



The attached External Auditor's Report, Annual Accounts and Management Report for the fiscal year ended 31 December 2022, have been originally issued in Spanish. The English version is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.



Auditor's Report on Aena S.M.E., S.A.

(Together with the Annual Accounts and
Management Report of Aena S.M.E., S.A. for the
year ended 31 December 2022)

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



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Independent Auditor's Report on the Annual Accounts

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

To the shareholders of Aena S.M.E., S.A.:

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Aena S.M.E., S.A. (the "Company"), which comprise the balance sheet on 31 December 2022, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company on 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2.2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

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

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

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



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

Key Audit Matters

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

Recognition of revenue from aeronautical services See notes 2.5), 4.16) and 23.1 to the annual accounts	
<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Revenues from aeronautical services amounted to Euros 2,367,379 thousand in 2022. These revenues are mostly generated from the use of the airport infrastructure by airlines and passengers.</p> <p>Due to the significance of the aeronautical revenues, as well as the large number of transactions of different types and amounts that give rise to the aeronautical revenues in the airports the Company manages, this has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">– evaluating the criteria, standards and policies used by the Company to recognise aeronautical revenues.– assessing, with the help of our IT specialists, the design and implementation of the most relevant controls established by Company management for the recognition of these revenues from aeronautical services. We also tested the operating effectiveness of these controls,– as part of our substantive procedures:<ul style="list-style-type: none">– we performed a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of sales transactions during the year, individually matching the revenue to the related amounts collected.– we performed tests of detail on the transactions that generated revenues from aeronautical services to confirm whether revenues had been adequately recognised in the correct period based on their accrual. <p>We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.</p>



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

Other Information: Management report

Other information solely comprises the 2022 management report, the preparation of which is the responsibility of the Company's Directors, and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the management report. Our responsibility regarding the information contained in the management report is defined in the legislation regulating the audit of accounts, as follows:

- a) Determine, solely, whether the non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- b) Assess and report on the consistency of the rest of the information included in the management report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the management report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the management report is consistent with that disclosed in the annual accounts for 2022, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Annual Accounts

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

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

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



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

Auditor's Responsibilities for the Audit of the Annual Accounts

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

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

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

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



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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital file of Aena S.M.E., S.A. for 2022 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.

The Directors of Aena, S.M.E., S.A. are responsible for the presentation of the 2022 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation").

Our responsibility consists of examining the digital file prepared by the Company's Directors, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the annual accounts included in the aforementioned digital file fully corresponds to the annual accounts we have audited, and whether the annual accounts have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.



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

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 22 February 2023.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 9 April 2019 for a period of three years, from the year ended 31 December 2020.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their ordinary general meeting and have been auditing the annual accounts since the year ended 31 December 2017.

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

(Signed on original in Spanish)

Francisco Jose Rabadan Molero
On the Spanish Official Register of Auditors ("ROAC") with No. 15,797
27 February 2023

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

Annual Accounts and Management Report corresponding to the fiscal year ended
on 31 December 2022

Contents

Financial statements	
Balance Sheet	1
Profit and Loss Account	3
Statement of Changes in Equity	4
Cash Flow Statement	6
Notes to the Annual Accounts	
1. Activity	7
2. Basis of presentation	9
3. Distribution/application of the result	14
4. Recording and valuation standards	15
5. Management of operational and financial risks	34
6. Intangible fixed assets	45
7. Property, plant and equipment	51
8. Real estate investments	57
9. Leases	60
10. Financial instruments	62
11. Investments in group, associate and multigroup companies, and other shareholdings	66
12. Transactions and balances with related parties	81
13. Trade and other receivables	87
14. Short-term financial investments	89
15. Financial debt	89
16. Trade and other payables	100
17. Inventories	102
18. Cash and cash equivalents	102
19. Equity	102
20. Accruals	106
21. Provisions	106
22. Public Administrations and fiscal situation	112
23. Revenue and expenses	120
24. Other information	123
25. Audit fees	125
26. Guarantees, commitments and other sureties	126
27. Environmental commitments	126
28. Contingencies	130
29. Subsequent events	133

BALANCE SHEET AS OF 31 DECEMBER 2022

(Expressed in thousands of euros)

