884,439)**	**-**	**-**	**(419,919)**	**(13,864,012)**
Impairment	-	-	-	-	-	-	-
Net:	**9,912,503**	**540,905**	**1,126,660**	**-**	**879,700**	**99,257**	**12,559,025**

The Group owns properties whose separate net values for buildings and land, as of the end of the fiscal years 2023 and 2022, are as follows:

Properties	Thousands of euros	
	2023	2022
Land	3,559,337	3,551,728
Buildings *(*)*	6,095,445	6,360,775
Total	**9,654,782**	**9,912,503**

The amount for Buildings includes amortisation

11.1. Additions to property, plant and equipment

The main additions recognised in 2023 and 2022 are as follows:

Land and buildings

In 2023, additions to land and buildings amount to €68,884 thousand. The main additions include in various adaptations in Building 7 of the headquarters of the Group's Parent Entity, planned actions for soundproofing residences under the Airport Noise Insulation Plan at the airports of A Coruña, Gran Canaria, Palma de Mallorca, Valencia, Tenerife Norte, Tenerife Sur, Madrid-Barajas, Lanzarote and Bilbao; the extension of the Vigo airport strip; renewal of the false ceilings of Terminal T2 of Barcelona airport; functional improvements to the terminal building of Tenerife Sur airport; the new perimeter road at Reus Airport and the surface treatment of the runway and levelling of RESA 22 at Burgos Airport.

In 2022, additions to land and buildings amounted to €51,951 thousand. The main additions in the period were: improvements to the Terminal Area control Centre at Valencia Airport, the air traffic control centre at Barcelona Airport and the power plant at the Canary Islands Control Centre, as well as planned actions for soundproofing residences under the Airport Noise Insulation Plan at A Coruña, Gran Canaria, and Palma de Mallorca airports; the works related to the expansion and adaptation of the terminal building to the functional design of Ibiza Airport, and the remodelling of bathrooms at Girona Airport; The construction of a terrace and the reconstruction of warehouses at Barcelona airport; widening of various taxiways, new pavement work in the T-3 building north dock and the remodelling of the Premium lounge at Madrid Airport; construction of the new cargo terminal at Zaragoza airport.

The most significant assets put into service in 2023 were the adaptation of the Hold Baggage Screening System to new Standard 3 EDS at the airports of Madrid-Barajas, Málaga, Gran Canaria, Barcelona, Fuerteventura and Tenerife Sur; conditioning of the electrical system of Palma de Mallorca airport; runway widening and adaptation of taxiways at A Coruña and Tenerife Norte airports; the regeneration of runway 13-31 at Málaga airport; the refurbishment of the power plant and functional improvements to the terminal building at Seville airport and the adaptation of the installation on the runway strip 07L-25R and the regeneration of runway 06L-24R at Barcelona airport.

The most significant assets put into service in 2022 were functional improvements in the Terminal Building according to functional design at Tenerife-Sur and Sevilla airports; new bus area in the T-4 terminal building at Madrid airport; construction of the new technical block at Bilbao Airport; adaptation of the Hold Baggage Screening System to new Standard EDS at Menorca Airport;

adaptation of the Asturias airport's movement area; remodelling of the Picasso building at Málaga airport; renovation of the runway pavement at Girona airport and remodelling of the commercial gallery and boarding lounge at Gran Canaria airport.

Installations and other property. plant and equipment

The most significant additions for the financial year 2023 were:

- Technical surveillance installations (the MSSR-S radar at Gran Canaria and Taborno) and replacement of MSSR-S radar receivers.
- Update of the Automated Air Traffic Control System (SACTA - Sistema Automatizado de Control de Tránsito Aéreo).
- Updates and improvements to the console of the Flight Verification Unit (UVV - Unidad de Verificación de Vuelo).
- Acquisition of Noise Monitoring Terminals (TMR - Terminales de Monitorado del Ruido) at Madrid-Barajas and Lanzarote airports; as well as mobile phone terminals in Central Services.
- EDS Standard 3 baggage handling and inspection system equipment at Madrid-Barajas, Alicante, Gran Canaria and Fuerteventura airports.
- Milling machine, 4x4 vehicle with snow plough and runway cleaning equipment at Madrid-Barajas airport.
- Beaconing, sweeper with snow plough and emergency power generator at Barcelona airport.
- Boarding bridges and aircraft assistance equipment at Palma de Mallorca Airport.

The most significant additions for the financial year 2022 were:

- Technical surveillance installations (the MSSR-S radar at Girona) and replacement of MSSR-S radar receivers.
- New computer equipment.
- New hybrid vehicles.
- Acquisitions of 6x6 extinguishing vehicles at several airports in the network, e.g., in Almeria, Asturias, A Coruña, Girona, Granada, Lanzarote and Santiago.
- Beacons for areas 14R-32L, 18L-36R, terminal building T-4 and T-4 satellite, Madrid airport.
- Boarding pass printer for Madrid and Palma de Mallorca airports.
- Finger T-10, T-11 and T-12 at Madrid airport.

Assets under construction

The main assets under construction and in some cases under implementation as at 31 December 2023 are: works in Air Navigation facilities related to the equipment of new control positions in different centres, PSR radars, developments in the Automated Air Traffic Control System (SACTA), and the IP protocol-based voice communication system (COMETA), the construction of the new technical operations building at Madrid ACC, as well as the upgrading of several airports' facilities in the network to incorporate explosive detection systems (EDS) adapted to Standard 3 into the baggage handling system; at Palma de Mallorca airport, the most important projects include the remodelling of the processor building, modules A and D and commercial areas in the terminal area, the regeneration of the North and South taxiways and associated streets, the extension of the car park in the services building and the new SEI north; work continues at Madrid-Barajas airport on the T4S remote control platform and the new power station; in Tenerife South, the extension of the employees' car park; in Alicante, the installation of new pergolas, the waterproofing of the car park and the renovation of the pavement of the taxiways; in Girona, adaptation of the runway strips and the RESAs; in Ibiza the extension of the P1 car park and the construction of the express car park; and in several airports, the plan to implement charging points for electric vehicles. Investments in security and the South East stand at Luton Airport are also worth mentioning.

The main assets under construction and in some cases under implementation as at 31 December 2022 were: works in Air Navigation facilities related to the Automated Air Traffic Control System (SACTA), PSR primary radars and IP-based Voice Communications Systems (VoIPCS), as well as the construction of the new technical operational building of the Madrid Control Centre; also of note, the runway widening and adaptation of the taxiways at A Coruña airport; the adaptation of baggage handling systems with new explosives detection equipment (EDS) adapted to Standard 3 at several airports in the network; at Madrid airport, works on the remote control platform at T4S; remodelling of the terminal area, the processor building and Module A at Palma de Mallorca Airport; and taxiway widening at Tenerife North Airport, as well as investments in the Curium Project at Luton Airport.

11.2. Derecognitions

In 2023, the main highlights included those related to technical surveillance installations such as the MSSR radar subsystem at El Judío (Seville), the DVOR-DME at El Cuervo (Jerez) and the counter-antenna of the DVOR at Tenerife North, as well as T/A communication equipment at various locations, mainly derived from the radio last-resort system.

In 2022, the main highlights included those related to technical surveillance installations such as the PSR radar in Paracuellos, the MSSR-S radar in Girona, transmitter equipment housing and the DVOR systems in A Coruña and Madrid, as well as fire protection systems in the Control Centres of the Central and Eastern regions.

Additionally, in September 2022, the land where the NDB CAC installation was previously located, situated in the municipality of Cáceres, was decommissioned.

11.3. Gain or loss on disposal of property, plant and equipment

The total negative result of €17,633 thousand reflected in the income statement corresponds mostly to the derecognitions of property, plant and equipment during 2023, with allocation to profit or loss.

The derecognitions include the following items, whose amount has not been allocated to profit or loss:

- Reversals of provisions allocated in previous years for estimated environmental investments to comply with current regulations, for price differences mainly arising from land expropriation processes and for litigation related to construction works, which have been charged to risk and expense provision accounts (see Note 19) for a total of €4,217 thousand.
- Credits from suppliers of fixed assets on amounts capitalised in previous years.

The main write-off of €12.9 million relates to the losses caused by the fire in October 2023 in the TCP2 and DOZ (Drop off zone) car park at Luton airport.

In 2022, the total negative result of €12,445 thousand reflected in the income statement corresponds mostly to the derecognitions of property, plant and equipment during the fiscal year, with allocation to the income statement.

The derecognitions include the following items, whose amount has not been allocated to profit or loss:

- Reversals of provisions allocated in previous years for estimated environmental investments to comply with current regulations, for price differences mainly arising from land expropriation processes and for litigation related to construction works, which have been charged to risk and expense provision accounts (see Note 19) for a total of €37,369 thousand.
- Credits from suppliers of fixed assets on amounts capitalised in previous years.

11.4. Impairment

In 2023, there was no impairment balance within property, plant and equipment (in 2022 there was no impairment balance either).

11.5. Grants received

At 31 December 2023, the Group has grants allocated to its property, plant and equipment and intangible assets for an accumulated amount of €380.2 million net of tax and taking into account the portion attributable to minority interests (€378.50 million in 2022) (note 25). The gross cost of the assets assigned to these subsidies is €2.682 billion, of which €2,562.80 billion correspond to property, plant and equipment and €119.2 billion to intangible assets (in 2022, €2.64890 billion, of which €2.55050 billion correspond to property, plant and equipment and €98.4 million to intangible assets).

11.6. Limitations

The assets assigned to the consolidated Group corresponding to the Public Corporate Entity ENAIRE are public domain assets, over which ENAIRE does not have ownership or the power to dispose of them without a declaration of non-necessity or encumbrance.

The land, buildings, and constructions contributed to the subsidiary Aena S.M.E., S.A. have lost their status as public domain assets due to the declassification carried out by Article 9 of Royal Decree-Law 13/2010, of 3 December. This decree stipulates that all state public domain assets assigned to the public corporate entity "Aeropuertos Españoles y Navegación Aérea", which are not dedicated to air navigation services, including those used for aerodrome air traffic services, will no longer be considered public domain assets. This change does not alter their expropriatory purpose, and therefore, their reversion will not take place.

There are certain limitations on the sale of airport assets, as agreed in the non-extinguishing amending novation of the financing agreements entered into by Aena S.M.E., S.A., and ENAIRE with the credit institutions on 29 July 2014 (see Note 15.2.3).

11.7. Fully depreciated property, plant and equipment in use

At 31 December 2023, there are property, plant and equipment in use with an original cost of €5,478.5 million (€5,243.9 million at 31 December 2022) that are fully depreciated and still in use, with the following details:

Description	Thousands of euros	
	2023	2022
Buildings	1,609,885	1,579,276
Technical installations and machinery	1,195,013	1,120,447
Other installations, equipment and furnishings	2,336,606	1,960,196
Other fixed assets	336,958	583,970
Total	**5,478,462**	**5,243,889**

11.8. Commitments

The investments pending execution at 31 December 2023 amount to €2,004.7 million (€1,684.1 million at 31 December 2022), approximately, including those pending formalisation and the firm commitments pending execution.

11.9. Insurance policies

The Group's policy is to formalize insurance policies to adequately cover the potential risks to which its property, plant and equipment elements are subject. At 31 December 2023 and 2022, there was no coverage deficit.

11.10. Leases

The Group leases part of its property, plant and equipment to third parties for commercial use. It also presents property, plant and equipment under financial lease contracts (note 13).

11.11. Renovation and refurbishment costs

In accordance with the accounting policy described in Note 5.3, the Group capitalises as part of the fixed asset's initial valuation the estimated costs of restoration or refurbishment of the underlying site, when these constitute obligations incurred by both the subsidiary Aena S.M.E., S.A. and the parent entity ENAIRE as a result of using the asset. Thus, for Aena S.M.E., S.A., all planned obligations to carry out noise insulation and soundproofing works in residential areas to comply with current regulations regarding noise generated by airport infrastructures are capitalised as part of the airport assets' higher value (see Note 19.1.4).

11.12. Guarantees

The property, plant and equipment of London Luton Airport Holdings I Limited (LLAH I), London Luton Airport Group Limited (LLLGL) and London Luton Airport Operations Limited (LLAOL), for €201,717 thousand at 31 December 2023 (2022: €190,119 thousand), guarantee the bank debt of the London Luton Airport Holdings III Limited ("LLAH III") Group.

12. Investment Properties

Investment property relates mainly to real estate held for rental purposes.

The changes in this balance sheet item in 2023 and 2022, as well as the most significant information that affects this heading, were as follows:

2023 Financial year

	Thousands of euros			
	Real estate land	**Buildings and other Constructions**	**Other Installations**	**Total**
Cost:				
Initial balance	44,672	184,496	3,294	232,462
Entries/ Additions	-	1,549	81	1,630
Exits/ Derecognitions	-	(879)	(14)	(893)
Transfers (note 11)	1,968	4,066	-	6,034
Final balance	**46,640**	**189,232**	**3,361**	**239,233**
Amortisation				
Initial balance	-	(90,479)	(3,267)	(93,746)
Provision	-	(5,602)	(106)	(5,708)
Exits/ Derecognitions	-	857	15	872
Transfers (note 11)	-	(389)	-	(389)
Final balance	**-**	**(95,613)**	**(3,358)**	**(98,971)**
Impairment	**(4,579)**	**(729)**	**-**	**(5,308)**
Net	**42,061**	**92,890**	**3**	**134,954**

2022 Financial year

	Thousands of euros			
	Real estate land	Buildings and other Constructions	Other Installations	Total
Cost:				
Initial balance	43,023	182,924	3,337	229,284
Entries/ Additions	-	355	-	355
Exits/ Derecognitions	-	(235)	(43)	(278)
Transfers (note 11)	1,649	1,452	-	3,101
Final balance	**44,672**	**184,496**	**3,294**	**232,462**
Amortisation				
Initial balance	-	(84,270)	(3,264)	(87,534)
Provision	-	(5,435)	(47)	(5,482)
Exits/ Derecognitions	-	206	44	250
Transfers (note 11)	-	(980)	-	(980)
Final balance	**-**	**(90,479)**	**(3,267)**	**(93,746)**
Impairment	(4,201)	(662)	-	(4,863)
Net	**40,471**	**93,355**	**27**	**133,853**

This heading primarily includes properties for use in the rental regime (land, offices, hangars, warehouses). In cases where such properties consist of a portion used for generating rental income and another portion used in the production or supply of goods or services, or for administrative purposes, these properties are considered investment properties when an insignificant portion of them is used for the production or supply of goods or services or for administrative purposes.

12.1. Property investment additions

In year financial year 2023, as well as in 2022, the main additions to investment properties correspond to improvements made to real estate constructions, while transfers are motivated by the change of use of various buildings and land.

12.2. Fair value of investment properties

The fair value of the investment properties, taking into account the current values as at the dates presented, is as follows:

	2023	2022
Land	399,134	388,677
Buildings	545,133	544,486
Total	**944,267**	**933,163**

The Group commissioned an independent appraisal company (Gloval Valuation, S.A.U.) to review and assess the real estate portfolio at 31 December 2023.

12.3. Guarantees

At the close of the 2023 and 2022 financial years, there are no elements of investment property subject to guarantees.

12.4. Insurance policy

The Group's policy is to take out insurance policies to cover the possible risks to which the various elements of its investment properties are subject. As of the close of the 2023 and 2022 financial years, the Group reasonably covers these risks.

12.5. Fully depreciated investment properties

At 31 December 2023 and 2022, there are real estate investments that are fully depreciated and still in use, in accordance with the following details:

	Thousands of euros	
	2023	2022
Real estate construction	15,948	14,156
Real Estate Installations	3,351	2,855
Total	**19,299**	**17,011**

13. Leases

Finance leases

At year-end 2023 and 2022, the Group, through the subsidiary Aena S.M.E., S.A. and in some cases through Aena Desarrollo Internacional S.M.E., S.A., has entered into finance leases, the most significant of which are as follows: in the intangible assets category, there are several software licences as a Service (SaaS), and under property, plant and equipment, there are a cogeneration power plant and specific IT equipment of Aena. At London Luton Airport, various machinery and equipment are also included, which are under finance lease contracts where the Group is the lessee.

The amounts are shown below:

	2023	2022
Cost – Capitalised finance leases	47,160	27,411
Accumulated amortisation	(10,097)	(19,808)
Net carrying amount	**37,063**	**7,603**

At 31 December 2023 and 2022, the amount of minimum lease payments to be paid in the future, excluding inflation increases or other contingent rents, derived from these finance lease contracts is as follows (in thousands of euros):

Finance lease	Thousands of euros	
Minimum Payments	2023	2022
Within one year	6,137	3,004
One to five years	19,013	8,997
More than five years	-	315
Total	**25,150**	**12,316**

At 31 December 2023 and 2022 the amount of interest on these contracts, included in the above figures, which will fall due in the coming years, is as follows:

Interests - Maturity	Thousands of euros	
	2023	2022
Within one year	631	424
One to five years	946	843
More than five years	-	-
Total	**1,577**	**1,267**

Operating leases

The Group uses various assets under operating leases to third parties, including those detailed below, along with the main characteristics of the corresponding contracts (thousands of euros):

Asset	Location	Expiry date	Annual income without VAT (thousands of euros)	Remarks
Building in Pegaso City	Madrid	15/03/2024	114	The lease in force from 15/03/2022 corresponds to the ground floor and five parking spaces in the Allende Building
Piovera Building	Madrid	31/01/2029	3,825	Income according to the contract conditions
Building in the Las Mercedes Business Park	Madrid	14/10/2030	1,954	There are three lease contracts in the Las Mercedes Business Park

The total minimum future payments for irrevocable operating leases are as follows:

Operating Leases	Thousands of euros	
	2023	2022
Within one year	10,669	6,009
One to five years	46,001	13,665
More than five years	14,354	3,726
Total	**71,024**	**23,400**

Leases subject to non-cancellable payments by the Parent Company at 31 December 2023, excluding inflationary increases, amount to €16.94 million, mainly from its headquarters at in the Mercedes Building (€19.1 million at 31 December 2022), with non-cancellable payments for the headquarters of the Subsidiary Company Aena S.M.E, S.A. amounting to €54.1 million (€4.3 million in 2022).

During 2023, the Parent Entity continued its contractual relationship with the building's owner in Pegaso City, through which the ground floor of the Allende building is erected as a data processing centre (DPC) (708 square metres) and five parking spaces. During the months of

January and February, this company was RMD INVERSIONES 2010, S.L. but, due to a total division of its assets, it was dissolved and extinguished, distributing its assets among three newly created companies. For this reason, from March to December the relationship continued with the company RMD Allende 2022, S.L., one of the three beneficiaries of the spin-off. This lease contract was formalised in September 2022, with an expected expiration date of 15 March 2024 and the possibility of monthly extensions for up to one year.

In addition to the above, for operational needs, there are several leasing contracts between the entity LARMA S.P.V. 2019 S.L.U. and ENAIRE concerning the rental of offices and parking spaces in the Las Mercedes Business Park:

- A first contract was signed in March 2021 for the lease of the entire building number 2 (7,569 square metres), the ground floor of building 7 (2,259 square metres), 310 parking spaces and four UPS rooms (59.53 square metres). This contract had a grace period of eighteen months ending on 31 August 2022, corresponding to the 2,259 square metres of the ground floor of building 7 and 50 parking spaces.

  There is an addendum to this lease for the refurbishment of these buildings. The total amount for these works is fully covered by ENAIRE and amounts to €4,865 thousand, of which €2,742 thousand had already been paid by the end of 2022. The remaining €2,123 thousand are being paid from March 2021 until the end of the contract, at a rate of €2 per square metre of office space.

  Of the total amount of €4,865 thousand, €4,784 thousand was recorded as property, plant and equipment of the Entity, accrued in 2021, with the remainder recorded as an expense.

- A second contract was signed in October 2021 for the lease of the fourth floor of building number 7 (497 square metres) and 20 parking spaces. This contract had a grace period of fourteen months, which ended on 30 November 2022.

- There is a third lease contract signed in September 2022 for the first and second floors (1,261 and 2,787 square metres, respectively) of building number 7, in addition to 80 parking spaces. The contract has a ten-month grace period which, in the case of the first plant, ended on 15 July 2023 and, for the second plant, ends on 31 May 2024.

  This lease has an addendum corresponding to the refurbishment works on the first floor. The cost of this work amounts to €1,288 thousand, of which €1,218 thousand corresponds to ENAIRE, the rest being borne by the lessor. At the end of 2022, ENAIRE paid a first payment of €180 thousand, with €1,038 thousand remaining to be paid on completion of the work.

  In addition, it has a second, third and fourth addendum relating to the delivery deadlines and the refurbishment of the first floor, which amounts to €2,368 thousand. Of this amount, €153,000 are borne by the lessor, the remainder being borne by the lessee. ENAIRE made a first payment of €500 thousand on 8 November 2023, and the remaining amount of €1,715 thousand will be paid in accordance with the partial certificates of works or invoices issued by the construction company.