ASSETS	Note	31.12.22	31.12.21
			(*)
NON-CURRENT ASSETS			
Intangible fixed assets	6	162,738	150,631
Intangible assets, concession agreement		7,517	8,112
Software		75,744	61,339
Other intangible fixed assets		5,375	3,465
Property, plant and equipment under construction		74,102	77,715
Property, plant and equipment	7	11,913,019	12,171,879
Land and buildings		9,669,058	9,883,338
Plant and machinery		379,515	367,537
Other facilities, tools and furnishings		1,152,118	1,111,851
Other property, plant and equipment		4,890	3,426
Property, plant and equipment under construction		707,438	805,727
Real estate investments	8	133,853	136,728
Land and buildings		133,827	136,655
Other facilities		26	73
Long-term investments in group and associated companies		559,158	541,838
Equity instruments	11	181,224	171,838
Loans to companies	10 12	377,934	370,000
Long-term financial investments	10 11	153,187	88,701
Equity instruments		26	-
Derivatives		67,670	-
Other financial assets		85,491	88,701
Non-current commercial debts		9,735	6,342
Long-term credit right		9,735	6,342
Deferred tax assets	22,2	186,902	308,272
TOTAL NON-CURRENT ASSETS		13,118,592	13,404,391
CURRENT ASSETS			
Inventories	17	5,773	5,514
Trade and other receivables		601,007	584,939
Trade receivables for sales and services rendered	10 13	564,591	541,547
Customers, group and associated companies	10 12 13	367	1,360
Sundry debtors	10 13	827	7,968
Staff costs	10 13	783	674
Current tax assets	13 22	9,087	-
Other loans with Public Administrations	13 22	25,352	33,390
Short-term investments in group and associated companies	10 12	1,727	2,134
Loans to companies		-	1,603
Other financial assets		1,727	531
Short-term financial investments	10 17	35,839	1,576
Loans to companies		53	16
Derivatives		31,514	-
Other financial assets	11	4,272	1,560
Short-term accruals	20	6,007	5,580
Cash and cash equivalents	17	1,435,404	1,383,069
TOTAL CURRENT ASSETS		2,085,757	1,982,812
TOTAL ASSETS		15,204,349	15,387,203

(*) Restated figures (note 2.8)

BALANCE SHEET AS OF 31 DECEMBER 2022

(Expressed in thousands of euros)

<u>EQUITY AND LIABILITIES</u>	<u>Note</u>	<u>31.12.22</u>	<u>31.12.21(*)</u>
EQUITY			
Own funds	19	6,742,382	5,877,300
Share capital	19,1	1,500,000	1,500,000
Share premium	19,2	1,100,868	1,100,868
Capitalisation reserve	19,2	164,176	164,176
Legal reserve	19,2	300,000	300,000
Other reserves	19,2	3,312,047	3,311,826
Negative results from previous fiscal years		(499,570)	(41,437)
Profit/(loss) for the fiscal year	3	864,861	(458,133)
Adjustments due to changes in value	19,3	73,517	(55,168)
Hedging transactions		73,517	(55,168)
Grants, donations and legacies received	7,5 19.4	296,790	319,035
TOTAL EQUITY		7,112,689	6,141,167
NON-CURRENT LIABILITIES			
Long-term provisions	21	70,987	112,032
Obligations from long-term staff benefits		6,707	9,358
Environmental actions		52,980	93,241
Other provisions		11,300	9,433
Long-term guarantees received	10	163,884	148,699
Long-term debts	10	3,302,143	3,344,395
Debts with credit institutions		3,298,048	3,292,734
Financial leasing creditors		3,796	5,586
Derivatives		-	45,951
Other financial liabilities		299	124
Long-term debts with group and associated companies	10 11 12 15	3,110,718	3,624,598
Long-term accruals	20	7,101	8,737
Deferred tax liabilities	22	104,306	111,722
TOTAL NON-CURRENT LIABILITIES		6,759,139	7,350,183
CURRENT LIABILITIES			
Short-term provisions	21	54,947	35,680
Short-term debts	10	417,451	1,054,676
Debts with credit institutions		87,482	632,907
Financial leasing creditors		1,701	1,682
Derivatives		1,162	27,607
Other financial liabilities		327,106	392,480
Short-term debts with group and associated companies	10 11 12 15	535,721	545,693
Trade and other payables		323,955	259,595
Suppliers, group and associated companies	10 12 16	22,732	7,697
Sundry creditors	10 16	178,365	161,731
Staff costs	10 16	34,518	27,674
Other debts with Public Administrations	16 22	30,251	21,003
Customer advances	10 16	58,089	41,490
Short-term accruals	20	447	209
TOTAL CURRENT LIABILITIES		1,332,521	1,895,853
TOTAL EQUITY AND LIABILITIES		15,204,349	15,387,203

(*) Restated figures (note 2.8)

PROFIT AND LOSS ACCOUNT

CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of euros)