The Group, through its subsidiaries Aena S.M.E., S.A., and AIRM, leases various commercial spaces, areas inside and outside the terminal, hangars and warehouses, among others, under non-cancellable operating leases. These contracts last between five and ten years.

The total minimum future charges for irrevocable operating leases are as follows:

Operating Leases	Thousands of euros	
	2023	**2022**
Within one year	1,028,053	163,485
One to five years	3,337,359	458,361
More than five years	4,281,608	49,017
Total	**8,647,020**	**670,863**

Following the implementation of DF7, on 3 October 2021, the Guaranteed Minimum Annual Rent stipulated in contracts existing at that time transitions to variable rent. This adjustment is based on the reduction in passenger volume at each airport where the leased premises are located, relative to the passenger volume recorded at those airports in 2019. The variable rent continues until the annual passenger volume at each airport matches the levels observed in 2019.

At the close of the 2023 fiscal year, the total minimum lease collections for non-cancellable operating leases have increased significantly due to the recovery in air traffic. Virtually all airports in Aena's national network have reached their 2019 passenger levels, rendering DF7 no longer applicable; Additionally, new commercial and real estate lease agreements were formalised during 2023, notably including the contracts for Duty-Free Shops finalised in November 2023, which represent the majority of the increase in future minimum collections received.

The total minimum collections, broken down over the next 5 years, for non-cancellable operating leases are as follows:

Maturity	At 31 December 2023
2024	1,028,053
2025	883,319
2026	866,884
2027	830,301
2028	756,855
Next	4,281,608
Total	**8,647,020**

14. Financial instruments

14.1. Financial assets

The carrying amount of each category of Financial Assets indicated in accounting standard 9 of the General Accounting Plan is as follows:

Categories	Thousands of euros							
	Classes						Total	
	Non-current financial instruments				Current financial instruments			
	Equity instruments		Credits, derivatives and other		Credits, derivatives and other			
	2023	2022	2023	2022	2023	2022	2023	2022
Loans, Cash and Receivables	-	-	133,234	111,597	3,298,540	2,327,864	3,431,774	2,439,461
Available-for-sale assets valued at cost	745	716	-	-	-	-	745	716
Hedge derivatives	-	-	24,681	77,080	32,795	31,514	57,476	108,594
Total	**745**	**716**	**157,915**	**188,677**	**3,331,335**	**2,359,378**	**3,489,995**	**2,548,771**

The detail of financial assets at 31 December 2023 and 2022, by balance sheet items, is as follows:

Heading	Non-current Asset		Current Assets		Total	
	2023	2022	2023	2022	2023	2022
Financial Investments	**154,484**	**188,589**	**122,659**	**37,581**	**277,143**	**226,170**
Equity instruments (note 41.1.1)	745	716	-	-	745	716
Hedging derivatives (note 14.1.1, 14.1.2 and 14.3)	24,681	77,080	32,795	31,514	57,476	108,594
Deposits and sureties (note 14.1.1)	92,505	102,625	-	-	92,505	102,625
Loans to companies (note 14.1.2)	-	-	150	53	150	53
Other financial investments in associated companies	-	-	7	247	7	247
Other financial investments (note 14.1.1 and 14.1.2)	36,553	8,168	89,707	5,767	126,260	13,935
Trade and other receivables	**4,176**	**804**	**829,440**	**718,663**	**833,616**	**719,467**
Trade receivables for sales and services	4,176	804	806,969	706,367	811,145	707,171
Companies under equity method	-	-	11,927	7,878	11,927	7,878
Various debtors	-	-	5,019	3,338	5,019	3,338
Personnel	-	-	5,525	1,080	5,525	1,080
Cash and cash equivalents	**-**	**-**	**2,379,236**	**1,603,134**	**2,379,236**	**1,603,134**
Total	**158,660**	**189,393**	**3,331,335**	**2,359,378**	**3,489,995**	**2,548,771**

14.1.1. Non-current financial investments

The balance of the accounts under "Non-current financial investments" at the close of the 2023 and 2022 financial years is as follows:

Non-current financial investments	Thousands of euros	
	2023	2022
Equity instruments	745	716
Long-term deposits and bonds	92,505	102,625
Derivatives	24,681	77,080
Other receivables	36,553	8,168
Total	**154,484**	**188,589**

Equity instruments

The most significant equity instruments are as follows:

Name and Address	International	Share of Direct Capital (%)		Shareholder	Shareholder
		2023	2022	2023	2022
GroupEAD Europe S.L. Edificio Francia Avda Castilla 2 San Fernando de Henares P.E. San Fernando Madrid	Operation of a database system for aeronautical information systems. Development and implementation of changes and improvements to the database, as well as related consultancy services.	36	36	ENAIRE	ENAIRE
Grupo Navegación por Satélite Sistemas y Servicios, S.L. C/ Gobelas nº41 Madrid	Development, implementation, operation and marketing of services of the global satellite navigation system currently known as Galileo.	19.3	19.3	ENAIRE	ENAIRE
European Satellite Service Provider, SAS (ESSP SAS) Toulouse - France	Operation of the satellite navigation system.	16.67	16.67	ENAIRE	Aena Desarrollo Internacional S.M.E., S.A.
Infra Granadilla 2 S.L. Seville	Production, sale, storage and marketing of renewable electricity and thermal energy, as well as operation and development of projects related to renewable energies: wind, photovoltaic and others.	13.76	13.76	Aena S.M.E., S.A.	Aena S.M.E., S.A.

On 1 June 2023, ENAIRE and the subsidiary Aena Desarrollo Internacional S.A., S.M.E. signed a purchase agreement for 16.67% of the shares of the French company ESSP SAS, passing ownership of these shares (166,666 registered shares with a par value of one euro each) to ENAIRE E.P.E.

The transfer of ownership of these shares from Aena Desarrollo Internacional to ENAIRE is justified by the fact that the corporate purpose of ESSP is directly related to the competencies and functions in the field of air navigation that are legally held by the Public Corporate Entity ENAIRE.

The sale was approved at the ENAIRE Governing Board meeting held on 26 April 2023 and was signed on 1 June, for €9,060 thousand.

In the purchase agreement, both parties agreed to equally share the dividends from ESSP SAS for the 2022 financial year between ENAIRE and ADI S.A., S.M.E. In this regard, the collection of 50%, amounting to €292 thousand, was recorded by the Public Corporate Entity as a reduction in the value of the participation in ESSP SAS (resulting in a net valuation of €8,769 thousand).

The Parent Entity has recorded the participation in ESSP SAS at its sale price, €8,769 thousand; however, in the Group, the sale did not result in a change in the value of this participation, deferring the difference between the book value and the sale price, in accordance with article 46 of the NOFCAC.

The details and movements of the equity instruments in the consolidated Balance Sheet for the 2023 fiscal year, attached, in thousands of euros, are as follows:

	Balance at 31/12/2022	Variation		Balance at 31/12/2023
		Impairment	Acquisition	
Equity instruments				
Available-for-sale financial assets valued at cost:				
GroupEAD Europe S.L.	360	-	-	360
Grupo Navegación por Satélite Sistemas y Servicios, S.L.	157	(2)	-	155
European Satellite Services Provider, SAS (ESSP SAS)	167	-	-	167
Infra Granadilla 2 S.L.	26	-	31	57
Empresa para la Gestión de Residuos Industriales, S.A.U. (EMGRISA)	6	-	-	6
Total investment in "Equity instruments"	**716**	**(2)**	**31**	**745**

This heading includes debt securities and equity instruments of other companies, in which the group does not have significant control or influence in the decision-making of these companies.

On 4 February 2022, the subsidiary Aena S.M.E., S.A. completed the purchase of shares in the company Infra Granadilla 2, S.L., achieving a participation percentage of 13.76%. This company is engaged in property-related activities. The carrying amount of this participation as at 31 December 2023, amounts to €57 thousand (€26 thousand as at 31 December 2022). The increase in the value of the participation is due to the contribution made in February 2023.

In fiscal year 2023, the Group received a dividend of €583 thousand from ESSP SAS (2022: €666 thousand); €273 thousand from GroupEAD Europe, S.L. (2022: €147 thousand); and €2 thousand from EMGRISA (2022: €1 thousand).

14.1.2. Current financial investments

The balance of the accounts under “Current financial investments” at the close of the 2023 and 2022 financial years is as follows:

Current financial investments	Thousands of euros	
	2023	2022
Loans to companies	150	53
Short-term bonds and deposits	89,707	5,767
Derivatives	32,795	31,514
Total	**122,652**	**37,334**

The section on short-term bonds and deposits primarily includes €58.4 million in Bank Deposit Certificates from BOAB, remunerated at rates between 100.5% and 104% monthly of the Interbank Deposit Certificate variation, and they can be redeemed immediately or within a period of less than 30 days without affecting their remuneration. Additionally, it includes €21.8 million in short-term bonds constituted by Aena for expired commercial lease contracts as of the end of the 2023 fiscal year, amounting to €21.6 million, for which the corresponding refund is expected to be requested in 2024.

In 2023, the balance includes €32,795 thousand of short-term financial derivative assets of the subsidiary Aena S.M.E., S.A. (2022: €31,514 thousand).

14.1.3. Trade receivables for sales and services

The balance of "Trade receivables for sales and services" in the accompanying balance sheet at year-end 2023 and 2022 breaks down as follows:

Description	Thousands of euros	
	2023	2022
Trade receivables for services	839,799	735,828
Non-performing Receivables	154,246	132,619
Impairment Provision	(187,076)	(162,080)
Total	**806,969**	**706,367**

Under this heading, at 31 December 2023 there are €159,852 thousand in foreign currencies, of which €39,902 thousand are denominated in pounds sterling and €108,370 thousand in Brazilian reals (2022: €44,886 thousand in foreign currency, of which €32,211 thousand were denominated in pounds sterling and €12,675 thousand in Brazilian reals).

The balances under trade receivables for services belong to the following companies:

Description	Thousands of euros
	2023
World Duty Free (DUFRY)	153,472
Eurocontrol	119,350
Areas, S.A.	64,868
Vueling Airlines	64,008
Iberia, Líneas Aéreas de España, S.A.	28,193
Pansfood S.A.	20,348
Others	389,560
Total	**839,799**

Description	Thousands of euros
	2022
World Duty Free (DUFRY)	173,626
Eurocontrol	97,699
Areas, S.A.	66,262
Vueling Airlines	54,054
Iberia, Líneas Aéreas de España, S.A.	32,824
Select Service Partner, S.A.	20,749
Others	290,614
Total	**735,828**

Various debtors

The balance of the "Various Debtors" heading includes advances and outstanding balances to be collected from the subsidiary Luton amounting to €2,181 thousand (€1,526 thousand in 2022), from ANB amounting to €2,414 thousand (€365 thousand in 2022), from BOAB amounting to €423 thousand, and from Aena S.M.E., S.A. amounting to €1 thousand (€827 thousand in 2022). At 31 December 2022, ENAIRE had advance payments of invoices for supplies and services to the company Evolutio Cloud Enabler, S.A. amounting to €620 thousand.

14.1.4. Cash and other equivalent liquid assets

The balance of "Cash and cash equivalents" at year-end 2023 and 2022 is broken down as follows:

Description	Thousands of euros	
	2023	2022
Cash & Banks	1,698,242	564,806
Term deposits < 3 months	675,088	1,037,246
Demand Current Accounts	5,906	1,082
Total	**2,379,236**	**1,603,134**

As at 31 December 2023 and 2022, all cash and cash equivalent balances are available for use at any time without penalty. The Group also has no bank overdrafts.

14.2. Financial liabilities

The carrying amount of each category of financial liabilities indicated in accounting standard 9 of the General Accounting Plan is as follows:

Categories	Thousands of euros													
	Classes												Total	
	Non-current financial instruments						Current financial instruments							
	Debt with financial institutions		Debentures and other marketable securities		Other Derivatives		Debt with financial institutions		Debentures and other marketable securities		Other Derivatives			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Debts and payables	5,950,937	6,869,669	496,538	-	318,018	254,040	1,685,046	618,638	4,512	-	929,994	811,543	9,385,045	8,553,890
Hedge derivatives	-	-	-	-	-	-	-	-	-	-	-	50,240	-	50,240
Total	**5,950,937**	**6,869,669**	**496,538**	**-**	**318,018**	**254,040**	**1,685,046**	**618,638**	**4,512**	**-**	**929,994**	**861,783**	**9,385,045**	**8,604,130**

The breakdown of these financial liabilities by balance sheet heading at the end of 2023 and 2022 is as follows:

Heading	Note	Non-current Liabilities		Current Liabilities		Total	
		2023	2022	2023	2022	2023	2022
Debts		**6,765,493**	**7,123,709**	**2,137,603**	**1,008,892**	**8,903,096**	**8,132,601**
Debentures and other marketable securities		496,538	-	4,512	-	**501,050**	**-**
Debt with financial institutions	14,2	5,950,937	6,869,669	1,685,046	618,638	**7,635,983**	**7,488,307**
Other Debts	14,2	53,373	78,333	409	755	**53,782**	**79,088**
Finance lease payables	13	18,067	8,469	5,506	2,580	**23,573**	**11,049**
Derivatives	14,3	-	-	-	50,240	**-**	**50,240**
Other financial liabilities		246,400	166,938	442,009	336,637	**688,409**	**503,575**
Payables public entities due to concessions		178	300	121	42	**299**	**342**
Debts with group companies and associates	**26**	**-**	**-**	**2,784**	**1,937**	**2,784**	**1,937**
Trade and other payables		**-**	**-**	**479,165**	**469,592**	**479,165**	**469,592**
Suppliers		-	-	10,800	16,072	**10,800**	**16,072**
Various creditors		-	-	290,985	282,179	**290,985**	**282,179**
Personnel		-	-	105,384	111,178	**105,384**	**111,178**
Customer advances		-	-	71,996	60,163	**71,996**	**60,163**
Total		**6,765,493**	**7,123,709**	**2,619,552**	**1,480,421**	**9,385,045**	**8,604,130**

The amounts included under the heading "Other Debts" correspond entirely to loans from LLAHIII shareholders, specifically the debt of LLAHIII to its shareholder AMP amounting to €53,373 thousand in principal and accrued interest of €409 thousand (2022: €78,333 thousand in principal and accrued interest of €755 thousand).

Non-current and current payables with credit institutions

The breakdown of the headings “Non-current payables with credit institutions” and “Current Payables with credit institutions” in the consolidated balance sheet at 31 December 2023 and 2022 is as follows:

Description	Thousands of euros					
	2023			2022		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Bank borrowings	5,953,153	1,657,535	**7,610,688**	6,873,221	596,674	**7,469,895**
Fees	(2,216)	(5,235)	**(7,451)**	(3,552)	(1,298)	**(4,850)**
Accrued interest not past due	-	32,742	**32,742**	-	23,258	**23,258**
Credit Policy - Fee Not available	-	4	**4**	-	4	**4**
Total	**5,950,937**	**1,685,046**	**7,635,983**	**6,869,669**	**618,638**	**7,488,307**

Of the total loans with credit institutions as at 31 December 2023, amounting to €7,610,688 thousand (€7,469,895 thousand in 2022), €3,104,879 thousand (€3,620,263 thousand in 2022) correspond to co-lender debt between ENAIRE and Aena S.M.E., S.A., while €4,505,809 thousand (€3,849,632 thousand in 2022) correspond to non-co-lender debt contracted by Aena S.M.E., S.A. and its subsidiary companies.

Approximately 41% of the loans and credits of the co-lender debt are formalised at fixed interest rates ranging between 0.064% and 4.88% annually, while the remaining percentage is formalised at variable rates generally referenced to the Euribor 3-month rate. In 2022, a similar distribution was observed, where 41% of the loans and credits were formalised at fixed or revisable fixed interest rates ranging between 0.064% and 4.88% annually, with the remainder at variable rates generally referenced to the Euribor 3-month rate.

The Group's Parent Entity has undertaken to comply with certain general obligations to avoid early cancellation of the aforementioned loans and credits. The Group considers that at the close of the 2023 and 2022 financial years all the obligations related to these loans were met.

As at 31 December 2023, Aena S.M.E., S.A. and its subsidiary companies have non-co-lender long-term debt with credit institutions amounting to €3,613,861 thousand, and short-term debt amounting to €907,663 thousand (€3,766,390 thousand and €92,146 thousand in 2022, respectively). Of these amounts, €3,029,211 thousand in long-term debt and €893,500 thousand in short-term debt correspond to Aena S.M.E., S.A. (€3,298,048 thousand and €87,481 thousand in 2022, respectively); €355,450 thousand in long-term debt and €3,318 thousand in short-term debt correspond to LLAH III (€348,021 thousand and €3,376 thousand in 2022, respectively); and €229,200 thousand in long-term debt and €10,845 thousand in short-term debt correspond to ANB (€120,321 thousand and €1,289 thousand in 2022, respectively).

The maturity schedule of the outstanding instalments of loans and credit facilities at year-end 2023 and 2022 is as follows:

Payments with Maturity	Thousands of euros	
	2023	2022
2023	-	596,674
2024	1,657,535	2,035,731
2025	1,201,523	1,200,290
2026	872,610	832,766
2027	1,008,565	604,972
2028	412,951	412,951
Next	2,457,504	1,786,511
Total	**7,610,688**	**7,469,895**

The breakdown of amounts drawn and undrawn on debts with credit institutions by entity at the end of the fiscal years 2023 and 2022 is as follows:

Details	Thousands of euros	
	2023	2022
Entity 1	2,674,446	2,677,938
Entity 2	1,510,127	1,397,824
Entity 3	316,333	379,600
Entity 4	500,000	500,000
Entity 5	400,000	400,000
Entity 6	380,000	300,000
Entity 7	200,000	300,000
Entity 8	300,000	300,000
Entity 9	230,000	290,000
Entity 10	300,000	250,000
Entity 11	150,000	150,000
Entity 12	100,000	100,000
Entity 13	103,800	68,401
Entity 14	136,245	53,210
Entity 15	138,082	135,298
Entity 16	40,274	39,462
Entity 17	35,096	34,388
Entity 18	28,767	28,187
Entity 19	23,014	22,550
Entity 20	11,507	11,275
Entity 21	11,507	11,275
Entity 22	11,392	11,162
Entity 23	10,931	10,711
Entity 24	313	-
Entity 25	115	113
Luton fees	(1,261)	(1,499)
Total	**7,610,688**	**7,469,895**

Accrued and unpaid interest at the end of the 2023 and 2022 fiscal years amounts to €32,742 thousand and €23,258 thousand, respectively, with €10,963 thousand in 2023 and €11,336 thousand in 2022 corresponding to the co-lender debt.

Meanwhile, on 29 June 2023, the subsidiary Aena S.M.E., S.A. formalised a sustainable syndicated credit line ("Sustainability-Linked RCF") amounting to €2 billion euros, in line with its goal of reinforcing its commitment to environmental, social and corporate governance responsibilities. The operation was subscribed by 14 national and international financial institutions and was led by Banco Santander as the coordinator and sustainability agent, and Banco Sabadell as the coordinator and administrative agent. The detail of the entities is shown below:

BANKING ENTITY	AMOUNT (thousands of euros)
Entity 1	212,500
Entity 2	212,500
Entity 3	200,000
Entity 4	100,000
Entity 5	100,000
Entity 6	200,000
Entity 7	100,000
Entity 8	100,000
Entity 9	75,000
Entity 10	200,000
Entity 11	100,000
Entity 12	100,000
Entity 13	200,000
Entity 14	100,000
TOTAL	**2,000,000**

The maturity of this line of credit is in June 2028. The interest rate is variable, with an initial spread (0.35% annual) on the Euribor at 1/3/6 months.

With this operation, the company extends its financing period for general corporate needs up to 5 years (with the option of extending for 2 more years) with optimum economic conditions.

As a result of taking out the aforementioned line of credit, on 29 June 2023, AENA S.M.E., S.A. cancelled the existing lines of credit at the end of 2022, which amounted to €1.450 billion (with maturities in 2024 and 2025).

At 31 December 2023, this new line of credit was not available. As at 31 December 2022, the lines of credit in place at that date had not been drawn down.

Of the Group's total non-current non-commercial payables, those corresponding to Luton (LLAH III) and Aeroportos do Nordeste Brasil S.A. (ANB), are denominated or instrumented in foreign currency:

Description	31 December	
	2023	2022
Thousands of Pounds Sterling (LLAH III)	311,787	311,664
Thousands of Brazilian Reais (ANB)	1,287,072	685,712

The carrying amount of the LLAH III shareholder loan is also fully denominated in £46,738 thousand, €53,782 thousand at the 2023 closing exchange rate (in 2022, £70,146 thousand, €79,088 thousand at the 2022 closing exchange rate).

The breakdown of the total bank debt with financial institutions in which ENAIRE and Aena S.M.E., S.A. are co-lenders as of 31 December 2023 and 2022 ("Financial debt in which Aena S.M.E., S.A. appears as joint creditor with ENAIRE") is as follows (in thousands of euros):

		31.12.2022	Amortisation debt schedule	Early amortisation	31.12.2023
Co-lender debt	BEI	**2,187,938**	(313,492)	-	**1,874,446**
	ICO	**1,052,725**	(138,625)	-	**914,100**
	FMS	**379,600**	(63,267)	-	**316,333**
Total Debt		**3,620,263**	**(515,384)**	**-**	**3,104,879**

The breakdown between short-term and long-term debt by Bank at the end of the fiscal years 2023 and 2022 is as follows:

	Debt with financial institutions	
	2023	**2022**
Long Term		
BEI	1,562,756	1,874,446
ICO	775,475	914,100
FMS	-	316,333
Long-term total	**2,338,231**	**3,104,879**
Short Term		
BEI	311,690	313,492
ICO	138,625	138,625
FMS	316,333	63,267
Short-term total	**766,648**	**515,384**

The schedule of maturity dates for outstanding payments of the total financial debt with financial institutions, where ENAIRE and Aena S.M.E., S.A. are jointly accredited, at the end of the fiscal years 2023 and 2022, is as follows:

Payments with Maturity	Thousands of euros	
	2023	**2022**
2023	-	515,384
2024	766,648	766,648
2025	397,737	397,737
2026	376,487	376,487
2027	344,144	344,144
2028	316,306	316,306
Next	903,557	903,557
Total	**3,104,879**	**3,620,263**

Debt covenants:

As shown in the previous tables, ENAIRE and Aena S.M.E., S.A., jointly accredited, have outstanding loans with BEI, ICO and FMS totalling €3.105 billion as of 31 December 2023 (€3.620 billion as of 31 December 2022). These loans include the obligation to comply with the following financial ratios (covenants) by both entities:

Net Financial Debt / EBITDA ≤ 7
EBITDA / Financial Expenses ≥ 3

These covenants are reviewed semi-annually, in June and December, based on the EBITDA and financial expenses of the last 12 months of Aena S.M.E., S.A., as well as the net financial debt at the end of the period.

As a consequence of the global impact of the COVID-19 health crisis and its worldwide effects, the Group has negotiated with these Banks the contracts that include Financial Ratios (covenants), with the aim of avoiding a reclassification of long-term debt into current liabilities.

Up until 2023, temporary compliance waivers were obtained from the ratios established in the current financing contracts with the three entities, EIB, ICO and FMS.

The ratios (covenants) established in the financing contracts were met in 2023.

Information on deferred payments to suppliers. Additional provision three. "Reporting Requirement" of Act 15/2010 of 5 July

At 31 December 2023, there were outstanding payments with suppliers amounting to €122,066 thousand, of which an invoice was received for services rendered in the financial year (€132,270 thousand in 2022).

This balance refers to suppliers who, by nature, are trade creditors for debts related to the supply of goods and services. It includes data related to items such as "Trade creditors and other accounts payable", "Current payables with group companies and associates", and "Suppliers of fixed assets included in other financial liabilities" within the current liabilities section of the Balance Sheet.

The breakdown of payments for commercial transactions made during the fiscal year and outstanding at year-end, in relation to the maximum legal terms stipulated in Law 31/2014, according to the provisions of the Resolution of 29 January 2016, by the Institute of Accounting and Auditing of Accounts (ICAC), is as follows:

	2023	2022
	Days	
Average period for payments to suppliers	30.46	34.34
Ratio of transactions settled	31.53	35.39
Ratio of outstanding payments	14.87	16.77
	Amount (thousands of euros)	
Total payments made	1,259,783	1,338,667
Total payments pending	122,066	132,270

14.3. Derivative Financial Instruments

The subsidiary Aena S.M.E., S.A. and its subsidiaries have contracted various derivative financial instruments.

Derivatives	Thousands of euros			
	Asset		Liability	
	2023	2022	2023	2022
Interest rate swaps - cash flow hedges Aena, S.A.	51,140	99,184	-	-
Interest rate swaps - cash flow hedges LLAH III	6,336	9,410	-	-
Electricity price swap Aena, S.A.	-	-	-	1,162
Contingent currency hedging ADI, S.A.	-	-	-	49,078
Total	**57,476**	**108,594**	**-**	**50,240**
Current	**32,795**	**31,514**	**-**	**50,240**
Non-current	**24,681**	**77,080**	**-**	**-**

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

On 10 June 2015, the subsidiary Aena S.M.E., S.A. entered into an interest rate hedge operation with financial institutions rated BBB or higher (Standard & Poor's) to mitigate the risk of interest rate fluctuations on several loans amounting to €4.196 billion.

Of the contracted amount of €4.196 billion, €300 million (with no outstanding notional amount) are fixed-rate interest swaps at 0.144% against a variable interest rate (Eur6M), which matured on 15 December 2020; €854 million (with an outstanding notional amount of €427.1 million) corresponds to fixed-interest rate swaps at 1.1735% against a variable interest rate (Eur6M); and €3.042 billion (with an outstanding notional amount of €1.0152 billion) corresponds to a fixed-rate interest swaps at 0.9384% against a variable interest rate (Eur3M). These latter two cases have a maturity date of 15 December 2026.

The notional principal amounts of these interest rate swap contracts outstanding as of 31 December 2023, amount to €1.4423 billion (31 December 2022: €1.6691 billion).

The balance recognised in the hedging reserve of equity for interest rate swap contracts as of 31 December 2023 will be transferred to the income statement as the hedged items impact results, classified as financial expenses and operating expenses, respectively. During the fiscal year 2023, €32.8 million were charged to the income statement as financial expenses for the settlement of hedging instruments (2022: €20.9 billion).

The fair value of these derivatives recorded as an asset as of 31 December 2023 amounts to €51.1 million (€99.2 million in 2022), with the fair value recorded as a liability being €0 (€0 in 2022).

LLAH III derivatives

The swaps of LLAH III cover 100% of their variable-rate loans (£80 million notional principal) and have maturities between 7 and 12 years, with an average fixed interest rate of 1.09% against the variable interest rate used as a reference (SONIA 3 or 6 months). Their value recorded as an asset as of 31 December 2023, amounts to €6.336 million at the year-end exchange rate (comprising €5.245 million long-term and €1.091 million short-term) (31 December 2022: €9.410 million in long-term liabilities at the 2022 year-end exchange rate).

Electricity price swap

In 2022, the subsidiary Aena S.M.E., S.A. entered into swaps on Spanish electricity traded in the Iberian Electricity Market (MIBEL - Mercado Ibérico de la Energía Eléctrica) to hedge against inflationary pressures caused by the increase in electricity costs due to the macroeconomic and geopolitical crisis resulting from Russia's invasion of Ukraine.

These derivatives on energy prices were accounted for as cash flow hedges, with maturity dates of 31 December 2022 and 31 March 2023, and contract amounts of 8.184 MWh and 23.749 MWh, respectively.

During the fiscal year 2023, €2.230 million was charged to the income statement as operating expenses for the settlement of energy hedging instruments (no amount was charged to the income statement for this purpose in 2022).

At 31 December 2023, Aena S.M.E., S.A. no longer has energy price hedges.

Derivatives Aena Desarrollo Individual S.M.E., S.A.

In order to implement an economic hedging strategy to mitigate the risk of fluctuations in the BRL/EUR exchange rate implicit in the contributions required for the establishment of BOAB and the payment of the grant for the new concession contract described earlier, Aena Desarrollo Internacional, SME, S.A. entered into operations involving Non-Deliverable Forwards (NDFs), settled by cash differences at the time when it was awarded the concession.

On 26 January 2023, the first payment required for the increase in the share capital of BOAB amounted to 1.639 billion BRL, resulting in the settlement of the corresponding derivative and generating a positive result of €3.4 million for the fiscal year.

On 24 January 2023, an Intragroup Loan was signed between the Group companies ADI and BOAB for an amount of 2.450 billion BRL, to cover the payment of the contract award that occurred in March. On 6 February, the Intragroup loan was disbursed and the corresponding derivative was settled, resulting in a positive outcome of €5.3 million recorded in the attached consolidated income statement.

For the accounting treatment of these contracts, the Group opted not to apply hedge accounting. Derivatives are considered trading instruments and are recorded at fair value with changes recognised in the income statement. The fair value of non-deliverable forward (NDF) currency exchange derivatives was determined by discounting the expected cash flows to maturity of the contractual period, using market discount factors applicable at each valuation date. To estimate the cash flow, the spot exchange rate and the forward points available in the market at the time of derivative valuation are used. The difference against the covered exchange rate is then obtained.

In 2023, the currency forward "NDF" contracts formalised to hedge the risk of the initial investments required for the establishment of the Brazilian company BOAB, in August 2022, were settled.

14.4. Issuance of bonds and debentures

On 13 October 2023, the subsidiary Aena S.M.E., S.A., issued its first bond issue on the fixed-income market for an amount of €500 million and maturity in October 2030. The transaction closed with a coupon of 4.25%. The effective financial cost is 4.314% per year.

Aena S.M.E., S.A. will allocate the funds to general corporate needs.

The issue was conducted under the Euro Medium Term Note (EMTN) programme, which the Company registered with the National Securities Market Commission (CNMV) on 27 July 2023, and which, during its validity, allows for the issuance of bonds up to an amount of €3,000 million.

The rating agencies Fitch and Moody's have assigned the issuance a rating of "A-" and "A3", respectively. These ratings correspond to the long-term issuer ratings (Long Issuer Default Rating) granted to AENA S.M.E., S.A.

Aena S.M.E., S.A. will continue to use the above-mentioned programme for the issuance of any debt that may be required.

The detail of the amount recorded in the accompanying consolidated balance sheet at 31 December 2023 is as follows:

Details	Non-current Liabilities		Current Liabilities		Total	
	2023	2022	2023	2022	2023	2022
Debentures and bonds issued	500,000	-	-	-	500,000	-
Effective cost criterion balance adjustment	(3,462)	-	(58)	-	(3,520)	-
Interest accrued on debentures	-	-	4,570	-	4,570	-
Total	**496,538**	**-**	**4,512**	**-**	**501,050**	**-**

15. Information on the nature and level of operational and financial risks

The Group's activities are exposed to various operational and financial risks. The Group's global risk management programme focuses on market uncertainty and aims to minimise potential adverse effects on the Group's profitability.

15.1. Operational risks

15.1.1. Regulatory change risk

Both the entity ENAIRE and its subsidiary Aena S.M.E., S.A. operate in highly regulated sectors where changes or creation of new regulations, as well as their possible interpretations, could have negative effects on the Group's operating results and financial position.

The Air Navigation System is highly regulated both nationally and internationally. Changes or new regulations, as well as their possible interpretations, could have negative effects on the operating results and financial position of the Parent Entity (ENAIRE's activities are economically regulated through the Regulation on performance and charging (EU Regulation 2019/317)) (Note 5.11).

Significant and persistent changes in variables that influence the mechanism for determining annual unit rates, such as costs or macroeconomic factors like traffic or inflation, would greatly impact the setting of route fees. This would have significant consequences on the net amount of turnover and thus on the results and cash position of the Group.

Regarding the subsidiary Aena S.M.E., S.A., Law 18/2014 introduces the mechanism governing the determination of airport tariffs for the first Airport Regulation Document ("DORA"), which sets out the minimum service conditions prevailing at airports in the Aena S.M.E., S.A. network over the next five years. This provides a predictable medium-term regulatory framework aimed at enhancing efficiency and competitiveness levels in airport operations.

The Airport Regulation Document for the period 2022-2026 (hereinafter DORA II) was approved by a Council of Ministers' Agreement on 28 September 2021, following the prior report of the Government Delegated Commission for Economic Affairs (CDGAE - Comisión Delegada del Gobierno para Asuntos Económicos), as stipulated in Article 26.1 of Law 18/2014.

DORA II provides the stability needed to develop an efficient, competitive and sustainable service in the long term. It sets the parameters for the recovery of the air transport sector by ensuring that the airport network has the necessary resources to provide a safe, high-quality, sustainable service with sufficient capacity to cover the recovery of traffic when it occurs. However, the conditions established in DORA 2022-2026 entail obligations regarding service quality standards and the commissioning of strategic investments. Non-compliance with these obligations may result in penalties on fees, similar to what occurred with DORA I, which would affect future fiscal years in any case. The Company does not expect any breaches of the commitments undertaken within the framework of the DORA to occur.

The conditions set forth in this DORA II require the airport operator to provide, inter alia, a service of quality and with sufficient capacity to meet demand during the five-year regulatory period. At the same time, it provides the necessary predictability for developing an efficient, competitive and sustainable long-term service.

In DORA II, among other measures, a freeze on airport fees at Aena is in place until the year 2025, making them among the most competitive. This is expected to contribute to attracting new airlines and to the recovery of the air transport sector.

Aena considers that all the requirements stipulated in Article 27 of Law 18/2014, of 15 October, are met for the modification of DORA and the granting of the economic rebalancing provided for in said regulation. Therefore, it has initiated a process that is ongoing in the relevant judicial bodies.

In 2012, the European Commission initiated an infringement procedure against the Kingdom of Spain to assess whether there had been incorrect transposition of Directive 2009/12/EC or incorrect application of Regulation (EC) No 1008/2008 on common rules for the operation of air services in the European Union. This procedure was resolved on 2 December 2021 without any consequences for Aena or the Spanish State.

In addition, the activity of AENA is regulated by both national and international regulations on safety, security and environmental issues, which could limit the activities or growth of AENA's airports and/or require significant expenditures. Aena is a state-owned company, and as such, its management capacity may be conditioned or influenced accordingly.

15.1.2. Operating risks

The Group's business is directly related to the levels of passenger traffic and air operations at its airports, as well as air navigation traffic, and may therefore be affected by the following factors:

- Economic developments both in Spain and in the main countries of origin/destination of traffic (United Kingdom, Germany, France and Italy, among others). Despite the agreements reached following the United Kingdom's exit from the European Union, risks associated with Brexit continue to be monitored. This includes concerns related to changes in airline ownership and control, as well as regulatory impacts that could affect operations within the European Union.
- The Group operates in a competitive environment, both with regard to other airports and other means of transport. This competition with other modes of transportation has been highlighted by the introduction of new high-speed train (AVE) routes and the liberalisation of the railway sector with the emergence of new low-cost operators (e.g., Ouigo and Iryo), bringing a price war between the new companies, which affects air traffic and domestic routes.
- Risks derived from a possible restructuring of the market that would involve bankruptcy, concentration and mergers of airlines (e.g. Iberia and Air Europa), fleet renewal due to delayed aircraft deliveries or the emergence of alternative airports. As well as the change in the current balance between flag carriers and low-cost airlines, and the consolidation of the tour operation market.
- Risks derived from environmental measures that could have an impact on aviation. On the one hand, of note is the EU Initiative “Fit for 55”, which includes, among other aspects: a review of the EU Emissions Trading System; a review of the Energy Taxation Directive; and the ReFuelEU Aviation initiative. Other measures being considered in several European countries, including Spain, would be the application of new taxes on airline tickets, or the possible restriction of domestic flights on routes served by high-speed trains.
- In addition, possible structural changes in habits, such as technological progress, videoconferencing and teleworking are having an impact on business travel.
- Revenues from commercial activity are linked to the sales of the companies renting the commercial space, which can be affected by both the volume of passengers and the greater or lesser spending capacity of these passengers.
- In its airport and air navigation operations, the Group relies on services provided by third parties, which may have an impact on its business.
- Operational and physical security-related risks. Negative impacts on the security of persons or property, through incidents, accidents and unlawful interference activities (including terrorist activities) arising from operations that could expose the Group to

potential liabilities that may involve compensation and indemnities, as well as loss of reputation or disruption of operations.

- Risks related to health security and their impact on the quality of service perceived by passengers and in relation to other airports.
- Labour disputes may have an impact on the Group's activities.
- The Group depends on information and communications technologies, and systems and infrastructures face certain risks, such as cybersecurity, vulnerabilities and other threats to the confidentiality, integrity and availability of the information stored in the systems.
- Natural disasters and weather conditions could adversely affect the business.
- On the other hand, the Group's international activity is subject to risks associated with the development of operations in third countries and the fact that profitability prospects may not be as expected.
- The Group's profitability could be affected if it is unable to maintain its current efficiency levels.
- Changes in tax legislation could result in additional taxes or other damages to the Group's tax situation.
- The Group is, and may continue to be in the future, exposed to a risk of loss in legal or administrative proceedings in which it is involved (Note 19).
- The Group could be affected by a low availability of trained resources.
- The appearance of new pandemics could negatively affect air traffic.

Furthermore, the observed recovery in air traffic may be affected as a result of the current uncertain macroeconomic environment and geopolitical risks.

- With regard to the macroeconomic environment, the economic situation remains subject to risks such as persistent inflation or the maintenance of high interest rates. The main national and international bodies expect a deceleration in economic growth for 2024, especially in Europe. While Spain experienced economic growth of 2.5% in 2023, the countries in the eurozone saw a growth of only 0.5%. For 2024, the forecasts for Spain are more moderate, with an estimated growth of around 1.7% (IMF forecasts). These circumstances could slow down tourism growth.
- The global geopolitical situation is currently marked by the uncertainty derived from the evolution of the military conflicts in the Middle East and Ukraine, whose impact on the world economy and tourism could be significant, both in the short and medium term. In addition, economic risks and confrontations between the world's leading powers (e.g. the US and China) could further reduce global economic growth, slowing the recovery.

These external factors may have a negative impact on the evolution of tourist flows and the economic situation of airlines, leading to a fall in traffic and a loss of competitive position, which could also be affected by the emergence of new means of transport, alternative airports and changes in the strategy of existing ones.

The Group's management bodies have implemented mechanisms aimed at identifying, quantifying and hedging risk situations. Irrespective of the above, situations that could pose a relevant risk are closely monitored, as well as the measures taken in this respect.

Although at the date of formulation of these consolidated financial statements there has been no significant consequences, the Group continues to analyse and monitor the potential impacts that the current situation of uncertainty may have on the future.

15.2. Financial risks

15.2.1. Market risk

Exchange rate risk

The Group is exposed to exchange rate fluctuations that may affect its sales, results, equity and cash flows, mainly as a result of:

- Investments in foreign countries (mainly in the United Kingdom, Brazil, Mexico and Colombia) (see Notes 1.2 and 2).
- Transactions carried out by associates and other related parties operating in countries whose currency is not the euro (mainly in the United Kingdom, Brazil, Mexico and Colombia).
- Loans granted in foreign currency (see note 14.2). In relation to the loan granted to LLAHL III in pounds sterling, the subsidiary regularly monitors the evolution of the exchange rate and will consider, if necessary, the contracting of hedges to avoid fluctuations of the pound against the euro.

A gain of €9,919 thousand was recorded in 2023 (2022: a loss of €4,476 thousand) due to exchange differences associated with loans between Group companies denominated in pounds (€1,635 thousand) and Brazilian reals (€8,284 thousand), recorded in the accompanying income statement, within the financial result.

In order to hedge the risk of the initial investments required for the incorporation of the Brazilian company BOAB in August 2022, "NDF" currency forward contracts have been entered into and settled during 2023. (see note 14.3)

Foreign exchange risk on the net assets of the Group's foreign operations is managed mainly through borrowings denominated in the respective foreign currencies. In particular, with regard to the operations of foreign airports, given that their operational receipts and payments are in local currency, there is a natural hedging of their business.

Cash flow and fair value interest rate risk

The Group's objective in interest rate management is to optimise financial expenses within established risk limits. The risk variables are the three-month and six-month Euribor rates, which are used for long-term debt.

Additionally, the financial expense risk value is calculated for the horizon of the Multi-Annual Action Program, and scenarios for interest rate evolution are established for the period considered.

Financial Expenses are mainly due to the financial debt recognised with the credit institutions.

The Group manages interest rate risk on cash flows through floating-to-fixed interest rate swaps (see note 14.3)

In addition, Aena S.M.E., S.A. and LLAH III have finalised interest rate hedging transactions to protect them from possible interest rate rises (see note 14.3).

15.2.2. Credit risk

The Group's credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure from trade receivables and agreed transactions.

The Group does not expect any unprovisioned losses due to the default of these counterparties, and credit limits have not been exceeded during the fiscal year.

The risk variable is the credit quality of the counterparty, so the Group's objective is to minimise the risk of counterparty default. The Group maintains its cash and equivalent liquid assets in financial institutions with a high credit level.

The credit risk related to cash and cash equivalents, derivative financial instruments and deposits in banks and financial institutions is mitigated by contracting exclusively with financial entities in Spain that have an investment grade credit rating.

As indicated in note 14.2, in the year 2023, it was not necessary to sign waivers for compliance with ratios, as these were met.