<u>CONTINUING OPERATIONS</u>	Note	2022	2021 (*)
Net turnover	23,1	3,667,058	1,550,758
Works carried out by the company for its assets	7	6,493	6,374
Supplies	23,2	(161,723)	(158,003)
Consumption of raw materials and other consumables		(231)	(1,102)
Works performed by other companies		(161,492)	(156,901)
Other operating revenue		10,853	9,651
Miscellaneous revenue and other current management revenue		9,910	8,912
Operating grants incorporated into profit/(loss) for the fiscal year		943	739
Staff costs	23,3	(446,573)	(410,338)
Wages, salaries and similar items		(325,150)	(296,008)
Social charges		(130,380)	(120,231)
Provisions		8,957	5,901
Other operating expenses		(1,154,836)	(794,965)
External services	23,4	(974,523)	(634,721)
Taxes	23,5	(155,569)	(151,566)
Losses, impairment and change in trading provisions	13	(19,250)	(5,677)
Other current management expenses		(5,494)	(3,001)
Depreciation and amortisation of fixed assets	6 7 8	(718,685)	(715,550)
Allocation of grants for non-financial fixed assets and others	19,4	34,466	35,525
Provision surpluses	23,7	4,942	9,427
Impairment and net gain or loss on disposals of fixed assets		(11,892)	(13,036)
Impairments and losses	6 7 8	159	104
Gains or losses on disposals and others	6 7	(12,051)	(13,140)
Other profit/(loss) – net	5.1.3	(56,482)	(112,114)
OPERATING PROFIT/(LOSS)		1,173,621	(592,271)
Finance income	23,6	15,976	9,666
From marketable securities and other financial instruments			
- From group and associated companies		5,208	7,914
- From third parties		8,715	776
Capitalisation of finance expenses	6 7	2,053	976
Finance expenses	23,6	(88,588)	(79,260)
- For debts with group and associated companies	15 19,3	(57,974)	(62,574)
- For debts with third parties		(29,694)	(16,671)
- For the updating of provisions	21	(920)	(15)
Exchange differences	23,6	(6)	(12)
Impairment and net gain or loss on disposals of financial instruments	11 23,6	9,386	6,806
FINANCIAL RESULTS	23,6	(63,232)	(62,800)
PROFIT/(LOSS) BEFORE TAX		1,110,389	(655,071)
Income tax	22	(245,528)	196,938
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		864,861	(458,133)
PROFIT/(LOSS) FOR THE YEAR		864,861	(458,133)

() Restated figures (note 2.8)*

STATEMENT OF CHANGES IN EQUITY

CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of euros)

A) Statement of recognised revenue and expenses

	Note	2022	2021
			(*)
Result of the profit and loss account		864,861	(458,133)
Revenue and expenses directly allocated to equity			
For cash flow hedges	19,3	150,653	23,431
Grants, donations and legacies received	19,4	4,806	284
For actuarial gains and losses		343	(6)
Tax effect		(38,951)	(5,927)
Revenue and expenses directly allocated to equity		116,851	17,782
Transfers to the profit and loss account			
For cash flow hedges	19,3	20,927	31,491
Grants, donations and legacies received	19,4	(34,466)	(35,525)
Tax effect		3,385	1,008
Total transfers to the profit and loss account		(10,154)	(3,026)
TOTAL RECOGNISED REVENUE AND EXPENSES		971,558	(443,377)
<i>(*) Restated figures (note 2.8)</i>			

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

STATEMENT OF CHANGES IN EQUITY

CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of euros)

B) Statement of total changes in equity

Note	Authorised capital	Share premium	Profit/(loss) for the fiscal year	Capitalisation reserve	Legal reserve	Other reserves	Negative results from previous fiscal years	Adjustments due to changes in value	Grants, donations and legacies received	TOTAL
	19,1	19,2	3	19,2	19,2	19,2		19,3	19,4	
Balance at 31 December 2020	1,500,000	1,100,868	(5,290)	159,877	300,000	3,316,149	-	(96,359)	345,466	6,620,711
Adjustments due to changes in accounting policies (Note 2.8)	-	-	(36,147)	-	-	-	-	-	-	(36,147)
Balance as of 1 January 2021 (*)	1,500,000	1,100,868	(41,437)	159,877	300,000	3,316,149	-	(96,359)	345,466	6,584,564
Total recognised revenue and	-	-	(458,133)	-	-	(4)	-	41,191	(26,431)	(443,377)
Other transactions with partners and shareholders	-	-	-	-	-	(20)	-	-	-	(20)
Application of result from previous fiscal year	-	-	41,437	-	-	-	(41,437)	-	-	-
Other changes in equity	-	-	-	4,299	-	(4,299)	-	-	-	-
Balance as of 31 December 2021 (*)	1,500,000	1,100,868	(458,133)	164,176	300,000	3,311,826	(41,437)	(55,168)	319,035	6,141,167
Total recognised revenue and	-	-	864,861	-	-	257	-	128,685	(22,245)	971,558
Other transactions with partners and shareholders	-	-	-	-	-	(36)	-	-	-	(36)
Application of result from previous fiscal year	-	-	458,133	-	-	-	(458,133)	-	-	-
Balance as of 31 December 2022	1,500,000	1,100,868	864,861	164,176	300,000	3,312,047	(499,570)	73,517	296,790	7,112,689

(*) Restated figures (note 2.8)

Notes 1 to 29 of the attached report are a comprehensive part of these annual accounts

CASH FLOW STATEMENT

CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of euros)

	Note	2022	2021 (*)
CASH FLOW FROM OPERATING ACTIVITIES (I)		1,696,252	252,170
Profit/(loss) for the year before tax		1,110,389	(655,071)
Adjustments of the profit/(loss)		782,292	1,443,344
Depreciation and amortisation of fixed assets	6 7 8	718,685	715,550
Valuation adjustments for impairment of trade receivables	13	19,250	5,677
Allocation of grants	19.4	(34,466)	(35,525)
Impairment of stakes in Group companies	11.1	(9,386)	(6,806)
Impairment of fixed assets	6 7	(159)	(104)
Result for write-off and disposals of fixed assets		12,050	13,140
Finance income	23,6	(15,976)	(9,666)
Finance expenses and exchange differences	23,6	67,667	47,781
Finance expenses settlement for financial derivatives	23,6 15	20,927	31,491
Works carried out by the company for its fixed assets (-/+)		(6,493)	-
Change in provisions		(4,942)	(9,427)
Trade discounts granted during the fiscal year	5 1 3 2 3 1	17,445	699,737
Others		(2,310)	(8,504)
Changes in current capital		44,451	(472,967)
Inventories		(139)	669
Debtors and other accounts receivable		(37,990)	(475,094)
Other current assets		(78)	(11,152)
Trade and other payables		83,206	31,988
Other current liabilities		(307)	(19,270)
Other non-current assets and liabilities		(241)	(108)
Other cash flows from operating activities		(240,880)	(63,136)
Interest payments		(76,641)	(79,904)
Interest received		1,078	7,858
Income tax (payments)/collections	2 2 2	(165,317)	8,931
Other payments/(collections)		-	(21)
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		(555,671)	(649,362)
Payments for investments		(561,112)	(654,532)
Group and associated companies		(3,000)	-
Intangible fixed assets		(48,449)	(46,203)
Property, plant and equipment		(506,970)	(605,801)
Real estate investments		(430)	(1,565)
Other financial assets		(2,263)	(963)
Receipts for divestitures		5,441	5,170
Other financial assets		5,441	5,170
CASH FLOWS FROM FINANCING ACTIVITIES (III)		(1,088,246)	638,996
Collections and payments through equity instruments		4,877	192
Grants, donations and legacies received	19.4	4,877	192
Collections and payments through financial liability instruments		(1,093,123)	638,804
Issue:			
- Debts with credit institutions	1 5 2	184,370	1,200,000
- Others		85,740	104,490
Refund and amortisation of:			
- Bonds and similar securities	1 5 3	-	(55,000)
- Debts with credit institutions	1 5 2	(730,000)	-
- Debts with group and associated companies	1 5 1	(535,836)	(546,349)
- Other debts		(97,397)	(64,337)
NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS		52,335	241,804
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD		1,383,069	1,141,265
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,435,404	1,383,069

() Restated figures (note 2.8)*

CASH FLOW STATEMENT

CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of euros)

1. Activity

Aena S.M.E., S.A. (hereinafter, the 'Company' or 'Aena') was incorporated by virtue of article 7 of Royal Decree-Law 13/2010, of 3 December, via which the Council of Ministers was empowered to incorporate the Company. The authorisation for the effective incorporation took place on 25 February 2011 in the agreement of the Council of Ministers of said date, in which the incorporation of the state trading company Aena Aeropuertos, S.A. was authorised, in accordance with the provisions of article 166 of Act 33/2003, of 3 November, on the Assets of Public Administrations (LPAP [Ley del Patrimonio de las Administraciones Públicas]).

On 5 July 2014, pursuant to article 18 of Royal Decree-Law 8/2014 (subsequently ratified by Act 18/2014), the name of Aena Aeropuertos, S.A. was changed to AENA, S.A., and the public business entity "Aeropuertos Españoles y Navegación Aérea" was renamed as ENAIRE ("ultimate parent company" or "parent").

As a consequence of the provisions of Act 40/2015, of 1 October, on the Legal System for the Public Sector, at the Annual General Meeting (AGM) held on 25 April 2017, the Company's corporate name was changed to 'Aena S.M.E., S.A.'.

The Company's corporate purpose is, in accordance with its Articles of Association, as follows:

- The organisation, direction, coordination, operation, conservation, administration and management of general interest and state-owned airports, and of those heliports managed by Aena S.M.E., S.A., as well as their related services.
- The coordination, operation, maintenance, administration and management of the civilian areas of air bases open to civil aviation traffic and of joint-use airports.
- The design and preparation of projects, the execution, management and control of investments in infrastructures and facilities referred to in the previous paragraphs, as well as of investments in goods intended for the provision of aerodrome air traffic services attached to said airport infrastructures.
- The evaluation of needs and, if appropriate, the proposal for planning new airport infrastructures, airport rights of way and acoustic easements associated with airports, as well as services which the Company is responsible for managing.
- The performance of public order and security services at the airport facilities it manages, without prejudice to the authority assigned to the Ministry of the Interior in this respect.
- Training in areas relating to air traffic, including the training of aeronautical professionals who require licences, certificates, authorisations or qualifications, and the promotion, disclosure or development of aeronautical or airport activities.
- The shareholding, management and control, directly or indirectly, in foreign airports.