The credit risk related to trade accounts is reduced since the main customers are airlines, payments are typically received upfront or in advance, and endorsements and bonds are also obtained from them. Regarding commercial customers leasing premises at various airports, the risk is managed by obtaining endorsements and bonds.

Law 1/2011, of 4 March 2011, published in the Official State Gazette, amends Law 21/2003, of 7 July 2003, on Air Safety, enabling Aena S.M.E., S.A. or its subsidiaries to use enforcement proceedings for the management, liquidation and collection of all public patrimonial entitlements. These enforcement proceedings will be managed by the collection agencies of the Spanish Tax Agency for effective collection.

15.2.3. Liquidity risk

The main risk variables are: constraints in financing markets, increased planned investment and reduced cash generation.

In order to maintain sufficient liquidity to cover a minimum of twelve months of financial needs, a long-term funding policy has been established, as well as the possibility of contracting short and medium-term liquidity facilities.

In order to meet investment commitments and their current payables, at the close of 2023 the Group had cash flow of €2.379 billion (€1.603 billion in 2022), available to be used at any time without any penalty, as well as its own operating flows.

On the other hand, at the Council of Ministers meeting on 11 July 2014, the Public Corporate Entity "ENAIRE" was authorised to initiate the procedures for the sale of the share capital of Aena S.M.E., S.A. and to divest up to 49% of its capital.

In the context of opening the share capital of Aena S.M.E., S.A. to private investors, and in order to align financing agreements (long and short-term financial indebtedness) and hedging agreements with this process, on 29 July 2014, the Public Corporate Entity "ENAIRE", Aena S.M.E., S.A. and the respective financial entities agreed on the modificatory and non-extinguishing novation of the corresponding financing agreements.

The consolidated text of the new financing agreements fully replaces the original contracts and their amendments for all purposes. This aims, among other modifications, to eliminate any contractual restrictions that may affect the privatisation process and to incorporate Aena S.M.E., S.A. as a jointly liable party alongside the Public Corporate Entity “ENAIRE” under the various Financing Agreements. Additionally, all necessary adjustments to the said financing agreements are made for these purposes.

Through these amendments, the financial conditions of the loans initially granted to the Public Corporate Entity “ENAIRE” were not altered, nor were those reflected in the mirror loans subsequently entered into with Aena S.M.E., S.A. (including, among others: amortisation of principal, maturity dates, interest rate regime, amortisation terms, etc.).

Aena S.M.E., S.A., also has available three EIB loans of €95 million, €110 million and €200 million, and an ESG-linked loan from ICO of €250 million.

In addition, it has a syndicated credit facility in the amount of €800 million signed in 2018 and an ECPS programme in the amount of €900 million.

On 30 December 2021, a long-term loan of BRL 790,982 thousand was signed with Banco do Nordeste do Brasil (BNB) to finance part of the investments to be made in the coming years as required by the concession contract, in addition to a long-term loan formalised on 31 March 2022 for a total of BRL 1.048 billion with Banco Nacional De Desenvolvimento Econômico E Social (BNDES).

As of 31 December 2023, the loan with BNB has been drawn down in the amount of BRL 552.3 million (2022: BRL 383.2 million) and the loan with BNDES in the amount of BRL 676.4 million (2022: BRL 292.2 million), equivalent to €103 million and €132 million, respectively, at the exchange rate of BRL/EUR 5.3618 million at the end of 2023 (at 31 December 2023, €68 and €52.4 million, at the exchange rate BRL/EUR 5.401).

On 27 April 2022, the Governing Board of the Parent Entity approved the arrangement of a €100 million credit facility with CaixaBank.

Based on the latest Eurocontrol air traffic evolution forecasts, the resulting financial economic scenario is fully viable for ENAIRE, and it is estimated that this policy will not be used in 2024.

In these circumstances, the Group considers that there will be no problems in meeting payment commitments.

16. Inventories

The balance of inventories is broken down as follows:

Inventories	Thousands of euros	
	2023	2022
Spare parts and other supplies	6,420	6,943
Total	**6,420**	**6,943**

At 31 December 2023, the balance of inventories includes €1,178 thousand of impairment (€0 thousand in 2022).

17. Foreign currency

Translation differences

The translation differences recognised in equity under "Valuation adjustments" relate in full to companies in which the subsidiary Aena Desarrollo Internacional has an interest. The breakdown by company is as follows:

Description	Thousands of euros	
	2023	2022
ANB	(5,624)	(10,142)
AEROCALI	(2,418)	(1,547)
ACSA	41	-
SACSA	2	(583)
Attributed to External Partners based on the equity method	3,920	6,013
Total Companies based on the equity method	**(4,079)**	**(6,259)**
LUTON	513	2,024
ANB	(101,552)	(118,917)
BOAB	14,086	3
Attributed to Subsidiary External Partners	42,607	57,276
Total Subsidiaries	**(44,346)**	**(59,614)**
Total	**(48,425)**	**(65,873)**

18. Capital and reserves without valuation adjustments

18.1. Capital (Equity and assigned equity)

At the time of its establishment, installations and properties primarily from the Ministry of Transport, Tourism and Communications (now Ministry of Transport and Sustainable Mobility), the Ministry of Defence and the former Autonomous Body "National Airports" were transferred to the Parent Entity for the purpose of providing airport and air navigation services.

The initial public offering (IPO) in February 2015 of 49% of the capital of the Subsidiary Company Aena S.M.E., S.A., resulted in ENAIRE acquiring a 51% stake in Aena S.M.E., S.A., compared to its previous ownership of 100%.

Based on this reduction in ownership of Aena S.M.E., S.A., the Governing Board (previously the Board of Directors) of ENAIRE decided to reduce the equity of the Parent Entity by an amount of €1,274,425 thousand. This amount corresponds to the cost value of the 49% stake in Aena S.M.E., S.A., which was divested by the Parent Entity during the IPO.

During the fiscal year 2022, the land where the NDB CAC installation was previously located, situated in the municipality of Cáceres, was decommissioned. This withdrawal led to a decrease of €31.7 thousand in the Entity's assigned assets and a decrease of €1.6 thousand in the Statutory Reserve.

18.2. Reserves

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

	Thousands of euros	
	2023	2022
Reserves of the Parent Entity	**309,757**	**148,270**
Legal and by-law reserves	516,889	516,889
Other Reserves	372,708	5,040
Prior Periods' Losses	(579,840)	(373,659)
Reserves in consolidated companies	**1,749,454**	**1,655,695**
Reserves in Companies based on the equity method	**24,355**	**22,543**
Total reserves	**2,083,566**	**1,826,508**

The Statutory Reserves have been endowed in accordance with the Bylaws of the Public Corporate Entity and are intended to finance investments in infrastructure.

At 31 December 2023, the Parent Entity has recognised €579,840 thousand (€373,659 thousand in 2022) under the heading of "Prior Years' Losses", stemming from the application of losses incurred in the 2022 fiscal year amounting to €206,181 thousand, in the 2021 fiscal year amounting to €284,797 thousand and part of the negative result from 2020 amounting to €88,861 thousand. These results were mainly derived from the decline in traffic due to COVID-19 and the fee reductions in the 2020 and 2021 fiscal years.

18.3. Payment on Account to the Public Treasury

Article 29.1 of the Parent Entity's Bylaws stipulates that when the annual income statement of the Entity reflects a surplus, 100% of the income obtained from the dividends of the subsidiaries, unrelated to the air navigation business, for the referred fiscal year shall be deposited into the Public Treasury. However, if the surplus is less than the aforementioned amount, the surplus will be deposited, provided that the financial prospects of the Entity allow it, as indicated in Article 29.2.

In accordance with the above, on 28 April 2023, the Governing Board approved a payment to the Public Treasury of 77% of the amount received by the Entity in dividends distributed by the Subsidiary Aena, S.M.E, SA corresponding to the financial year 2022. This income amounted to €279,799 thousand and is considered a payment on account of the Entity's profit for the year 2023.

This percentage arises because, under Corporate Tax regulations, ENAIRE must make advance payments that are at least 23% of the income that includes the dividends received.

In this regard, ENAIRE paid €82,119 thousand in October 2023 as an instalment payment derived from the collection of the dividend from Aena, S.M.E., S.A. Therefore, if Aena had paid 100% of the dividends received from ENAIRE to the Public Treasury, it would not have had sufficient cash flow to meet this instalment payment of the Corporate Tax.

As indicated in the proposed application of the result in Note 4, the amount to be deposited into the Public Treasury for the 2023 fiscal year will be adjusted in accordance with the Bylaws. This adjustment will take place once the tax authorities refund the portion of the 2023 result that is exempt from dividend taxation under the corporate tax, which was advanced in the instalment payment made in October 2023.

19. Provisions and contingencies

19.1. Provisions

The movements in the accounts included under the heading 'Provisions' were as follows:

Provisions	Employment Commitments	Expropriations and interest on arrears	Responsibilities	Environmental Actions	Other Provisions	Total
Opening balance 2023	356,833	5,655	13,983	63,425	40,644	**480,540**
Additions	86,563	9,972	33,636	12,127	27,364	**169,662**
Additions discount	248	-	-	-	-	**248**
Expected return on plan funds	525	-	-	-	-	**525**
Impact of minimum funding requirement / asset ceiling	(469)	-	-	-	-	**(469)**
Actuarial gains and losses	(110)	-	-	-	-	**(110)**
Translation differences	-	-	5	18	25	**48**
Plan contributions	366	-	-	-	-	**366**
Reversals/ Surpluses	(9,785)	(344)	(6,180)	(3,956)	(1,801)	**(22,066)**
Applications	(13,969)	(5,619)	(1,206)	(10,189)	(47,461)	**(78,444)**
Closing balance 2023	**420,202**	**9,664**	**40,238**	**61,425**	**18,771**	**550,300**
Short-Term Balance	**80,537**	**1,459**	**6,525**	**7,573**	**12,936**	**109,030**
Long-Term Balance	**339,665**	**8,205**	**33,713**	**53,852**	**5,835**	**441,270**

19.1.1. Provision for employment commitments

The movements in 'Provisions for employment commitments' were as follows:

Provision for employment commitments	Awards and Other Employment Matters	Special Paid Leave and Active Reserve	Special Active Reserve	Remuneration Controllers	Total
Opening balance 2023	12,435	141,300	145,253	57,845	**356,833**
Additions	2,131	43,594	23,408	17,430	**86,563**
Additions discount	248	-	-	-	**248**
Expected return on plan funds	525	-	-	-	**525**
Impact of minimum funding requirement / asset ceiling	(469)	-	-	-	**(469)**
Actuarial gains and losses	(110)	-	-	-	**(110)**
Translation differences	-	-	-	-	**-**
Plan contributions	366	-	-	-	**366**
Reversals/ Surpluses	(6)	-	-	(9,779)	**(9,785)**
Applications	(1,618)	(10,803)	(1,095)	(453)	**(13,969)**
Closing balance 2023	**13,502**	**174,091**	**167,566**	**65,043**	**420,202**
Short-Term Balance	**1,772**	**12,140**	**1,582**	**65,043**	**80,537**
Long-Term Balance	**11,730**	**161,951**	**165,984**	**-**	**339,665**

Longevity awards

The ENAIRE Group of Companies offers longevity awards for actual service over a period of 25 to 35 years. The Group provides for the present value of the best possible estimate of future committed obligations, based on an actuarial calculation. The balance at the end of 2023 amounted to €11,609 thousand (€10,927 thousand in 2022).

Defined contribution pension plans

The non-controlling staff of the ENAIRE Group is governed by the provisions of the I Collective Bargaining Agreement of the Aena Group. Article 149 stipulates that any worker who can demonstrate a minimum of 360 calendar days of recognised service in any of the entities and/or companies that constitute the Aena Group may become a participant in the Joint Promotion Pension Plan of Aena Group Entities. The Pension Plan covers the contingencies of retirement, disability (permanent total, absolute and severe disability) and death.

According to the provisions of the General State Budget Law (LPGE), the Group negotiated with the labour representatives that a portion of the salary increase for 2018, 2019, 2020, 2021, 2022 and 2023 would be allocated to contributions to the Pension Plan, with a total amount of €12,067 thousand for those years.

Luton LLAOL defined benefit pension plans

On 31 January 2017, London Luton Airport Operations Limited (LLAOL), with the agreement of the employees of the company and the trustees of the plan (Trustees), closed the accrual of future benefits under its defined benefit pension plan (London Luton Airport Pension Scheme or LLAPS). This plan was replaced, effective 1 February 2017, with a defined contribution pension plan.

This defined contribution pension plan is managed by a third party selected for this purpose. The Plan's assets are held in individual savings funds, separate from the Group's assets. Employees make contributions to these individual funds up to a maximum of 6% of their base salary. Employees can decide the amount of their contribution and how to invest it. The Group makes contributions at a 2:1 ratio, up to a maximum of 12% of the base salary. The cost of the group's contributions to the defined contribution plan throughout 2023 was €1,469 thousand (2022: €12,551 thousand).

At 31 December 2023, the present value of the obligations amounts to €125,025 thousand (€121,455 thousand in 2022) and the fair value of the plan assets to €125,025 thousand (€121,455 thousand in 2022). In addition, €917 thousand were recognised in the income statement (€1,057 thousand in 2022).

Special paid leave and Active Reserve scheme

Part of the air traffic controllers' collective is under the Special Paid Leave scheme as provided for in previous collective agreements. Workers under this scheme are entitled to receive their updated base salary annually until retirement age, based on specific eligibility criteria. At the end of 2023, there were no controllers adhered to this scheme (2 to 31 December 2022).

As a result of the publication of the arbitration award on 27 February 2011, and the approval of a new collective agreement, the Paid Special Leave scheme was replaced by the Active Reserve scheme. The requirements for workers to qualify for this scheme are more stringent. Additionally, the benefits received are reduced to 75% of the fixed ordinary salary from the last twelve months, excluding the Fixed Personal Adjustment Allowance. The maximum amount that can be received cannot exceed twice the maximum annual limit of public pension benefits specified each year by the General State Budget Law.

According to the actuarial studies available, the liability at 31 December 2023 accrued by the group under the Active Reserve (AR) situation amounted to €31,928 thousand.

Furthermore, the Entity has estimated the percentage of active workers who will opt for Active Reserve in the future. Based on this estimation and the corresponding actuarial study, the accrued actuarial liability for this concept as at 31 December 2023 amounted to €142,164 thousand.

At 31 December 2023, there was a provision recognised under this heading of €161,951 thousand in the long term, as well as €12,140 thousand in the short term.

Special Active Reserve (SAR)

The first final provision of Law 26/2022, of 19 December, includes an amendment to Law 9/2010 of 14 April, which regulates the provision of air traffic services, establishing the obligations of civil providers of these services, and sets certain working conditions for civil air traffic controllers.

In this sense, the aforementioned law develops the figure of the Special Active Reserve, in order to cover the following situations:

- If the service provider cannot offer a position that does not involve operational air traffic control duties as stipulated by law to air traffic controllers who lose their psychophysical fitness, the controller will transition to an active reserve scheme until reaching the age of 65, after which they will move to a special active reserve scheme.

- Air traffic controllers who reach the age of 65 will move to the special active reserve scheme and will remain there until they retire, receiving a maximum annual remuneration equivalent to the Maximum Annual Contribution Base established by the Social Security Institute.

According to the actuarial studies available, the liability accrued at 31 December 2023 amounted to €8,412 thousand.

Furthermore, the Entity has estimated the percentage of active workers who will opt for Special Active Reserve in the future. Based on this estimation and the corresponding actuarial study, the accrued actuarial liability for this concept as at 31 December 2023 amounted to €159,154 thousand.

At 31 December 2023, there was a provision recognised under this heading of €167,566 thousand in the long term and €1,582 thousand in the short term.

Remuneration of the Air Traffic Controllers Collective

The "III Collective Bargaining Agreement for Air Traffic Controllers of ENAIRE" introduces a new salary and productivity model based on objectives, standardising criteria for payroll management similar to those in the public sector. It establishes a stable productivity supplement under uniform conditions for the workforce, applying an objective-based model for company-wide, collective and individual goals.

Thus, for the year 2023, the amount used to calculate the payroll base for productivity bonuses is set at €24,353 per controller, including the proportional part of the compensation for any voluntary services rendered.

The Group considers that the calculation of the wage bill is correct; however, there are claims affecting the criteria applied, which have been estimated at €65 million. The entire amount has been classified as short-term. In 2023, provisions amounting to €17.4 million were allocated for this item on a short-term basis, with reversals of provisions from previous years amounting to €9.8 million, while the amount paid for this item was €0.5 million.

Among the cited claims, the one concerning the controllers of promotions 31 and onwards, from their incorporation in ENAIRE, stands out. Through a lawsuit registered under number 350/2021 by Decree dated January 10, 2022, they requested payment of the Job Position Supplement regulated in article 132 of the Second Professional Collective Agreement for air traffic controllers. They sought 60% of this supplement during their internship contract and 100% during their indefinite-term contract, arguing that the supplement was being paid at a reduced rate because their incorporation into the Entity occurred after 9 March 2011. In response to this claim, the Social Division of the National High Court, by judgment 27/2022, of 18 February 2022, ruled in favour of the controllers, and ENAIRE had to pay the amounts not paid for these items, plus legal interest. The estimate of these amounts at 31 December 2023 is €52.9 million, all of which has been provisioned for in the short term. This ruling was appealed before the Supreme Court and is pending resolution at the close of the 2023 accounts.

Also noteworthy, though to a lesser extent, is the claim by the controllers from promotions 29 and 30 from the call for applications on 20 June 2006. This claim received a favourable ruling for the controllers from the National Court in judgment No. 5/2022, on 13 January 2022, issued in the fundamental rights protection process No. 276/2021, initiated at the request of the SNCA union. However, this ruling was overturned by the Supreme Court's Social Chamber in judgment No. 70/2024, on January 17, 2024, which upheld the appeal filed by ENAIRE in this dispute. The Supreme Court fully accepted the appeal, thereby overturning and nullifying the judgment issued by the National Court's Social Chamber on 13 January 2022. Nevertheless, the Entity considers that a portion of the collective may initiate individual lawsuits again. Therefore, as of 31 December 2023, it has accounted for a provision of €6.7 million, also recorded in the short term.

19.1.2. Provision for expropriations and interest on arrears

The provision for expropriations and interest on arrears reflects the best estimate of the amount corresponding to the difference between the fair compensation paid for the expropriations of land acquired in airport expansions and the estimated prices that the subsidiary Aena S.M.E., S.A. would have to pay. This considers the likelihood that certain ongoing legal claims regarding some of the fair compensations paid might be successful for the claimants. In estimating these differences in fair compensation, the subsidiary Aena S.M.E., S.A. has accounted for late payment interest using the legal interest rate applicable each year as the basis for calculation.

At 31 December 2023, provisions were allocated primarily for litigation related to land expropriations, with notable cases involving the airports of Vigo and Palma de Mallorca. These proceedings resulted in a provision amounting to €9,663 thousand, of which €8,053 thousand correspond to differences in fair compensation, reflected as an increase in land value, and €1,610 thousand to interest on arrears accrued as at 31 December 2023, recorded as an expense for expropriation interest on arrears (2022: €5,655 thousand, with €4,712 thousand for differences in fair compensation and €942 thousand for interest on arrears accrued as at 31 December 2022, also recorded as an expense for expropriation interest on arrears.

The reversals made during 2023 are mainly the result of resolutions favourable to the interests of Aena S.M.E., S.A., in particular the reversal of the provision for Bilbao airport. Of the €344 thousand reversed, €260 thousand were credited to the value of the fixed assets against which they were originally provisioned, and the remaining €84 thousand were recorded as a reduction in expropriation interest on arrears (2022: €244 thousand were reversed and credited to the value of the fixed assets against which they were originally provisioned, and the remaining €73 thousand were credited to results).

The interest expense on expropriation interest at 31 December 2023, after taking into account the above-mentioned reversals, amounted to €668 thousand (2022: financial income of €73 thousand).

19.1.3. Provision for Responsibilities

This heading mainly includes provisions made on the basis of the best estimates of the subsidiary Aena S.M.E., S.A. to cover risks related to litigation, claims and commitments in progress known at year-end for which an outflow of resources is probable in the medium or long term. At 31 December 2023 and 2022, the balances of the Provision related mainly to unfavourable judgements on claims made by tenants, and labour and other claims made by contractors and airlines.

During the fiscal year 2023, provisions made by the Group totalling €33,636 thousand were primarily allocated to commercial lease claims under DF7, where the commercial risk was deemed probable due to ongoing judicial controversy, amounting to €11,845 thousand. Additionally, provisions were made for claims by an airline within normal business operations totalling €15,023 thousand, claims related to construction projects amounting to €3,506 thousand, decentralised file claims totalling €532 thousand and labour-related claims amounting to €1,574 thousand.