In addition, the Company may engage in all commercial activities directly or indirectly related to its corporate purpose, including the management of airport facilities outside of Spain and any other ancillary and complementary activity that allows a return on investments.

The corporate purpose may be carried out by the Company directly or through the creation of trade companies and, specifically, the individualised management of airports may be carried out through subsidiary companies or through the concession of services.

The aforementioned Act 18/2014 also establishes the integrity of the airport network insofar as its survival ensures the mobility of citizens and economic, social and territorial cohesion in terms of accessibility, adequacy, suitability, sustainability and continuity. It sets out the framework to which the basic airport services are subject and the characteristics and conditions that said network must boast in order to guarantee the objectives of general interest. Thus, the closure or disposal of all or part of any facilities or airport infrastructure necessary to maintain the provision of airport services is prohibited, unless

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

authorised by the Council of Ministers or the Ministry of Public Works. This authorisation can only be granted provided it does not affect the objectives of general interest that must guarantee said network or compromise its sustainability. The absence of authorisation will render closures or disposals null and void, in order to guarantee the complete maintenance of the state airport network. Airport charges, and their key elements, basic airport services and the framework to determine minimum standards of quality, capacity and conditions for the provision of services and investments required for compliance, as well as the conditions for recovering the costs of providing these basic airport services, have been defined (see Note 4.16).

The incorporation of the Company was carried out through the issuance of 61 shares, each with a nominal value of €1,000, fully subscribed and paid by the public business entity 'Aeropuertos Españoles y Navegación Aérea', which was its sole shareholder at that time. The public business entity 'Aeropuertos Españoles y Navegación Aérea' will maintain, in any case, a majority of the Company's share capital under the terms established by article 7.1, paragraph two of Royal Decree-Law 13/2010, of 3 December, and may sell the rest in accordance with Act 33/2003, of 3 November, on the Assets of Public Administrations.

The registration in the Commercial Registry of the Company's incorporation was made based on the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea' Board of Directors' Resolution dated 23 May 2011. In this resolution, the contribution of activities to the Company (total assets, rights, debt and obligations associated with the implementation of airport and commercial activities, and other state services related to airport management, including air traffic services [hereinafter, the 'Activity']) and its valuation were approved. The valuation of the contributed activities was approved by said Board in accordance with the completed valuation report, resulting in an amount of €2,600,807,000. This valuation was performed using the equity value of the contributed line of activity at 31 May 2011 as a reference, in accordance with the accounting standards in force and in particular the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, subsequently amended by Royal Decree 1159/2010, of 17 September, and it complied with the requirements of Article 114 of the LPAP.

Subsequently, by means of the Agreement of the Council of Ministers dated 3 June 2011, in order to give substance to the Company's activity and in accordance with Article 9 of Royal Decree-Law 13/2010, of 3 December, an increase in the capital of the Company was approved. This capital increase was carried out through the contribution of non-monetary capital from the transferred line of activity.

Thus, all the assets and liabilities included in the non-monetary contribution were at net book value, except for the assets relating to investments in the equity of group, multi-group and associated companies, which were incorporated into the value of the consolidated Aena Group at 8 June 2011, the effective date of the transaction. Likewise, in accordance with valuation standards 4.1 and 4.2, the assets corresponding to fixed assets were shown at their net book value at the time of the transaction, as broken down in the notes for intangible fixed assets and property, plant and equipment.

The contributed property, plant and equipment relate to rights of any type on the land, buildings and equipment at the airports managed or used by the activity, corresponding to the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea'. It also includes the use of rights on certain land located at airports, military airfields and air bases, corresponding to the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea'. The contributed rights refer to the following airports, airfields and air bases:

- Airports for own use: A Coruña Airport, Alicante-Elche Airport, Almería Airport, Asturias Airport, Josep Tarradellas Barcelona-El Prat Airport, Bilbao Airport, Burgos Airport, Córdoba Airport, El Hierro Airport, Fuerteventura Airport, Girona-Costa Brava Airport, F.G.L. Granada-Jaén Airport, Huesca-Pirineos Airport, Ibiza Airport, Jerez Airport, La Gomera Airport, La Palma Airport, Logroño-Agoncillo Airport, Adolfo Suárez Madrid-Barajas Airport, Melilla Airport, Menorca Airport, Son Bonet Airport, Pamplona Airport, Reus Airport, Sabadell Airport, San Sebastián Airport, Seve Ballesteros-Santander Airport, Sevilla Airport, Tenerife Sur Airport, Valencia Airport, Vigo Airport and Vitoria Airport.
- Civil part of joint-use airports with the Ministry of Defence: Gran Canaria Airport, César Manrique-Lanzarote Airport, Tenerife Norte-Ciudad de La Laguna Airport, Madrid-Cuatro Vientos Airport, Málaga-Costa del Sol Airport, Palma de Mallorca Airport, Santiago-Rosalía de Castro Airport and Zaragoza Airport.
- Air bases and military airfields open for civil use: Badajoz Airport, Salamanca Airport, Murcia-San Javier Airport, Valladolid Airport, Albacete Airport, and León Airport.
- Heliports: Ceuta Heliport and Algeciras Heliport.

The functional ownership of the Company falls to the Ministry of Transport, Mobility and Urban Agenda, as well as the authority to propose the appointment of one-third of the members of the Board of Directors. AENA S.M.E., S.A. is the beneficiary of the expropriations associated with the infrastructures it manages.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The registered office of AENA S.M.E., S.A. is located in Madrid (Spain), calle Peonías, 12, after the change thereof adopted by its Board of Directors on 30 October 2019.

Moreover, in the Council of Ministers of 11 July 2014, the public business entity ENAIRE was authorised to initiate procedures for the process of selling the share capital of Aena, S.A. and to dispose of up to 49% of its capital.

This process was completed when shares in Aena S.M.E., S.A. were admitted to trading on the four Spanish stock exchanges; they have been listed on the Spanish continuous market since 11 February 2015. It was first listed on the Madrid stock exchange after the IPO for 49% of their capital, with a starting price of €58 per share. Later on, in June 2015, Aena joined the Ibx 35, an indicator that includes the top 35 Spanish companies listed on the stock exchange.

The Company is the head of a group of subsidiaries and, in accordance with current legislation, is required to draw up separate consolidated accounts. The consolidated annual accounts of the Aena Group ('Group'), for the fiscal year 2021, were drawn up by the Board of Directors on 22 February 2022 and are deposited in the Madrid Register of Companies. Said consolidated annual accounts for the Group have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU, hereinafter the "IFRS") and the IFRIC interpretations in force as of 31 December 2021, as well as with the commercial legislation applicable to companies that prepare financial information in accordance with the IFRS.

The Annual Accounts of Aena for the fiscal year 2021, prepared under the financial reporting framework detailed in Note 2.2, were approved by the Annual General Meeting of Aena S.M.E., S.A., held on 31 March 2022. Said Annual Accounts differ from the information for the fiscal year 2021, which is presented for comparative purposes in these Financial Statements for the fiscal year 2022 due to what is mentioned in Note 2.8 'Changes in accounting policies'.

2. Basis of presentation

2.1 Functional currency and presentation currency

The annual accounts are presented in thousands of euros, unless otherwise indicated, rounded to the nearest thousand. The Company's functional and presentation currency is the euro. The use of rounded figures can, in some cases, lead to a negligible rounding difference in the totals or variations.

2.2 Regulatory financial information framework applicable to the Company

These annual accounts have been prepared in accordance with the regulatory financial information framework applicable to the Company, which is that established in:

- The Code of Commerce and all other commercial legislation.
- The General Accounting Plan in force, as well as Order EHA/733/2010, of 25 March, on accounting aspects of public companies operating under certain circumstances.
- The mandatory standards approved by the Spanish Accounting and Account Auditing Institute in accordance with the General Accounting Plan and its supplementary standards.
- Order EHA/3362/2010, of 23 December, approving the standards for adapting the General Accounting Plan to public infrastructure concession companies.
- All other applicable Spanish accounting regulations.

2.3 True and fair view

The accompanying annual accounts have been obtained from the Company's accounting records and are presented in accordance with the applicable regulatory financial information framework and, in particular, with the accounting principles and criteria contained therein, so that they show the true and fair view of the equity, financial situation, results and cash flows of the Company during the year. These annual accounts, which were drawn up by the Board of Directors on 27 February 2023,

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

will be submitted for the approval of the Annual General Meeting (AGM), estimating that they will be approved without any modification.

2.4 Accounting principles applied

These annual accounts have been presented taking into account all mandatory accounting principles and standards that have a significant effect on these annual accounts. There is no mandatory accounting principle that is no longer applicable.

2.5 Critical aspects of the valuation and estimation of uncertainty

In the preparation of the accompanying annual accounts, estimates made by the Company's administrators have been used to value some of the assets, liabilities, revenue, expenses and commitments recorded therein. These estimates basically refer to:

- The evaluation of possible impairment losses of certain assets (Note 4.1).
- The recognition of revenue (Note 4.16), both aeronautical and commercial.
- The useful life of property, plant and equipment, intangible assets, and real estate investments (Notes 4.1, 4.2 and 4.3).
- Determination of current and deferred tax (Note 22).
- Recoverability of deferred tax assets (Note 22).
- Evaluation of litigation, provisions, commitments, assets and contingent liabilities at year end (Notes 4.10 and 4.11).
- The market value of certain financial instruments (Note 4.6).
- Climate risk assessment (Note 5.3).