During the financial year 2022, the provisions made by the Group, totalling €6,650 thousand, primarily correspond to interest in arrears claims of €2,686 thousand, claims under collaboration agreements of €1,175 thousand and labour-related claims of €2,676 thousand.

During the fiscal year 2023, reversals made by the Group totalling €6,180 thousand resulted from favourable resolutions for the Company in labour disputes amounting to €5,662 thousand, and other contract-related risks for construction projects amounting to €480 thousand. Reversals have been credited to the income statement under "Personnel provisions" or "Provisions surpluses", depending on their nature.

During 2022, reversals totalling €6,164 thousand are due to the favourable resolution of labour disputes in favour of the Company amounting to €3,042 thousand, and other risks, including claims from airlines amounting to €2,449 thousand. Reversals have been credited to the income statement under "Personnel provisions" or "Provisions surpluses", depending on their nature.

The Group does not believe that, of the set of responsibilities in progress, additional liabilities may arise that would have a significant impact on these annual accounts.

19.1.4. Provision for Environmental Actions

This heading recognises provisions amounting to €59,441 thousand (31 December 2022: €61,354 thousand) related to the obligations foreseen to carry out acoustic insulation and soundproofing works in residential areas to comply with current regulations on noise generated by airport infrastructures.

In addition, an environmental provision of €1,400 thousand is recognised (2021: €1,400 thousand) in relation to the additional measures contemplated in the Resolution of 9 April 2015, of the Secretary of State for the Environment, which modifies the ninth condition of the Environmental Impact Statement of the Adolfo Suárez Madrid-Barajas airport of 30 November 2001, and which foresees actions in the Arganda Gravel Pit, biological corridors and the Jarama River. The 2023 provision also includes the greenhouse gas emission allowances acquired by the subsidiary Aena S.M.E., S.A., for consumption, amounting to €584 thousand (€641 thousand in 2022), which correspond to the best estimate of the allowances consumed during 2023, based on the emissions actually produced during 2022.

In the year ended 31 December 2023, €11,656 thousand were allocated to the provision for environmental actions for the update of acoustic footprints in some insulation plans, of which €1,579 thousand correspond to financial costs. In calculating the provision, an average unit cost of €7,468 per dwelling was used (except for the case of Adolfo Suárez Madrid-Barajas Airport, where a cost of €24,206 per dwelling was estimated due to the type of dwellings and buildings yet to be insulated at this airport, and for seven other airports, where the average estimated amount is €5,357 per dwelling). The counterpart of these provisions is included under “Property, Plant and Equipment”.

In the fiscal year 2022, €4,923 thousand were allocated to the provision for environmental actions for the update of acoustic footprints in some insulation plans, of which €866 thousand correspond to financial costs. In calculating the provision, an average unit cost of €7,560 per dwelling was used (except for the case of Adolfo Suárez Madrid-Barajas Airport, where a cost of €23,323 per dwelling was estimated due to the type of dwellings and buildings yet to be insulated at this airport, and for seven other airports, where the average estimated amount is €4,494 per dwelling). The counterpart of these provisions is included under “Property, Plant and Equipment”.

The reversal in 2023 of €3,956 thousand is mainly related to a decrease in the average amount of the estimated insulation cost per dwelling at each of the airports compared to 2022. Such a reversal was made against the value of the fixed assets for which the provision was originally allocated. In any case, this reduction is due solely to the scope of the actions carried out, given that the prices applied remain unchanged as they are subject to the Framework Agreement approved in 2016.

The regulations on environmental assessment (currently Law 21/2013) require certain projects of AENA S.M.E., S.A. to undergo environmental impact assessment, particularly runway extensions exceeding 2,100 meters. This process concludes with the Ministry for Ecological Transition formulating corresponding environmental impact statements, which include obligations to develop and implement Noise Isolation Plans.

Regarding noise, Law 5/2010, of 17 March, which amends Law 48/1960, of 21 July, on Air Navigation, requires the approval of action plans that include corresponding corrective measures when acoustic easements are established that allow for exceeding the acoustic quality objectives outside buildings. This applies to overflights, frequencies and associated environmental impacts for airports that exceed 50,000 operations per year.

The Group will recognise the corresponding provisions in the accounts when the obligation to insulate dwellings arises, i.e., either when a new acoustic footprint is approved in terms of acoustic insulation, an easement and its action plan (by Royal Decree), or when a new Environmental Impact Statement is approved as a result of the environmental assessment of projects that so require. These published standards are considered when making provisions, regardless of whether the insulation work on the affected buildings is completed at a later time, which causes a time difference between the provision and the execution of the works.

The Group does not expect any significant liabilities or additional contingencies to occur for this item.

19.1.5. Other provisions

Other provisions include the following headings:

Tax provisions

This heading mainly includes provisions allocated in relation to claims filed by the Group due to disagreements with the tax settlements received from the Tax Administration concerning certain local taxes related to the Group's assets. These claims are still pending resolution, and an outflow of cash is expected. The final amount and the definitive settlement date are uncertain as of the preparation date of the consolidated financial statements. Of particular note is that derived from the land occupation fee in Begues Town Council (Barcelona) for €683 thousand (€679 thousand in 2022).

Other operating provisions

This heading includes the provision for bonuses applicable to the landing and departure of passengers, accrued by airlines operating on certain days of the week in the airports of the Canary Islands. Likewise, the General State Budget Law for the 2016 financial year established incentives in the public provision of passenger departure services for passenger growth on routes operated in Aena's network.

The impact of COVID-19 on airport activity meant that these incentives became ineffective, and, in order to contribute to the reactivation of air traffic in Spain, the subsidiary company Aena S.M.E., S.A. offered commercial incentives to stimulate operations by airlines, regardless of the number of passengers.

The combined effect of all traffic incentives resulted in a provision of €24,120 thousand in 2023 (net of the reversal of €149 thousand of prior years' provisions) compared to €41,308 thousand in the same period of 2022 (net of the reversal of €46 thousand of prior years' provisions).

On the other hand, €48,345 thousand were applied against this provision for incentives to airlines during the financial year 2023 (€17,838 thousand in 2022).

In addition, this heading also includes a provision for dismantling the car park being built in the vicinity of Piovera building in Madrid (Spain), for an amount of €442 thousand (€450 thousand in 2022). This car park will revert to the City Council after the end of the lease period, and it is expected to enter into operation in 2024.

In 2023, the provision to cover possible contingencies related to the ANB Investment Plan for the amount of €501 thousand is ongoing (2022: €476 thousand of the subsidiary ANB and reversal of the total provision of the subsidiary LLAH III, to cover possible contingencies arising from contractual modifications as a consequence of the impact of COVID-19).

At 31 December 2023, the total estimated amount was €7,888 thousand (31 December 2022: €32,115 thousand).

Provisions for infrastructure related actions

This provision corresponds entirely to the Concessionaire Company of the Murcia International Airport (AIRM - Aeropuerto Internacional de la Región de Murcia), for the replenishment of investments. In 2023, €489 thousand were granted (2022: €410 thousand), together with the financial effect for €34 thousand (2022: €31 thousand).

During this fiscal year, an excess provision of €328 for infrastructure-related actions was recorded. This was due to adjustments arising from changes in the estimated amounts and timelines of future actions, which were also recorded under the "Other operating expenses" section of the attached consolidated Income Statement. No adjustment for changes in estimates was recorded in 2022.

At 31 December 2023, the provisioned amount totalled €1,826 thousand (compared to €1,673 thousand in 2022).

19.2. Contingencies

19.2.1. Contingent liabilities

At the end of the 2023 and 2022 fiscal years, the Group has claims and legal disputes against it, in the normal course of its business and as a natural consequence thereof, which are considered possible obligations for which an outflow of resources is not likely to occur.

Commercial activities

As a consequence of the health crisis caused by COVID-19, some tenants filed claims based on the judicially created "*rebus sic stantibus*" clause, requesting, inter alia, that the courts recognise the need to adopt precautionary measures to ensure that Aena S.M.E., S.A., refrains from invoicing the rents agreed upon in the contracts and, at the same time, suspends the right to execute the available guarantees in the event of a possible non-payment. All of this accompanied by the corresponding ordinary lawsuit.

In relation to the risk rating of these proceedings, given the progress and procedural development of this judicial dispute (with rulings from the Provincial Courts where DF7 has been unanimously applied to resolve the conflict and deemed constitutional), the Group now considers it appropriate to classify the commercial risk arising from this dispute as probable. Consequently, a liability provision of €11.8 million was made in 2023. However, regarding the litigation related to commercial tenants for whom, according to the Group's criteria, DF7 is not applicable and no ruling has yet been issued, the risk of an unfavourable outcome for Aena S.M.E., S.A. is still considered possible. As of the date of these financial statements, the Group estimates that rulings in favour of the commercial tenants' claims could result in a revenue reduction ranging from €2 to €15 million.

Other contingent liabilities

Legal proceedings against airport fees. CNMC resolutions:

- Proceedings against airport fees for fiscal year 2022:

  On 3 February 2022, the Spanish National Market and Competition Commission (CNMC - Comisión Nacional de los Mercados y la Competencia) notified Aena of the initiation of a fee dispute procedure brought by IATA Spain and Ryanair DAC against the decision of Aena's Board of Directors of 21 December 2021 setting airport fees for the financial year 2022.

On 24 March 2022, the CNMC decided to dismiss the disputes and declared applicable the update approved by the Aena Board of Directors ("Resolution of disputes 2022")

Furthermore, on 17 February 2022, the CNMC issued the Resolution on the supervisory report on the airport fees applicable by Aena S.M.E., S.A. in the financial year 2022 ("Supervisory Report").

In relation to these resolutions:

Ryanair filed a contentious administrative appeal before the National Court in response to the Dispute Resolution 2022. At the time of formulating these Annual Accounts, the appeal lodged by Ryanair DAC is pending resolution.

Ryanair DAC, Emirates and Lufthansa have filed contentious administrative appeals before the National Court in response to the Supervisory Report. At the time of formulating these Annual Accounts, the appeals brought by Emirates and Lufthansa have ended without judgment and the appeal brought by Ryanair DAC is pending.

The Group considers that the resolution of these procedures will not have a significant impact on its financial statements.

- Proceedings against airport fees for fiscal year 2023:

  On 23 September 2022, the CNMC notified Aena of the initiation of fee dispute proceedings promoted by

  ALA, Ryanair, and IATA against the decision of Aena's Board of Directors on 26 July 2022, which set airport fees for the 2023 fiscal year.

  On 15 December 2022, the CNMC resolved to partially estimate the aforementioned disputes ("Dispute Resolution 2023"). Ryanair DAC and IATA brought an administrative appeal before the National Court against that decision.

  At the time of preparation of these Consolidated Annual Accounts, both appeals are pending resolution. The Group's Management considers that the resolution of these procedures will not have a significant impact on its financial statements.

- Proceedings against airport fees for fiscal year 2024:

  On 25 July 2023, the Board of Directors approved the 2024 airport fees.

  Ryanair DAC, IATA and ALA filed a fee dispute with the CNMC against the approval of the 2024 airport fees.

  At the date of preparation of these Consolidated Annual Accounts, the fee proceedings are pending resolution by the CNMC. The Group's Management considers that the resolution of these procedures will not have a significant impact on its financial statements.

Additionally, at the end of the fiscal years 2023 and 2022, the Parent Entity maintains labour-related claims and legal disputes against it as a result of its normal business activities, which ENAIRE considers contingent liabilities dependent on future events independent of the Entity and for which it is not probable that cash outflow will occur.

These labour claims were quantified in 2023 at €292 thousand (compared to €757 thousand in 2022), of which €269 thousand relate to claims from the Air Traffic Controllers Collective and €23 thousand from Collective Agreement Staff (compared to €553 thousand and €204 thousand respectively in 2022).

19.2.2. Contingent assets

Request for modification of the DORA 2017-2021

On 8 March 2021, Aena S.M.E., S.A. requested the Civil Aviation General Directorate (DGAC - Dirección General de Aviación Civil) of the Ministry of Transport, Mobility and Urban Agenda to modify the DORA 2017-2021, considering the fulfilment of the requirements stipulated in Article 27 of Law 18/2014, of 15 October, to recognise the economic imbalance foreseen in said regulation. This was due to the COVID-19 pandemic being an exceptional and unforeseeable event that caused a reduction of more than 10% in air traffic, as specified in the aforementioned article.

On 16 December 2021, the DGAC decided against initiating the procedure to modify the DORA, citing the absence of all exceptional circumstances outlined in Article 27. Furthermore, no elements were identified in the DORA whose modification could justify the requested compensation. Following this denial, Aena S.M.E., S.A. filed an appeal, which was similarly dismissed by the General Secretariat of Transport and Mobility on 23 March 2022.

Aena S.M.E., S.A. believes that all the conditions stipulated in Article 27 are fulfilled for the modification of the DORA and the granting of the economic rebalancing as prescribed by the regulation. As a result, it has initiated a process that is currently being processed in the High Court of Justice of Madrid.

This request for modification is also in line with the measures adopted by regulators in various European countries, which have recognised the economic imbalance suffered by airport managers as a result of the health crisis.

Update of tax assets

In compliance with the Resolution of 9 February 2016, issued by the Spanish Accounting and Audit Institute (ICAC - Instituto de Contabilidad y Auditoría de Cuentas), which governs the rules for recording, valuation, and preparation of annual accounts for income tax purposes, the entity recognises deferred tax assets only to the extent that they are expected to be recoverable within the next ten years based on the completed tax planning.

Given that there is still a possibility to apply these assets, as they do not expire for tax purposes, the Parent Entity considers that they should be classified as contingent assets. This is because once the criteria of the aforementioned ICAC Resolution are met, they must be recognised.

The valuation of this Contingent Asset at year-end 2023 is the difference between the tax claim and the balance recognised in the Balance Sheet and amounts to:

- Tax loss carryforwards......................... €20,253 thousand.
- Temporary differences.............................. €83,599 thousand.

This contingent asset could increase by €5,303 thousand in the portion related to Tax Loss Carryforwards if the Tax Agency (AEAT) ultimately accepts the removal of the positive adjustment of €21,213 thousand made in the 2020 Corporate Income Tax return. This adjustment was applied under Article 17.4 of the Corporate Income Tax Law concerning lucrative and corporate transactions at market value in the transfer of the Arturo Soria 109 Building in Madrid. Since this property belongs to the State Heritage, its ownership transfer would not have been possible. Conversely, the contingent asset could decrease by €1,368 thousand if, as a consequence of maintaining the criteria of the Tax Agency, a supplementary tax return would have to be filed for Corporate Income Tax 2021 as a consequence of the disaffectation of 20.20% (basement and car park) of said building in the year 2021 (see note 20.2).

Fee deficit

As explained in note 5.11, the Public Corporate Entity ENAIRE, an Air Navigation service provider, has as its main source of revenue the en-route air navigation service fee.

Route unit fees are calculated annually on the basis of the costs and traffic determined in the Revenue Plan (RP3).

The calculation of unit fees takes into account, among other aspects, the amount of deviations in economic and air traffic variables with respect to those determined in the Performance Plan.

In the case of deviations of actual en-route air navigation costs from the established ones, these are borne by ENAIRE, except for the exceptions specified in Implementing Regulation (EU) 2019/317. On the other hand, deviations in actual traffic, measured in service units, are shared with the airlines so that a portion of the lower or higher revenues from route fees will be factored into the calculation of the unit fees for the year n+2.

Due to the global health crisis caused by COVID-19, air traffic suffered an unprecedented reduction, mainly in the period 2020-2021, with the consequent drop in revenue for ENAIRE.

At the European level, a series of exceptional measures were taken to support the aviation sector, which were implemented through Implementing Regulation (EU) 2020/1627, of 3 November 2020. This regulation includes the temporary application of the unit fees for the years 2020 and 2021. Thus, only a portion of the costs for this period was passed on to the airlines, while the remaining costs, referred to as the "COVID balance", will be recovered over a maximum period of seven years starting from 2023.

Additionally, other factors affected the accumulated fee balance for the year 2023, such as inflation adjustments for the period 2022-2023 and the impact of the accumulated balance of the Special Active Reserve provision applied by legal requirement since 2022. This is considered an exempt cost that can be recovered starting from 2025.

The fee balance, whether positive (surplus) or negative (deficit), does not meet the definition of an asset under the Conceptual Framework of accounting as per the 2007 General Accounting Plan (according to the report received from the National Accounting Office of the General Intervention Board of the State Administration, following a consultation by ENAIRE). Therefore, it has not been recorded on the Entity's Balance Sheet. However, if circumstances change, the negative fee balance accumulated by ENAIRE could be classified as a Contingent Asset, which as at 31 December 2023 is estimated at €700 million.

Claim against the General State Administration for Exempted Flights

As explained in note 5.11 under the section "En-Route Navigation Services - Exempted Flights", due to the Ministry of Foreign Affairs, European Union and Cooperation's non-acceptance of the payment for the exempted flights, and the ongoing process and pending approval of the draft Ministerial Order managed by the Ministry of Transport and Sustainable Mobility, which will establish the mechanism by which the State must compensate air navigation service providers for the value of the services provided to exempted flights, the Parent Entity decided to consider the credit rights for Exempted Flights attributable to the Ministry of Foreign Affairs, European Union and Cooperation as a contingent asset, pending a regulation that will determine how ENAIRE can recover the costs of the exempted flights.

The valuation of this contingent asset corresponds to the income from exempted flights that ENAIRE has not received from the Ministry of Foreign Affairs, European Union and Cooperation, relating to the period from 2 October 2019 to 31 December 2023. It is estimated at €10,672 thousand.

20. Public Entities and tax situation

20.1. Balances with Public Entities

The composition of the balances with the Public Entities at 31 December 2023 and 2022 is as follows:

20.1.1. Debtor balances

Debtor Balances	Thousands of euros	
	2023	2022
Deferred tax assets	72,569	111,831
Deductions pending application	14,368	10,229
Tax credits for tax loss carryforwards	208,041	224,758
Total "Deferred tax assets" (note 20.5)	**294,978**	**346,818**
Long-term current tax assets	**82,554**	**33**
Short-term current tax assets	**153,930**	**9,101**
Public Treasury, payable for VAT, IGIC, IPSI	20,875	39,996
Public Treasury/EU debtor for subsidies granted	37,726	31,037
Public Entities Debtor Exemptions and others	1,434	10,071
Others	242	108
Total "Other credits with Public Entities"	**60,277**	**81,212**
Total Debtor balances	**591,739**	**437,164**

The current tax asset results from estimating the settlement of the Corporate Income Tax expense for the fiscal years 2023 and 2022.

As of the date of preparing the Annual Accounts Report, the estimated settlement of the Corporate Income Tax for the fiscal year 2023 of the Parent Company shows a net refundable amount of €82,554 thousand (€33 thousand in 2022). This arises from the difference between the net tax payable, which is zero euros for 2023 due to a gross tax of €2.16 million being offset by deductions of the same amount (similarly, the net tax payable for 2022 was zero euros due to a prior negative tax base of -€96 million), and the sum of the instalment payments made, which amount to €82.12 million in 2023 (zero euros in 2022) and withholdings during the year totalling €434 thousand (€33 thousand in 2022). This amount has been classified as long-term according to the expected recovery timeline.

The debtor balance with the Public Treasury for VAT, IGIC, and IPSI reflects the amount receivable from Public Entities, related to the refunds due for these taxes.

Within the item "Public Entities Debtor Exemptions and Others", €782 thousand were included in 2022, from the solidarity funds for Ukraine and Moldova, "Ukraine and Moldova European ATM Voluntary Contribution Fund for 2022 and 2023" (see note 5.11), which were compensated by the Ministry of Transport and Sustainable Mobility in July 2023.