Some of these accounting policies require the application of a significant degree of judgement by management in selecting the appropriate assumptions to calculate these estimates. These assumptions and estimates are based on past experience, advice received from expert consultants, forecasts and other circumstances and expectations at year-end. Management's evaluation and agreement is taken into consideration with respect to the overall economic situation of the industry in which the Company operates, taking into account the future development of the business. Due to their nature, these judgements are subject to an inherent degree of uncertainty and, therefore, actual results may materially differ from the estimates and assumptions used, forcing the amendment of the estimates made. In such a case, the effect on the annual accounts caused by the modifications, which, if applicable, are the result of the adjustments to be made during the next years, would be recorded prospectively.

However, on the date these annual accounts were prepared, no material changes in short term estimates were expected, therefore, there are no significant perspectives for adjustments to the values of recognised assets and liabilities as of 31 December 2022.

2.6 Comparative information

In compliance with current regulations, figures corresponding to the fiscal year ended on 31 December 2022 are presented for comparative purposes, as well as those for the fiscal year ended on 31 December 2021. During the fiscal year ended 31 December 2022, there is a material change in accounting principles in comparison to the criteria applied in the fiscal year 2021 (note 2.8).

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

2.7 Grouping of entries

Certain entries on the balance sheet, the profit and loss account, the statement of changes in equity and the cash flow statement are presented in a grouped manner to facilitate their understanding. Although, to the extent that it is significant, the mandatory broken down information has been included in the corresponding notes to the report.

2.8 Changes in accounting policies

As a lessor, Aena has various agreements for the lease or assignment of business premises with different private operators to carry out commercial activities at the airports. Generally, the agreements concluded with commercial operators provide for the accrual of a minimum annual guaranteed rent (hereinafter 'MAG') and a variable rent calculated on the basis of the lessee's sales during the term of the lease.

The health crisis caused by the COVID-19 pandemic and the measures adopted by the public authorities to control its spread led to an unprecedented drop in air traffic. For these purposes, it should be noted that the contracts subject to such negotiations did not contain any force majeure clauses, so any modification of the rents should be considered a contractual amendment and not a contingent rent when the event was triggered.

As a result, from the end of 2020 and during 2021, agreements were concluded with some commercial operators, mainly involving reductions in the rents provided for in the lease agreements for those years. In other cases where it was not possible to reach an agreement with the commercial operators, complaints were lodged by some of them, as well as claims for payment by Aena when the commercial operators did not pay the MAG. Some of the court decisions associated with these lawsuits resulted in mandatory reductions in the rents that were agreed in the agreements concerned.

In addition to these agreements and court decisions, in October 2021 the MAG were obligatorily reduced as a consequence of the entry into force, on 3 October 2021, of 7th Final Provision of Act 13/2021, of 1 October (hereinafter, DF7), which modified Act 16/1987, of 30 July, on the Regulation of Land Transport. In accordance with the aforementioned Act, until traffic levels of the 2019 fiscal year were recovered, MAG were reduced to variable rents based on the percentage of traffic with respect to the 2019 fiscal year.

As previously indicated, the ongoing claims of the contracts do not fall within the scope of the value impairment of the Accounting Recording and Valuation Standard (NRV) 9 on Financial Instruments, to the extent that the forgiveness of rent is not related to the insolvency of the debtor, but to the Accounting Recording and Valuation Standard 8 on Leases, and therefore the contractual amendment derived from exogenous events that occurred must only be recognised at the date of modification, that is, when an agreement is reached between the parties.

The cited Act was applied directly in regulating the rights and obligations between the parties, since it directly affected current contracts. Consequently, the entry into force of the Act, as well as the dates on which any agreements with the lessees were reached, has been considered as a date of amendment for all purposes.

In this regard, when formulating its individual annual accounts for the fiscal year 2021, Aena took into account Consultation 1 of BOICAC (Bulletin of the Institute of Accounting and Audit of Accounts) number 125/2021, of 19 February, whereby, in the exceptional context produced by COVID-19, the Institute of Accounting and Audit of Accounts (ICAC) left two options open to qualify the forgiveness of rents for accounting purposes that, in turn, involved different accounting treatments:

- To qualify the discount as an incentive to the lease, a circumstance that would lead to the deferral of the discount in the remaining period of the contract or,
- Consider that the circumstances that triggered this situation are related to the current situation and not to future fiscal years, treating it similarly to contingent rent and, consequently, fully allocating the discount to the result for the fiscal year in which the agreement had been formalised.