20.1.2. Creditor balances

Creditor Balances	Thousands of euros	
	2023	**2022**
LT Deferred tax liabilities (Note 20.7)	190,313	177,455
Total "Deferred tax liabilities"	**190,313**	**177,455**
ST Current tax liabilities	270	1,061
Total "Current tax liabilities"	**270**	**1,061**
Public Treasury creditor for other taxes	38	33
Personal Income Tax	32,126	35,874
Value Added Tax	13,568	4,925
Social Security payables	26,559	26,357
Public Treasury creditor for Subsidies	-	4,212
Total "Other payables to Public Entities"	**72,291**	**71,401**
Total Creditor Balances	**262,874**	**249,917**

20.2. Income Tax: Reconciliation between the Net Income and Expenses for the year and the Taxable Base

The reconciliation between the accounting result and the taxable income for corporate income tax purposes in 2023 and 2022 is as follows:

2023 Financial year

Reconciliation of accounting profit/(loss) and taxable profit/(tax loss)	Thousands of euros						
	Income statement		Income and expenses recognised directly in equity		Reserves		Total
Balance of income and expenditure for the financial year 2023	**1,732,217**		**(3,059)**		**-**		**1,729,158**
(*)	*I*	*D*	*I*	*D*	*I*	*D*	
Corporate Income Tax	387,748	-	-	(11,825)	-	-	375,923
Permanent differences in individual companies	32,864	(390,541)	-	-	-	-	(357,677)
Temporary differences in individual companies							
Arising in the year	178,654	(273,086)	139,360	(124,476)	-	-	(79,548)
Arising in previous years	1,470	(33,029)	-	-	-	-	(31,559)
Temporary differences in consolidation adjustments							
Arising in the year	598,116	(226,798)	-	-	-	-	371,318
Arising in previous years	-	-	-	-	-	-	-
Prior Tax Base	**2,007,615**		**-**		**-**		**2,007,615**
Compensation of tax loss carryforwards from previous years							**(504,912)**
Tax Base (Tax Result)							**1,502,703**

(*) *I: Increases*
D: Decreases

2022 Financial year

Reconciliation of accounting profit/(loss) and taxable profit/(tax loss)	Thousands of euros						
	Income statement (*)		Income and expenses recognised directly in equity		Reserves		Total
Balance of income and expenditure for the financial year 2022	**701,823**		**183,828**		**-**		**885,651**
(*)	*I*	*D*	*I*	*D*	*I*	*D*	
Corporate Income Tax	254,021		46,793	-	-	-	300,814
Permanent differences in individual companies	22,326	(17,580)	-	-	-	-	4,746
Temporary differences in individual companies							
Arising in the year	266,500	(147,510)	40,062	(270,683)	-	-	(111,631)
Arising in previous years	1,651	(56,224)	-	-	-	-	(54,573)
Temporary differences in consolidation adjustments							
Arising in the year	169,933	(171,465)	-	-	-	-	(1,532)
Arising in previous years	-	-	-	-	-	-	-
Prior Tax Base	**1,023,475**		**-**		**-**		**1,023,475**
Compensation of tax loss carryforwards from previous years							**(120,489)**
Tax Base (Tax Result)							**902,986**

(*) I: Increases
D: Decreases

The main permanent differences are primarily due to non-deductible expenses, additionally including in the 2023 fiscal year the reduction in taxable base resulting from the capitalisation reserve adjustment established in Article 25 of the Corporate Income Tax Law 27/2014. The main temporary differences correspond to the difference between tax and accounting depreciation; impairment provisions for fixed assets; provisions for bad debts; and provisions for employee risks and expenses.

In accordance with Ministerial Order of 7 April 2021, regarding the public domain mutation agreement of the basement floor (-1) of the building located at Calle Arturo Soria, 109 (Madrid), this floor was declassified, completing the total mutation of the building. The mutation was approved by the General Directorate of State Assets in favour of the Ministry of the Interior and initiated in the year 2020. Regarding this public domain change, the legal report issued by the State Attorney in October 2021 concluded that "*The building located at C/Arturo Soria No. 109 has always been an asset of the State, being assigned to AENA (later to ENAIRE) since its creation. Therefore, the public domain change agreed in favour of the Ministry of the Interior did not constitute a transfer of ownership, but rather an administrative assignment of the property for the purposes of another public entity or the General State Administration. This included the allocation of management and administrative powers to the body to which the property is assigned*".

Consequently, ENAIRE submitted an amended 2020 Corporate Income Tax Return, removing the positive adjustment of €21,213 thousand made in accordance with Article 17.4 of the Corporate Income Tax Law for lucrative and corporate transfers at market value, as it would not have been able to transfer ownership since it was a State Asset.

On 23 February 2023, the Tax Agency (AEAT) issued a dismissal resolution regarding the amended corporate tax return for 2020, stating that *"...with the public domain change, there was a transfer of a right of use without consideration, and therefore, sections 4 and 5 of Article 17 of the Corporate Income Tax Law are fully applicable. In essence, this entails a lucrative transfer of an asset, requiring the item transferred to be valued at its market value for tax purposes. This results in the taxpayer reporting income based on the difference between this market value and its fiscal value, as initially disclosed in their 2020 corporate tax return*".

ENAIRE submitted allegations on 16 March 2023. Subsequently, having received no response, it submitted a request for prompt resolution of the request for rectification of self-assessments on 9 February 2024.

The majority of the tax loss carryforwards applied in the 2023 fiscal year stem from the change in accounting policy implemented in 2022, where the subsidiary Aena S.M.E., S.A. recorded, against equity, a lower accounting income from commercial leasing of €584,215 thousand for 2021 and €48,196 thousand for 2020. In accordance with Article 11 of the Corporate Income Tax Law, the lower accounting income, recorded as a reduction in equity, corresponding to the 2021 and 2020 fiscal years must be fiscally attributed to those years. Accordingly, the rectification of the tax returns for those years is being requested to recognise the corresponding expenses and the increased tax loss carryforwards, amounting to a total tax credit of €158,103 thousand (corresponding to the tax credit that arose from the 2020 restatement adjustment of €12,049 thousand and the 2021 adjustment of €146,054 thousand).

20.3. Reconciliation between Accounting Profit and Corporate Income Tax Expense

The reconciliation of the accounting profit/(loss) and the income tax expense is as follows:

	2023	2022
Book profit before taxes	2,119,965	955,844
Permanent differences	(357,677)	4,746
Adjusted accounting profit/loss	**1,762,288**	**960,590**
Payment	**328,226**	**208,348**
Deductions and other rebates	89,059	(1,255)
Resulting tax	**417,285**	**207,093**
Update Tax Assets	(120,314)	47,766
Adjustments to income tax	90,777	(838)
Tax recognised in the income statement	**387,748**	**254,021**

The resulting implicit tax rate before deductions was 25% (2022: 25%), except for subgroup LLAH III, whose tax domicile is in the UK, and was 19% until 31 March and 25% from 1 April 2023 (2022: 19%); and the group Aeropuertos do Nordeste do Brasil and Bloco Do Onze Aeroportos do Brasil (BOAB), with a tax rate of 34%.

In fiscal year 2023, the Group applied deductions, mainly for the activation of fixed assets in the Canary Islands.

The pending deductions recognised as a tax asset in the Consolidated Balance Sheet amount to €14,368 thousand, primarily attributed to the Parent Entity. These deductions have varying expiration periods: 18 years for the R&D tax credit at 70%; 15 years for the Canary Islands investment deduction; and a third deduction related to amortisations not deducted from the taxable base in 2013 and 2014.

In compliance with the Resolution of 9 February 2016, issued by the Spanish Accounting and Auditing Institute (ICAC), which governs the rules for recording, valuation and preparation of annual accounts for income tax purposes, it is a general requirement to recognise deferred tax assets only if it is probable that the company will have future taxable profits available to utilise these assets. The maximum recovery period for these assets is set at ten years from the end of the fiscal year. Following the calculation of the Corporate Income Tax for the year 2023, the Parent Entity had to increase its taxable bases by €146,618 thousand, revealing bases previously considered as Contingent Assets in the previous fiscal year. On the other hand, according to the estimated data from the Corporate Income Tax settlement for 2023, Temporary Differences increased by €13,204 thousand (see note 20.5.2). Nevertheless, following this increase and in accordance with tax planning, they had to be reduced by an amount of €26,588 thousand. In other words, the update amount reflected in the table above is the difference between these adjustments.

In 2022, tax planning for the period 2023-2032 indicated that tax assets (tax loss carryforwards and temporary differences) would be adjusted with a net increase of €6,928 thousand (plus €2,767 thousand of deductions generated and not applied in 2022).

20.4. Breakdown of expenditure/income on profits

	Thousands of euros			
	2023		2022	
	Attributed to		Attributed to	
	Income Statement	Equity	Income Statement	Equity
Current tax	**376,282**	**-**	**240,904**	**-**
Of the financial year	376,282	-	240,904	-
Deferred tax	**41,003**	-	**(33,811)**	-
Change in deferred tax assets				
Due to deductible temporary differences				
Amortisations	18,286	-	15,154	-
Losses Credits Insolvencies	(2,675)	-	(4,452)	-
Provisions	(12,079)	-	(31,021)	-
Loss Stake Non List. Ent. and group E.	(1,035)	-	-	-
Impairment of fixed assets	52,705	-	12,544	-
Others	(90,456)	-	3,882	-
Activation/ Compensation of tax loss carryforwards	133,105	-	(52,831)	-
Used/ unused deductions	(29,391)	-	26,853	-
Changes in tax rates	(126)	-	793	-
Change in deferred tax liabilities				
Due to taxable temporary differences				
Amortisations	(1,306)	-	956	-
Grants	(19,759)	-	(8,617)	-
Pension funds	-	-	1,575	-
Others	(6,266)	-	1,353	-
Corporate income tax expense	**417,285**	**-**	**207,093**	**-**

20.5. Deferred tax assets recognised

The deferred tax assets recognised as at 31 December 2023 and 2022 are broken down by nature as follows:

Deferred Tax Assets Booked	Thousands of euros	
	2023	2022
Tax credits for tax loss carryforwards	208,041	224,758
Deductions to be offset	14,368	10,229
Capitalised temporary differences	72,569	111,831
Total deferred tax assets	**294,978**	**346,818**

The Group has long-term tax loss and tax credit carryforwards at 31 December 2023 amounting to €208,041 thousand and €14,368 thousand, respectively (€224,758 thousand and €10,226 thousand at 31 December 2022).

The deferred tax assets indicated above have been recognised in the Consolidated Balance Sheet as the Group considers that, based on the best estimate of the future results of the Parent Entity and subsidiaries, including certain tax planning measures, it is probable that these assets will be recovered.

20.5.1. Tax credits for tax loss carryforwards

The Group's tax loss carryforwards at year-end 2023 and 2022 and their corresponding amounts and maximum periods for offsetting are as follows:

2023 Financial year

Fiscal year in which they were generated	Thousands of euros	Deadline for offsetting
2010	90,894	There is no deadline
2011	83,824	
2020	323,391	
2021	318,220	
2022	96,024	
2023	825	
Total	**913,178**	

2022 Financial year

Fiscal year in which they were generated	Thousands of euros	Deadline for offsetting
2010	111,056	There is no deadline
2011	83,824	
2019	346	
2020	375,577	
2021	899,687	
2022	95,720	
Total	**1,566,210**	

As shown in note 20.4, €133 million of tax loss carryforwards were applied in 2023, of which €5 million relates to the Parent Entity and €128 million to the Aena Group.

Following the estimate of the income tax settlement for 2023, tax planning for the period 2024-2033 was carried out at the Parent Entity, which shows that tax losses have to be increased by €146,618 thousand, resulting in income for the difference of these amounts (€141,578 thousand). In 2022, tax planning for the period 2023-2032 resulted in a decrease in tax loss carryforwards of €8,530 thousand, although the losses recorded would have allowed for an increase of €23,930 thousand, which resulted in an expense for the difference in these amounts (-€32,460 thousand).

All of the above means that, of the €913,178 thousand of taxable income to be recovered at 31 December 2023, €832,164 thousand are recognised in the balance sheet (note 19.2.2), which at the corresponding tax rate according to each Group entity represents the €208,041 thousand included in the Group's consolidated balance sheet.

20.5.2. Capitalised temporary differences

Details of the temporary differences that have generated deferred tax assets recorded in the consolidated balance sheet are as follows:

Capitalised temporary differences	Thousands of euros	
	2023	2022
Asset amortisation and provision of assets	36,795	51,637
Provision for impairment of commercial credits	13,815	11,169
Provision employment commitments	71,617	56,283
Discounting to present value of provisions	3,712	3,712
Hedge derivatives	(17,034)	(28,755)
Impairment of fixed assets	10,498	50,694
Others	36,765	23,981
Update Tax Assets	(83,599)	(56,890)
Total	**72,569**	**111,831**

Following the estimate of the Parent Entity's income tax settlement for 2023, in which temporary differences increase by €13,204 thousand, tax planning for the period 2024-2033 has been carried out at the Parent Entity, resulting in a decrease in temporary differences of €26,588 thousand, which has led to an expense of €13,485 thousand for the difference in the aforementioned amounts. In 2022, tax planning for the period 2022-2031 resulted in an increase in Temporary Differences of €15,458 thousand, although the settlement resulted in a possible decrease of €30,764 thousand.

The amount of -€83,599 thousand (-€56,890 thousand in 2022) corresponds to the difference between the tax asset recognised for temporary differences of the Parent Entity and the amount recoverable for this item in 10 years.

20.6. Assets for unused tax credits

At 31 December 2023, the Group has pending deductions to offset generated in the years 2023, 2022 and 2021 amounting to €14,368 thousand, mostly attributable to the Parent Entity (€10,229 thousand in 2022). Of these, €4,846 thousand were generated in the current fiscal year (€2,767 thousand in 2022), with €2,160 thousand applied in the same year (none in 2022 due to the negative taxable base of the previous year) (see notes 20.3 and 20.5).

The amount of deductions generated and not offset in 2022 was adjusted with the final settlement of the 2022 Corporate Tax by €10 thousand. Additionally, the deductions have been updated with those generated in the amended returns for the fiscal years 2020 and 2021, amounting to €285 thousand.

20.7. Deferred tax liabilities

Details of the temporary differences that have generated deferred tax liabilities recorded in the consolidated balance sheet are as follows:

	Thousands of euros	
	2023	2022
Grants	126,732	126,100
Amortisations	73,193	71,234
Pension Fund	(293)	(2,998)
Hedge derivatives	1,728	2,496
Others	(11,047)	(19,377)
Total	**190,313**	**177,455**

The figures in the "Amortisation" section primarily originate from the subsidiary LLAH III in the United Kingdom, mainly resulting from the Group's acquisition of the subsidiary LLAH III in 2014. In accordance with the Business Combination Standard, the identifiable assets and liabilities acquired were measured at fair value. The fair value of the identifiable assets acquired and liabilities assumed is based on valuations commissioned from third parties in the context of the acquisition of the additional 11% stake in LLAH III on 16 October 2014. The fair value of both the newly acquired interest and the previously held 40% stake was calculated based on discounted cash flows derived from the business plans of the company LLAH III. In this purchase price allocation process, a deferred tax liability arises from the application of the UK tax rate to the difference between the fair value of the assets acquired and their acquisition cost (which is the tax rate used to calculate the deductible depreciation expense). This deferred tax liability is being reversed as the revalued assets are amortised.

20.8. Financial years pending verification and inspection activities

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, the tax authorities' right to verify or investigate the offsetting of tax loss carryforwards, deductions for double taxation and deductions for incentivising certain activities, whether applied or pending application, expires ten years from the day following the deadline for submitting the offsetting or application. Once this period has elapsed, the tax loss carryforwards or deductions must be accredited by showing the tax assessment or self-assessment and the accounts, with proof that they have been deposited during the aforementioned period at the Commercial Registry.

There is no open inspection on state or local taxes.

At the date of drafting these accounts, the open inspection periods are:

- Income tax: 2017-2022
- Personal Income Tax: 2020-2023
- VAT: 2020-2023
- IGIC: 2020-2023
- IPSI: 2020-2023

The taxes for the last 6 years of the UK companies comprising the LLAH III group and the taxes for the last 5 years of the Brazilian company ANB are also open to inspection by your tax authority.

The Group considers that the settlements of the mentioned taxes have been properly conducted. Therefore, even if discrepancies were to arise regarding the interpretation of current regulations regarding the tax treatment of operations, any resulting liabilities, if materialised, would not significantly affect the attached annual accounts.

In the fiscal year 2023, in order to confirm the tax approach adopted by the subsidiary Aena S.M.E., S.A. and its affiliates to retroactively adjust lower accounting income to the original fiscal years, requests for amendment were submitted to the Tax Agency for the Corporate Income Tax returns for the years 2020, 2021 and, due to increased deductible tax bases applicable to those years, also for the year 2022. Both requests were concluded with the signing of two records. The first was signed on 20 December 2023 for the fiscal years 2020 and 2021, and the second, corresponding to the fiscal year 2022, was signed on 9 January 2024. The verification processes for the affected years and tax returns acknowledged the adopted criteria and their consequent effects. This included the recognition of increased tax loss carryforwards attributable to the fiscal years 2020 and 2021, resulting in a tax credit asset of €158 million, and a higher refund from the 2022 Corporation Tax return amounting to €46 million. These tax credits have been almost fully applied in 2023 by Aena's tax group.

Starting 1 January 2005, the Public Corporate Entity Aeropuertos Españoles y Navegación Aérea (now ENAIRE) and its subsidiaries that met the tax requirements established by the Corporate Tax Law (LIS) to be taxed under the fiscal consolidation regime formed Tax Group 50/05 and adopted the Special Tax Consolidation Regime for Corporate Tax.

Since 2005, ENAIRE was taxed under the tax consolidation regime.

On 11 February 2015, and being ENAIRE the sole shareholder of Aena S.M.E., S.A., by means of a Public Offering of Shares, it proceeded to sell 49% of its shareholding, maintaining a 51% stake in said company.

The sale mentioned in the previous point resulted in ENAIRE losing the status of the Parent Entity of the Group, as it no longer met the requirements stipulated in Article 58.2 of Law 27/2014 on Corporate Income Tax. Consequently, the Tax Group was dissolved with a fiscal effective date of 1 January 2015.

Due to the dissolution of the ENAIRE Tax Group, to which ENAIRE belonged along with its subsidiary companies Aena S.M.E., S.A., and Aena Desarrollo Internacional S.M.E., S.A., effective 1 January 2015, and in accordance with the will expressed by the Boards of Directors of both companies, Aena S.M.E., S.A. informed the Tax Agency on 7 April 2015, of the application to be subject to the tax consolidation regime for Aena S.M.E., S.A. and Aena Desarrollo Internacional S.M.E., S.A.

On 5 June 2015, the Tax Agency communicated the creation of the new Tax Group 471/15, comprising Aena S.M.E., S.A. as the parent company and Aena Desarrollo Internacional as the subsidiary, thus becoming subject to Corporate Income Tax as a Tax Group for the 2015 fiscal year. In the fiscal year 2019, Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (AIRM) was included in the tax consolidation group.

As for the parent entity ENAIRE, it began to pay tax under the Individual Tax Regime, on 1 January 2015.

20.9. Amendments to IAS 12 - International Tax Reform: Standards of the Pillar 2 model

On 8 November 2023, Regulation (EU) 2023/2468 was published in the Official Journal of the EU, amending International Accounting Standard 12. This amendment pertains to the temporary exemption in the recognition and disclosure of deferred taxes arising from the implementation of OECD "Pillar 2" rules targeting aggressive tax planning by large enterprises, ensuring a minimum global taxation of 15% for multinational corporations.

According to this regulation, entities will not be required to disclose deferred tax information resulting from the implementation of OECD rules for interim financial periods ending on or before 31 December 2023 (until 2024 in essence).

PILLAR 2 will apply to entities incorporated in an EU country that are part of a multinational group or a large national group whose consolidated net turnover is at least €750 million in at least two of the four immediately preceding tax periods before the start of the tax period. The Public Administration, international organisations, non-profit organisations, pension funds, and investment institutions are excluded.

In order to establish a minimum level of taxation, a supplementary tax based on the rules of inclusion of under-taxed income and profits as well as on a national supplementary tax regime has been established.

The transposition of the European Directive regarding the guarantee of a global minimum tax rate of 15% for multinational enterprise groups and large domestic groups is underway, with a draft bill dated 19 December 2023.

In December 2023, there was a consultation with the ICAC, published in BOICAC 136, regarding the temporary exception to the recognition and disclosure of deferred taxes resulting from the implementation of OECD rules. It concluded that, to avoid the scenario where the transposition does not occur in time in our country, the Institute will promote a regulatory amendment that introduces a change to the 13th Accounting and Financial Reporting Standard of the Spanish General Accounting Plan. This change will align with and have the same content as the European Union's modification of IAS 12 following the adoption of the amending Regulation.

However, this regulation currently does not affect the Group, as the implicit tax rate resulting before applying deductions for ENAIRE and its subsidiaries is 25%, except for the results corresponding to the Northeast Brazil Airports Group and the Block of Eleven Airports in Brazil, which have a tax rate of 34%, and the LLAH III Group (London Luton), which had a tax rate of 19% until 31 March 2023, and 25% from 1 April 2023.

21. Accruals

The breakdown of accrued assets as of 31 December 2023 and 2022 is as follows:

	Non-current assets		Current Assets	
	2023	**2022**	**2023**	**2022**
Accruals	-	-	24,979	16,526
Total	**-**	**-**	**24,979**	**16,526**

The balance of current accrued assets mainly corresponds to prepaid expenses and accruals of Luton, prepaid insurance premiums of Anea S.M.E., S.A., as well as prepaid expenses for prepaid cards.

The breakdown of accrued liabilities as of 31 December 2023 and 2022 is as follows:

	Non-current Liabilities		Current Liabilities	
	2023	**2022**	**2023**	**2022**
Accruals and others	14,683	20,831	48,532	21,298
Total	**14,683**	**20,831**	**48,532**	**21,298**

Liabilities mainly include accrued income from Luton (€12.4 million long term for the Special Force Majeure (SFM) and €48 million short term).
To compensate for the loss of activity due to the pandemic, on 27 November 2021, a sustainable recovery Agreement for Luton Airport was formalised with Luton Borough Council. This agreement is part of the Special Force Majeure (SFM) mechanism included in the concession contract. The final agreement included a reduction of the total concession fee by 45 million GBP (until the year 2023), an extension of the concession period by 16.5 months (from 31 March 2031 to 15 August 2032), and agreements on other environmental and socio-economic issues beneficial to both parties. A mechanism was also established to offset the fee expected in the SFM, although it did not take effect in 2023 or 2022, since the volume of passengers in both years exceeded those projected in the forecast for the agreement.

22. Income and expenses

22.1. Breakdown of net turnover

The net turnover from the ENAIRE Group's ordinary activities is generated domestically, except for the activities of International Development and its subsidiaries (note 27), as detailed below:

	Thousands of euros	
	2023	**2022**
Airport revenue	**2,767,593**	**2,366,563**
Public Charges	**2,686,445**	**2,293,529**
Landings	744,744	598,456
Car parks	46,372	43,497
Passengers	1,192,305	952,365
Jet bridges	89,448	77,114
Safety	414,849	338,845
Fuels	29,747	93,821
Handling	115,017	25,291
Catering	10,122	8,456
Recovery of costs COVID-19 Act 2/2021	43,841	155,684
Other Airport Services (1)	**81,148**	**73,034**
Commercial services	**1,513,038**	**1,213,256**
Leases	36,068	34,557
Stores	132,788	90,617
Tax-free stores	411,139	332,928
Catering	320,552	243,741
Rental cars	184,677	148,339
Advertising	24,481	7,031
Vehicle parking	180,191	146,423
VIP services (2)	118,959	82,665
Other commercial income (3)	104,183	126,955
Real Estate Services	**105,474**	**86,423**
Leases	18,483	17,141
Land	34,486	27,536
Warehouses and hangars	6,824	6,546
Logistics Load Centres	29,067	21,555
Real Estate Holdings	16,614	13,645
Air Navigation	**768,434**	**611,969**
En-route Air Navigation Services	727,799	582,201
Approach Navigation Services	33,301	23,407
Publications and other services	7,334	6,361
Other business lines	**489,051**	**363,060**
International Development	476,748	352,384
SCAIRM	12,181	10,547
R&D&i	122	129
Total turnover	**5,643,590**	**4,641,271**

(1) *Includes, Counters 400Hz Utilisation, Fire Service, Consignments, and Other Revenues.*
(2) *Includes VIP Lounge Hire, VIP packages, all other Lounges, Fast-track and Fast-lane.*
(3) *Includes Commercial Operations (Banking Services, Baggage Laminating Machines, Telecommunications, Vending Machines, etc.), Commercial Supplies, Filming and Recording.*

Sales in foreign currency have been primarily conducted in British pounds (GBP) and other currencies such as Brazilian reais (BRL), Mexican pesos (MXN), Colombian pesos (COP), etc. They have an equivalent value of €476,748 thousand (€352,507 thousand in 2022) (note 27).

22.2. Supplies

The breakdown of Supplies for 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Acquisitions of other supplies	540	404
Change in stocks of other supplies	22	(44)
Work performed by other companies	92,457	83,003
Impairment of goods, raw materials and other supplies	1,178	-
Total	**94,197**	**83,363**

The work performed by other companies includes the services provided by the Ministry of Defence, the Spanish Aviation Safety Agency and the Spanish Meteorological Agency (note 26.2).

The total costs of the Spanish air navigation system reported to Eurocontrol and the European Commission include not only ENAIRE's costs but also those of the Ministry of Defence, AEMET (Spanish Meteorological Agency), and AESA (Spanish Aviation Safety Agency). These entities provide various services to the system funded from their budgets, which are subsequently recovered through route charges that ENAIRE receives directly from Eurocontrol. Since 2014, the Ministry of Defence directly recovers its portion from Eurocontrol.

The reimbursement of the portions allocated to the participating agencies of the system was regulated until 1 October 2019, by the Economic Agreement of 27 December 1995, involving the Ministry of Economy and Finance, the Ministry of Public Works, Transport and the Environment, and the Public Entity Aeropuertos Españoles y Navegación Aérea, currently known as ENAIRE. In that Agreement, it was stipulated that the National Meteorological Institute (currently AEMET) and the Civil Aviation General Directorate (currently AESA) were required to recover the costs they incurred in the air navigation system. It also detailed how ENAIRE compensated both entities for their share of the route fee revenues, deducting from the resulting amounts the value of flights exempt from route fees. This mechanism allowed ENAIRE to be reimbursed for the amount related to exempted flights.

As of 2 October 2019, this agreement ceased to be valid in accordance with the provisions of the Eighth Additional Provision of Law 40/2015. There is currently no regulation in place, as of the financial closing dates for both 2023 and 2022, to replace it and govern the payments of route charges to each organisation, nor is there a mechanism for ENAIRE to recover the costs related to exempted flights (refer to notes 5.11 and 19.2.2). There is only a draft Ministerial Order managed by the Ministry of Transport and Sustainable Mobility, pending approval, which changes the established model for revenue sharing of route fees.

Based on the above, since 2 October 2019, ENAIRE chose to estimate the amount to be settled for AESA and AEMET according to the provisions of the aforementioned Ministerial Order, pending approval and publication. In other words, currently ENAIRE settles with AESA and AEMET their respective share of route fees for flights subject to charges, as established by the draft Order, while ceasing to deduct from AESA and AEMET the cost of exempted flights (note 5.11 and 19.2.2).

This heading also includes Air Traffic Management (ATM) services and Communications, Navigation, and Surveillance (CNS) services provided by other air traffic control providers to the subsidiary company Aena S.M.E., S.A.

22.3. Personnel expenses

Personnel expenses are broken down as follows:

	Thousands of euros	
	2023	**2022**
Wages, salaries and similar expenses	935,218	884,756
Social Security contributions	200,951	182,264
Contributions to employment commitments	7,427	6,864
Other employee welfare expenses	35,907	32,159
Provisions	38,020	127,446
Total	**1,217,523**	**1,233,489**

The conditions of the employees of the ENAIRE Group (comprising the Public Corporate Entity ENAIRE and Aena S.M.E., S.A.) are subject to the approval of the payroll by the Ministry of Finance.

In accordance with the "Framework Agreement for a 21st Century Administration" as per the resolution of 14 November 2022, the remunerations for the fiscal year 2023 include a salary increase of 3.5% (2.5% fixed and two variable increments of 0.5% each). The first increase was applied because the Harmonised CPI for 2022 and 2023 exceeded 6%, and the second increase was applied because the Spanish GDP growth exceeded 2.1%.

In 2023, the maximum contribution base increased by 8.6% compared to the previous year. Additionally, the Intergenerational Equity Mechanism imposed an additional 0.5% contribution to Social Security, borne by the company, on the contribution base for common contingencies.

On 5 June 2023, the agreement for the approval of the "Third Collective Agreement for Air Traffic Controllers of ENAIRE" was reached, which came into effect on 25 August, following its publication in the Official State Gazette on 24 August. The new Collective Agreement introduces a new salary and productivity model based on objectives, standardising criteria for payroll management similar to those in the public sector. It establishes a stable productivity supplement under uniform conditions for the workforce, applying an objective-based model for company-wide, collective and individual goals.

Thus, for the year 2023, the amount used to calculate the payroll base for productivity bonuses is set at €24,353 per controller, including the proportional part of the compensation for any voluntary services rendered.

This bonus will be received by the Controllers based on the objectives achieved during the fiscal year at both team and individual levels, with the following distribution model established:

Team objectives = company objectives (10%) + group criteria (40%).

Individual objectives = individual criteria (40%) + values (10%)

The remainder, excluding any portion related to unmet corporate objectives, will be distributed proportionally based on the degree of achievement of individual objectives by each air traffic controller who has fulfilled them.

The figure for wages and salaries of the air traffic controllers collective includes the impact of the following court rulings:

- The National Court ruling no. 27/2022, issued on February 18, 2022, in response to lawsuit number 350/2021, mandated the payment of the Job Supplement stipulated in Article 132 of the II Collective Professional Agreement for air traffic controllers from promotion 31 onwards (note 19.1).
- The National Court ruling no. 5/2022, 13 of January 2022, issued in fundamental rights protection process no. 276/2021, pursued at the request of the SNCA union to safeguard the interests of air traffic controllers from promotions 29 and 30 under the call of 20 June 2006, was annulled by the Supreme Court's Social Chamber ruling 70/2024, of 17 January 2024. However, the annulment does not prevent part of the collective from initiating individual actions in accordance with this latter ruling (note 19.1).
  The impact of both rulings on personnel expenses in the fiscal year 2023 resulted in an increase of €13,159 thousand in the wages and salaries item and a decrease of €9,596 thousand in the provisions variation due to reversal.
- Supreme Court, ruling number 516/2023 from the Social Chamber of 17 July 2023, regarding the temporary incapacity supplement applicable to ENAIRE's air traffic controller collective. The standardisation conducted in February 2022 for the payment of Temporary Incapacity supplements on payroll becomes inapplicable, as it was determined that the aforementioned employees were not entitled to receive such salary supplements. The impact of this judgment was a reduction in expenses of €1,881 thousand.

In addition, several meetings were held throughout 2023 to negotiate the “Second AENA/ENAIRE Group Collective Agreement”, which is expected to be signed in 2024.

The Group receives bonuses from training programmes provided by companies through the Spanish Foundation for Employment Training. Personnel expenses include costs related to the execution of training activities and individual training leaves.

22.4. External services

The breakdown of this heading is as follows:

Details	Thousands of euros	
	2023	2022
Leases and royalties	9,143	7,949
Repairs and maintenance	337,291	310,162
Independent professional services	91,630	68,212
Banking services	5,454	2,297
Advertising and Public Relations	15,673	7,609
Supplies	195,116	312,971
Security and surveillance services	238,170	199,717
Other services	310,816	260,552
Total	**1,203,293**	**1,169,469**

In the fiscal year 2023, the expenditure on electricity supply decreased significantly compared to 2022, when it doubled due to reasons unrelated to consumption levels. Instead, it was influenced by geopolitical and macroeconomic factors such as the Ukraine war, which, among many other consequences on the global economy, led to increased energy costs and disruptions in the global supply chain. However, 2023 brought a stabilisation of prices that has allowed for a decrease in the price of electricity in the Spanish airport network.

22.5. Financial results

The financial results obtained in 2023 and 2022 were as follows:

Financial Result	Thousands of euros	
	2023	2022
Finance income	**113,715**	**18,689**
Dividends	858	814
Other Interests and Similar Income	102,440	15,749
Financial income from interests due to expropriations	-	73
Capitalisation of finance expenses	10,417	2,053
Finance expenses	**(259,982)**	**(95,433)**
On debts to third parties	(258,087)	(94,482)
Provisions adjustment	(1,895)	(951)
Changes in the fair value of financial instruments	**55,933**	**(70,005)**
Exchange gains/losses	**9,204**	**(1,805)**
Exchange gains	38,843	8,422
Exchange losses	(29,639)	(10,227)
Impairment and result from financial instrument disposals:	**(4,141)**	**(2)**
Impairment and losses	(4,141)	(2)
Net financial results	**(85,271)**	**(148,556)**

Financial expenses for bank debt increased in 2023 compared to 2022, as a result of the increase in financial debt and interest rates. Similarly, financial income is increasing as a result of the increase in interest rates.

The interest on the Active Reserve (AR) and Special Active Reserve (SAR) increases due to the recording, starting in 2023, of the corresponding RAE and due to the rise in interest rates.

The increase in the activation of financial expenses is primarily due to opening new lines of financing for investment projects during the fiscal year, coupled with the rise in capitalisable financial expenses due to increased interest rates.

The section on impairment and results from the sale of Financial Instruments as of 31 December 2023 includes an impairment loss on the investment in the subsidiary Startical S.L. amounting to €4,139 thousand (note 9), and an impairment loss on the investment in the entity Grupo Navegación por Satélite, Sistemas y Servicios S.L. amounting to €2 thousand (note 14.1.1).

22.6. Overprovision

The amount of €7,584 thousand included under the heading "Provision Surpluses" in 2023 includes €28 thousand from the Parent Entity and €7,556 thousand from AENA, S.M.E. S.A.

The details are as follows: €7,134 thousand correspond to favourable resolutions in local tax assessments that were under dispute, €422 thousand correspond to excess provisions for liabilities of various natures (commercial contracts, judicial rulings modifying the amount of litigation, etc.), and €28 thousand are due to the reversal of provisions for local taxes at the Parent Company.

In 2022, the amount of €6,211 thousand included €1,269 thousand from the Parent Entity and €4,942 thousand from AENA, S.M.E. S.A.

The details were as follows: €1,244 thousand corresponded to the public domain occupancy fee at the Begues City Council for the years 2014 to 2017; €21 thousand were provisioned for contract indemnities due to COVID-19; €4 thousand were for local taxes (Property Tax) in various locations; €2,259 thousand were from favourable resolutions in local tax assessments under dispute; and €2,683 thousand were due to excess provisions for liabilities of various natures (commercial contracts, judicial rulings modifying the amount of litigation, etc.).

22.7. Other results

In the fiscal year 2023, the recorded amount of -€1,271 thousand (-€56,330 thousand in 2022) primarily reflects an exceptional expense of €8,043 thousand related to the write-off of receivables for route fees on exempted flights between October 2019 and December 2022 (note 19.2.2). Due to the non-payment by the Ministry of Foreign Affairs, this right has been considered a contingent asset in the Parent Entity's accounting, given the absence of regulations governing how ENAIRE can recover these amounts. Under this heading, gains include seizures of guarantees and bonds, as well as collections of penalties for late payment and enforcement.

Despite the exceptional expenses mentioned earlier, the decrease in expenses recorded in this item is primarily due to the reduction in exceptional expenses incurred by the group as a result of measures taken to control, contain and anticipate the pandemic, both in airport facilities and in personal health and safety protection.

22.8. Other information

Number of employees

The number of employees at 31 December 2023 and 2022 by categories and gender was as follows:

Professional category	2023 (*)			2022 (*)		
	Men	Women	Total	Men	Women	Total
Senior Management	10	7	17	9	7	16
Managers and University Graduates	1,765	1,480	3,245	1,663	1,348	3,011
Coordinators	1,147	495	1,642	1,129	462	1,591
Technicians	3,956	1,935	5,891	3,722	1,809	5,531
Support personnel	771	679	1,450	557	539	1,096
Air Traffic Controllers	1,469	766	2,235	1,454	745	2,199
Total	**9,118**	**5,362**	**14,480**	**8,534**	**4,910**	**13,444**

(*) The number of temporary employees of the ENAIRE Group was 1,227 at 31 December 2023 and 920 at 31 December 2022.

Average workforce

The average workforce by category was as follows:

Professional category	2023(*)	2022 (*)
Senior Management	17	17
Managers and University Graduates	3,120	2,915
Coordinators	1,613	1,576
Technicians	5,724	5,466
Support personnel	1,283	1,076
Air Traffic Controllers	2,215	2,222
Total	**13,972**	**13,272**

(*) The average number of temporary employees of the ENAIRE Group in the fiscal year 2023 stands at 1,103; 804 in 2022.

The average number of people employed by the ENAIRE Group with a disability of 33% or more, in the 2023 and 2022 financial years, broken down by category, was as follows:

Professional category	2023	2022
Managers and University Graduates	45	43
Coordinators	26	24
Technicians	85	87
Support personnel	25	18
Air Traffic Controllers	3	3
Total	**184**	**175**

At 31 December 2023, the Governing Board of the Parent Entity consists of 11 persons, 5 men and 6 women (5 men and 6 women in 2022).

Remuneration of Directors and Senior Management

The remuneration received in 2023 and 2022 by the directors and senior management of the parent entity ENAIRE, classified by item, was as follows:

2023 Financial year

Description	Wages	Allowances	Insurance premiums	Total
Senior Management	698	15	3	**716**
Governing Board	-	105	-	**105**

2022 Financial year

Description	Wages	Allowances	Insurance premiums	Total
Senior Management	689	7	3	**699**
Governing Board	-	103	-	**103**

There are no advances or loans granted to senior management or members of the Board of Directors. Furthermore, there are no pension obligations to former or current Administrators.

In order to avoid situations of conflict with the interests of the Parent Entity, during the year, the directors holding positions on the Governing Board have complied with the obligations stipulated in article 228 of the revised text of the Capital Companies Act. Both they and persons associated with them have abstained from entering into the conflicts of interest defined by Article 229 of that law, except in the cases in which the appropriate authorisation has been obtained.

In addition to the Governing Board allowances shown in the previous tables, an additional €21 thousand was deposited into the Treasury in 2023 for directors holding high-ranking positions (€23 thousand in 2022), due to incompatibility in receiving remuneration.

Audit fees

The fees corresponding to the audit of the parent entity's accounts are assumed by the Ministry of Finance and Public Administration (IGAE).

The accrued fees for the audit of the annual accounts of certain subsidiary companies amounted to €436 thousand (€396 thousand in 2022).

23. Endorsements and other guarantees granted

The Group has endorsements submitted to various bodies and in force at year-end 2023 and 2022 for a total amount of €57,708 thousand and €57,698 thousand, respectively.

Many of these endorsements are required by state public authorities or Autonomous Communities at the time of the administrative application for the installation of Photovoltaic Solar Plants (PSFV) at various airports in the network. The endorsements guarantee the obligations of the subsidiary Aena for access to the electricity distribution network. Also included is a bank endorsement amounting to €9,918 thousand presented to the Autonomous Community of the Region of Murcia (Department of Development and Infrastructure) to fulfil the obligations arising from the management services contract under the concession model for the management, operation, maintenance and conservation of the Murcia International Airport.

On 15 February 2022, following the recovery of the bond deposited with Aena, the Parent Entity issued a bank guarantee with Bankinter, S.A. amounting to €30,061 thousand to ensure compliance with the internal dossier "Air Navigation Services at Aena Airports" with Aena S.M.E., S.A. This guarantee was registered in the Special Register of Endorsements under number 0509201 with Bankinter, S.A.

The Group does not expect any material liabilities to arise from such endorsements.

In 2022, ADI subscribed to a counter-guarantee policy to meet the requirements established for submitting bids in the seventh round of airports in Brazil, in favour of the Brazilian Civil Aviation Agency (ANAC), up to the equivalent limit in euros of BRL 116,088,310.26 (approximately €20,588 thousand at the closing exchange rate of 5.6386 BRL/EUR). This guarantee was cancelled in 2023.

The Group believes that no obligation will arise from such guarantee.

24. Environmental commitments

The Group, faithful to its commitment to preserving the environment and the quality of life in its surroundings, has been investing in this area to minimise the environmental impact of its activities and to protect and improve the environment.

Property, plant and equipment at 31 December 2023 include environmental investments of €603.8 million (31 December 2022: €578.2 million) with accumulated depreciation of €328.8 million at 31 December 2023 (31 December 2022: €313.3 million).

Environmental investments made in the Aena S.M.E., S.A. airport network in 2023 and 2022 amounted to €47.3 million and €19.8 million, respectively, as follows:

Airport	2023	2022
Madrid	7,258	2,537
Barcelona	6,264	274
Palma Mallorca	3,756	5,673
Bilbao	2,739	333
Valencia	2,262	340
Tenerife South	2,115	693
Alicante	2,011	2,513
Málaga	1,554	425
Lanzarote	1,547	428
Santiago	1,292	127
Gran Canaria	1,152	437
Seville	1,036	143
Tenerife North	783	81
A Coruña	697	450
Reus	670	256
Granada-Jaén	529	42
Menorca	507	475
All other Airports	11,177	4,587
Total	**47,349**	**19,814**

The consolidated income statement for 2023 and 2022 includes the following environmental expenses, detailed by item:

	Thousands of euros	
	2023	2022
Repairs and maintenance	8,002	9,736
Independent professional services	2,900	2,791
Other outsourced services	4,447	4,156
Total	**15,349**	**16,683**

Environmental provisions and contingencies are detailed in note 19. The regulations on environmental assessment (currently Law 21/2013) require certain projects of AENA S.M.E., S.A. to undergo environmental impact assessment, particularly runway extensions exceeding 2,100 meters. This process concludes with the Ministry for Ecological Transition formulating corresponding environmental impact statements, which include obligations to develop and implement Noise Isolation Plans.

As of 31 December 2023, a total of 28,791 dwellings and buildings with sensitive uses have been soundproofed in application of the Noise Isolation Plans, compared to 27,574 homes in 2022. This includes 12,922 homes near Adolfo Suárez Madrid-Barajas Airport (12,922 homes in 2022), 3,231 in Alicante-Elche (3,180 homes in 2022), 4,247 in Valencia-Manises (3,953 homes in 2022), 2,100 in Bilbao (1,681 homes in 2022), 1,118 in Tenerife Norte (1,099 homes in 2022), 1,441 in Palma de Mallorca (1,176 homes in 2022), and 814 in Málaga-Costa del Sol (814 homes in 2022).

Furthermore, in accordance with the resolutions of the Ministry for Ecological Transition issuing environmental impact statements for AENA airports, preventive, corrective and compensatory measures indicated in the mandatory environmental impact studies and those environmental impact statements are being implemented. These measures comply with a series of conditions primarily related to the protection of the hydrological and hydrogeological systems; soil protection and conservation; air quality protection; noise protection; preservation of vegetation, fauna and natural habitats; protection of cultural heritage; restoration of services and livestock routes; and location of quarries, borrowing areas, landfills and auxiliary facilities.

25. Grants, donations and bequests received

This heading at 31 December 2023 and 2022 shows the following breakdown:

Grants, donations and bequests received	Thousands of euros	
	2023	2022
Capital grants from European official bodies	179,266	185,417
Capital grants received AGE (Next Generation-MRR)	64,366	47,457
Total	**243,632**	**232,874**

The movements net of tax under this heading during 2023 and 2022 were as follows:

Grants, donations and bequests received	Thousands of euros	
	2023	2022
Opening balance	378,301	374,641
Opening balance attributable to External Partners	(145,427)	(156,327)
Grant Additions	35,793	42,938
Recognised in profit/loss	(32,296)	(30,533)
Attributed to non-controlling interests	8,864	10,900
Other Adjustments	(1,603)	(8,745)
Closing balance	**243,632**	**232,874**

The amount of Other Adjustments corresponds primarily to adjustments derived from the progress of projects and the recognition of amounts for management fees, as well as the revision of costs reported in previous years.

The amounts charged to results are net of the tax effect, with €40,386 thousand charged to the Income Statement during the 2023 fiscal year (€38,116 thousand in 2022).

Additionally, grants financing operating expenses amounting to €49,045 thousand (€2,965 thousand in 2022) have been charged to the income statement, also originating from the financing of projects with European funds. Within this amount, €45,133 thousand stands out from the grant awarded by the European Union Solidarity Fund to compensate for expenses incurred by Aena to mitigate the effects of the COVID-19 pandemic at its airports, in accordance with health recommendations.

Next Generation Grants (Recovery and Resilience Mechanism)

The Group, specifically its parent company, has been approved to receive €107,253 thousand from the funds allocated by Europe to repair the damage caused by the COVID-19 crisis, within the framework of the Spanish Government's Recovery, Transformation and Resilience Plan, until the year 2025.

These funds are received from the Ministry of Transport and Sustainable Mobility through the Public Treasury, according to the amount included in the General State Budget each year. They are intended to cover actions specifically framed within Component 6 (Sustainable, Safe, and Connected Mobility), Investment 2 (Trans-European Transport Network. Other actions), aimed at the development of the Single European Sky.

A total of €88,460 thousand was collected in the period from 2021 to 2023, corresponding to the annual instalments for 2020, 2021, 2022 and 2023 from the Recovery and Resilience Facility grants. These amounts have been recorded as capital grants in accordance with the progress of the projects, amounting to €90,719 thousand, with the counterpart of the uncollected granted amount recorded in Current Assets.

ENAIRE

26. Transactions and balances with related parties

26.1. Transactions and balances with associates and other investees

The breakdown of debtor and creditor balances and the details of transactions carried out with associated and multi-group companies as of 31 December 2023 and 2022 are as follows:

2023 Financial year

Thousands of euros							
Transactions and balances with related parties	**Debtor**	**Debts with companies based on the equity method (Asset supplier)**	**Other payables**	**Acquisition of fixed assets**	**Revenues Services rendered**	**Expenses Services Received**	**Finance income (Dividends)**
INECO	(2)	2,784	1,044	18,096	20	5,970	6,833
STARTICAL S.L.	349	-	-	-	327	-	-
SACSA	204	-	-	-	1,375	-	-
ANB	11,333	-	-	-	14,504	(6)	25,035
AEROCALI	43	-	1,687	-	656	81	5,599
EMGRISA	-	-	-	-	-	-	2
GROUPEAD	2	-	-	-	3	-	273
ESSP SAS	545	-	-	-	2,723	-	583
Total	**12,474**	**2,784**	**2,731**	**18,096**	**19,608**	**6,045**	**38,325**

2022 Financial year

Thousands of euros							
Transactions and balances with related parties	**Debtor**	**Debts with companies based on the equity method (Asset supplier)**	**Other payables**	**Acquisition of fixed assets**	**Revenues Services rendered**	**Expenses Services Received**	**Finance income (Dividends)**
INECO	34	1,937	846	17,603	25	5,302	3,465
STARTICAL S.L.	12	-	-	-	35	-	1,820
SACSA	207	-	-	-	1,188	-	-
ANB	7,595	-	6	-	9,483	12	21,811
AEROCALI	30	-	1,322	-	1,105	-	1,945
EMGRISA	-	-	-	-	-	-	1
GROUPEAD	-	-	-	-	2	-	147
ESSP SAS	314	-	9	10	1,840	-	-
Total	**8,192**	**1,937**	**2,183**	**17,613**	**13,678**	**5,314**	**29,189**

The transactions with the associated company INECO S.M.E.M.P., S.A. completed in 2023 and 2022 by the Group are detailed below:

Assignment of ENAIRE's Own Resources with INECO

Collaboration agreement for the implementation or management of air navigation systems (CNS/ATM security, surveillance, etc.), preparation of studies and projects (Radio Simulation, Flight Procedures, Network Systems, Communications) and support services for the different organisational units.

Contract signed between INECO and the subsidiary Aena S.M.E., S.A.

Collaboration agreement for the drafting and review of projects, construction management, technical assistance for surveillance and control, engineering for certification, maintenance and operation of airport facilities and processes, airport planning and development, environmental aspects, airport commercial development and logistics studies and designs in terminal buildings to improve operational efficiency and achieve greater cost reduction, with the annex of actions being renewed annually.

In addition, transactions with the associated company of recent creation STARTIFICAL S.L. carried out in 2023 correspond to the “Contract for the Provision of Services between STARTECAL S.L. and ENAIRE E.P.E.” relating to rental, maintenance and IT services provided by ENAIRE to STARTIGAL S.L, and the contract for “Provision of Engineering Services and A.T. STARTIFICAL-ENAIRE” relating to technical services carried out by ENAIRE for STARTECAL S.L.

The transactions with the investee European Satellite Services Provider S.A.S. (ESSP S.A.S.) carried out during 2023 pertain to agreements and contracts for the following services provided by ENAIRE:

- Agreement for the administrative concession for the temporary use of offices in the centralised systems building of the Torrejón de Ardoz Control Centre (Madrid).
- EGNOS Project Agreements. It consists mainly of 4 Contracts:
    - MCC and Hosting Entity v2 Services.
    - EDAS Operations Maintenance.
    - RIMS v2 Hosting and L1 Maintenance Services.
    - SPS Operations Maintenance.

In November 2023, the following EGNOS V3 contracts were also transferred to ESSP S.A.S.:

- HS MCC TOR – MCC Torrejon Site preparation and hosting for EGNOS V3.
- HS RIMS LPI – La Palma Island Site preparation and hosting for EGNOS V3.
- HS RIMS PDM – ‘Palma De Mallorca Site preparation and hosting for EGNOS V3.

26.2. Operations´ and balances with other related parties

Details of balances and operations with other related parties at year-end 2023 and 2022 are as follows:

2023 Financial year

	Debtor	Current payables	Other payables	Expenses	Fixed Asset Acquisitions	Revenues from services rendered
State Meteorological Agency (AEMET)	-	-	10,819	56,694	-	-
State Aviation Safety Agency (AESA)	-	-	1,694	7,983	-	-
Ingeniería de Sistemas para la Defensa Española, S.A. (ISDEFE)	-	303	1,132	1,215	7,733	3
ENAIRE Foundation	53	-	-	1,854	-	112
Ministry for Ecological Transition	-	-	104	323	-	-
Total	**53**	**303**	**13,749**	**68,069**	**7,733**	**115**

2022 Financial year

	Debtor	Current payables	Other payables	Expenses	Fixed Asset Acquisitions	Revenues from services rendered
State Meteorological Agency (AEMET)	6	-	9,447	25,616	-	-
State Aviation Safety Agency (AESA)	-	-	1,153	5,602	-	-
Ingeniería de Sistemas para la Defensa Española, S.A. (ISDEFE)	-	2,179	183	11	6,566	-
ENAIRE Foundation	44	-	-	1,798	-	110
Ministry for Ecological Transition	-	-	63	291	-	-
Total	**50**	**2,179**	**10,846**	**33,318**	**6,566**	**110**

The State Meteorological Agency (AEMET - Agencia Estatal de Meteorología), as the meteorological authority of the State and a certified service provider, is the sole officially designated body in Spain to provide meteorological services for aeronautical activities. In addition, AEMET is the owner of the basic facilities and equipment to provide meteorological services for air navigation.

As indicated in notes 5.11 and 22.2, ENAIRE reimburses the State Meteorological Agency and the State Aviation Safety Agency for the amount of the exempted flights.

Meanwhile, the subsidiary Aena S.M.E., S.A., motivated by the need for the abovementioned services, signed an Agreement with AEMET that regulated the provision of services covering the period from 30 December 2014 to 29 December 2016. A new contract came into effect on 30 December 2016, with a duration of one year from the previous date, extendable annually by mutual agreement of the parties for up to an additional two years. It has been renewed for the period 2020-2024 for a total amount of €60.2 million.

Since 2014, the subsidiary Aena S.M.E., S.A. has remunerated the services provided by AEMET with an initial payment of €7,500 thousand, for the period March-November 2014, and monthly payments of €833 thousand from then until June 2020, when the monthly payment amounts to €953 thousand. From July 2021, the monthly amount amounted to €991 thousand, reaching €1,008 thousand from July 2022 to July 2023, the date on which it became €1,026 thousand.

On 19 October 2018, a contract was signed between SCAIRM and the State Meteorological Agency, beginning on 8 January 2019, for the provision of meteorological services at the Murcia Region International Airport. The duration was for 1 year, plus two extensions of one year each, with a new 5-year contract to come into force on 8 January 2022. The service provision included:

- Continuous observation of the meteorological conditions of the aerodrome.
- Aerodrome and area forecasting and surveillance (FIR/UIR of Spain).
- Service for aeronautical users, whether crews, air traffic control supervisors or airport managers.

Transactions with the company ISDEFE pertain to services provided under the "Assignments to Own Resources" framework, contracted with the Public Corporate Entity ENAIRE. These services involve activities in the fields of systems engineering and consultancy within the Air Navigation sector, specifically related to CNS/ATM systems, the SESAR Program, infrastructure, security and control centres.

On the other hand, ISDEFE has been providing Aena S.M.E., S.A. with a series of services that fall within its corporate purpose. These activities are in accordance with the contract signed in December 2016, which replaced the previous contract dated 8 November 2013 and whose annex has been renewed annually. These activities include:

- General Coordination of Information and Communication Technologies (hereinafter, ICT).
- Definition of ICT systems and infrastructures.
- Management of the computer application lifecycle.
- ICT project office management.
- Quality and testing of IT applications and ICT infrastructures.
- Integration of systems and support for the start-up.

The ENAIRE Business Public Entity is the sole patron of the ENAIRE Foundation, which is responsible for managing ENAIRE's collection of art works.

In addition to the contribution of €1,773 thousand recorded in 2023 (€1,717 thousand in 2022), there is an in-kind contribution amounting to €81 thousand, which represents the free use of the property owned by ENAIRE where the Foundation carries out its activities (€81 thousand in 2022).

On 10 November 2021, the "Agreement regulating the provision of services from ENAIRE to the ENAIRE Foundation and the compensation for expenses derived from them" was signed, with the purpose of regulating the terms under which ENAIRE provides services related to information systems, insurance management and business management to the Foundation, and their financial compensation. The amount recognised in 2023 on the basis of this agreement amounts to €43.6 thousand (€36.4 thousand in 2022, adjusted in 2023 to €35.2 thousand).

27. Segmented information

The following segments have been differentiated based on the purpose and main activities of the Group's entities: Airports, Air Navigation and Others.

Airport segment.

It includes the activities of the subsidiary AENA S.M.E., S.A., within which the following activities are distinguished:

- **Airport Services**: substantially reflects the operations of Aena as operator of the Spanish airport network.
- **Commercial**: commercial space management activity in airport terminals and the car park network.
- **Property services**: substantially includes the operation by Aena of industrial and property assets that are not part of airport terminals.

Air Navigation Segment.

It corresponds to the purpose of the Parent Entity, ENAIRE, which is responsible for providing Air Traffic Services in Spain. Its main objective is to offer maximum security, quality and efficiency in the development and operation of the Spanish Air Navigation system. Also, as the fourth largest Air Navigation Service Provider in Europe, it participates prominently and actively in all European Union projects related to the implementation of the Single Sky.

Other Segment.

It contains the Corporate Unit of the Parent Entity that consolidates the Co-credited Financial Debt (ENAIRE and Aena S.M.E., S.A.) with Credit Institutions, as well as the activities carried out by the subsidiary companies that form part of the Aena Group: Aena Desarrollo Internacional and its subsidiaries Grupo LLATH III (United Kingdom), ANB and Boab (Brazil) and the Company “Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.”, which is considered a single cash-generating unit, and R&D&I in ATM (aligns with R&D&I activities within the air traffic management system of the subsidiary Centro de Referencia Investigación Desarrollo en Innovación ATM, A.I.E. aimed at improving the performance of the Spanish Air Navigation system).

Geographical information on sales

The distribution of the net turnover for the 2023 and 2022 financial years, broken down by geographic markets, is as follows:

Geographic Markets	Thousands of euros	
	2023	2022
Spain	5,166,842	4,288,764
United Kingdom	340,984	266,566
Brazil	119,229	74,610
Others	16,535	11,331
Total	**5,643,590**	**4,641,271**

The heading "Others" includes the markets for minority investments in other airport operators, mainly in Mexico and Colombia.

Information on the main clients

The breakdown of sales to the three main external customers is as follows:

Customers	Turnover (thousands of euros)	
	2023	2022
First customer	651,832	505,186
Second customer	460,396	384,861
Third customer	358,853	294,332
Total	**1,471,081**	**1,184,379**

Segmented financial statements (in thousands of euros)

2023 Financial year

Items	Segments							TOTAL
	Airport Services	**Commercial**	**Property services**	**Subtotal Airports**	**Air Navigation Services**	**Other segments**	**Eliminations and Adjustments**	
Revenue	2,768,254	1,513,038	105,474	4,386,766	889,867	491,119	(124,162)	5,643,590
External customers	2,767,556	1,513,038	105,474	4,386,068	768,403	489,119	-	5,643,590
Intersegments	698	-	-	698	121,464	2,000	(124,162)	-
Other operating income	89,751	17,550	1,247	108,548	15,493	2,204	(4,739)	121,506
TOTAL OPERATING REVENUE	**2,858,005**	**1,530,588**	**106,721**	**4,495,314**	**905,360**	**493,323**	**(128,901)**	**5,765,096**
Supplies	(161,875)	-	-	(161,875)	(52,361)	(1,425)	121,464	(94,197)
Personnel expenses	(414,259)	(52,628)	(11,433)	(478,320)	(649,327)	(90,026)	150	(1,217,523)
Amortisation and depreciation	(613,589)	(101,282)	(16,849)	(731,720)	(106,733)	(84,083)	1,275	(921,261)
Other operating expenses	(913,544)	(243,581)	(23,443)	(1,180,568)	(116,888)	(202,631)	2,474	(1,497,613)
Impairment and losses	2,436	(718)	152	1,870	(8,245)	142,538	(51)	136,112
OTHER OPERATING EXPENDITURE	**(2,100,831)**	**(398,209)**	**(51,573)**	**(2,550,613)**	**(933,554)**	**(235,627)**	**125,312**	**(3,594,482)**
OPERATING INCOME	**757,174**	**1,132,379**	**55,148**	**1,944,701**	**(28,194)**	**257,696**	**(3,589)**	**2,170,614**
EBITDA	**1,370,763**	**1,233,661**	**71,997**	**2,676,421**	**78,539**	**341,779**	**(4,864)**	**3,091,875**
Total Assets	**-**	**-**	**-**	**16,577,381**	**1,452,918**	**6,510,257**	**(5,718,134)**	**18,822,422**
Total Liabilities	**-**	**-**	**-**	**8,794,256**	**596,714**	**5,092,532**	**(4,222,068)**	**10,261,434**

2022 Financial year

Items	Segments							TOTAL
	Airport Services	Commercial	Property services	Subtotal Airports	Air Navigation Services	Other segments	Eliminations and Adjustments	
Revenue	2,367,379	1,213,256	86,423	3,667,058	735,339	365,576	(126,702)	**4,641,271**
External customers	2,366,327	1,213,256	86,423	3,666,006	612,058	363,207	-	**4,641,271**
Intersegments	1,052	-	-	1,052	123,281	2,369	(126,702)	**-**
Other operating income	44,834	8,784	3,138	56,756	12,089	2,013	587	**71,445**
TOTAL OPERATING REVENUE	**2,412,213**	**1,222,040**	**89,561**	**3,723,814**	**747,428**	**367,589**	**(126,115)**	**4,712,716**
Supplies	(161,723)	-	-	(161,723)	(43,613)	(1,430)	123,403	**(83,363)**
Personnel expenses	(387,570)	(46,987)	(12,016)	(446,573)	(716,266)	(70,745)	95	**(1,233,489)**
Amortisation and depreciation	(603,402)	(98,527)	(16,756)	(718,685)	(92,087)	(71,193)	1,280	**(880,685)**
Other operating expenses	(895,381)	(240,754)	(18,701)	(1,154,836)	(111,364)	(154,952)	2,333	**(1,418,819)**
Impairment and losses	(64,614)	(4,245)	853	(68,006)	(71)	37,232	(958)	**(31,803)**
OTHER OPERATING EXPENDITURE	**(2,112,690)**	**(390,513)**	**(46,620)**	**(2,549,823)**	**(963,401)**	**(261,088)**	**126,153**	**(3,648,159)**
OPERATING INCOME	**299,523**	**831,527**	**42,941**	**1,173,991**	**(215,973)**	**106,501**	**38**	**1,064,557**
EBITDA	**902,925**	**930,054**	**59,697**	**1,892,676**	**(123,886)**	**177,694**	**(1,242)**	**1,945,242**
Total Assets	**-**	**-**	**-**	**15,204,350**	**1,096,206**	**6,088,717**	**(5,545,326)**	**16,843,947**
Total Liabilities	**-**	**-**	**-**	**8,091,662**	**524,179**	**4,817,393**	**(4,056,518)**	**9,376,716**

28. Subsequent events

There have been no significant events after the reporting date and up to the reporting date that have affected the financial statements, other than those mentioned below:

- On 18 January 2024, the plenary session of the Constitutional Court unanimously declared unconstitutional and null and void certain corporate tax measures introduced by Royal Decree-Law 3/2016 of 2 December. This judgment was published in the Official State Gazette of 20 February 2024.
  In particular, the annulled amendments to the corporate tax law 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 integrate into the tax base the impairments of stakes previously deducted. The implications of this ruling for ENAIRE have been twofold: firstly, the 70% compensation limit was applied instead of the 25% limit in the 2023 Corporation Tax estimate; secondly, this 70% limit was considered in tax planning to calculate recoverable tax assets over the next 10 years (note 3.5).

- On 2 February 2024, the CNMC issued its resolution on the supervision of airport charges for 2024, declaring that the applicable IMAAJ is €10.35 per passenger, representing a tariff variation of 4.09% compared to the 2023 charges.

  This variation, applicable from 1 March 2024, in the 2024 IMAAJ compared to the 2023 IMAAJ (set at €9.95 per passenger), is a result of the adjustments established by the DORA concerning the incentive for quality performance levels, investment execution, traffic structure as of the end of 2022, and the effect of the P index (calculated according to the methodology established in Royal Decree 162/2019 of 22 March and set out in the CNMC Resolution of 14 July 2022). Prior to the issuance of the CNMC resolution, on 30 January 2024, the Council of Ministers approved a P index for the annual revision of Aena's 2024 charges, set at +3.5% (Note 5.11).

- On 6 February 2024, the Council of Ministers approved the second additional salary increase of 0.5%, linked to GDP, as mentioned in Note 22.3, bringing the total increase to 3.5%.

- On 27 February 2024, the Board of Directors of Aena S.M.E., S.A. proposed to the Ordinary General Shareholders' Meeting, scheduled to be held on 18 April 2024, the distribution of a gross dividend per share of €7.66, corresponding to the profit for the 2023 financial year. ENAIRE €585,990 thousand from Aena S.M.E., S.A. in 2024.