In order to determine the accounting policy to be applied in its individual annual accounts for the 2021 fiscal year, Aena opted for the first of them, with the objective of maintaining an overview of its equity similar to that contained in the consolidated annual accounts as well as in the interest of the principle of harmonisation of the Spanish accounting framework and the International Financial Reporting Standards (IFRS-EU). It is important to consider that Aena represents more than 90% of the Group's consolidated revenues and profits, so that the Company and the Group represent almost equivalent economic realities, and it is only reasonable to present it in this way to third parties.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

However, after the formulation of the consolidated annual accounts for the fiscal year 2021 and as described in said consolidated annual accounts, the IFRS Interpretations Committee (IFRIC) issued an agenda decision ruling out that the accounting treatment of incentives could be applied to this type of rent forgiveness and that, once an account receivable is posted, it is within the scope of IFRS 9 Financial Instruments, and therefore when determining expected credit loss the impact of expected rent reductions should be considered, and once the modification has been agreed, should also be accounted for within the scope of IFRS 9 as a write-off of financial assets, and not within the scope of IFRS 16 Leases. This fact has led to a change in accounting policy applied in the consolidated annual accounts under IFRS, where the write-off of accounts receivable is recognised at the date of formalisation of the contractual amendment. As a result, the fundamental difference arises from the fact that the IFRIC has considered that when estimating the expected credit loss, contractual amendments that may imply a reduction in rent should be taken into account, even if these may not be linked to the debtor's insolvency. In the General Accounting Plan (PGC), in line with the ICAC consultation, since the model of the expected credit loss in financial assets has not been adopted, the criterion does not apply. Furthermore, the PGC also does not consider the impacts of contractual amendments on the estimate of credit losses incurred, unless they are linked to the debtor's insolvency.

In accordance with the provisions of Accounting Recording and Valuation Standard 22 on Changes in accounting criteria, errors and accounting estimates of the PGC, any changes in accounting criteria must be exceptional in nature and be supported by a change in the circumstances that requires the change of criteria in order to better reflect a fair presentation of the company's equity, financial position and results, as they must be presented in the annual accounts.

In accordance with the principle of consistency provided for in the Conceptual Framework of Accounting, once a criterion has been adopted from amongst the available options, this should be maintained over time and applied consistently to other similar transactions, events and conditions, insofar as the circumstances that gave rise to its selection remain unchanged. If there is a change in these circumstances, the criteria adopted at the time may be modified. In such case, these circumstances will be recorded in the annual report, indicating the quantitative and qualitative impact from the change on the annual accounts.

The change can only be made with the aim of obtaining more relevant and reliable information and taking into account that the purpose of the annual accounts is to reflect the fair presentation of the company's equity, financial position and results.

For these purposes, Aena Management has considered that despite the fact that the accounting treatment applied in the previous year remains correct and that the evolution of traffic allows to justify the linear allocation of the incentive during the residual life of the contracts, to the extent that the PGC allows for the option to apply accounting criteria that have a similar impact, but not equivalent, to those of IFRS, the principle of accounting harmonisation must prevail to reflect an equivalent financial and equity position in the individual and consolidated annual accounts, as much as possible.

As a result, the Management has chosen to change the accounting policy related to rent reductions, applying the second of the options admissible in the consultation, that is, treating them as a negative contingent rent forming part of the operating result. Although this accounting treatment is not equivalent to the IFRS-EU, it does allow for the presentation of a financial and equity position that is aligned with the consolidated annual accounts.

This change in accounting policy has been applied retroactively and its effect has been calculated from the earliest fiscal year for which information is available. The amount of the impact of the application of the new accounting policy has resulted in the increase of the losses for the fiscal year 2021, amounting to €438.2 million and of the losses for the fiscal year 2020 amounting to €36.1 million, once the corresponding tax effect has been taken into account, which implies a reduction in the Company's equity as of 31 December 2021 amounting to €474.3 million.

Likewise, in relation to the tax effect of the aforementioned change in accounting criteria, pursuant to the provisions of article 11 of the Corporation Tax Act, it has been considered prudent for tax purposes to allocation the lower accounting revenue corresponding to fiscal years 2020 and 2021 to those fiscal years, by rectifying the tax returns corresponding to those years in order to recognise the corresponding expenses in each of them. Consequently, a deferred tax asset corresponding to tax credits generated for the amount of €158 million has been recorded.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The corrections made to the comparative figures for each of the items affected in the documents making up the annual accounts are as follows:

- Balance Sheet

<u>ASSETS</u>	31/12/2021	Adjustment	31/12/2021 RESTATED
NON-CURRENT ASSETS			
Deferred tax assets	150,169	158,103	308,272
Long-term accruals	314,553	(314,553)	-
TOTAL NON-CURRENT ASSETS	13,560,841	(156,450)	13,404,391
CURRENT ASSETS			
Trade and other receivables	587,881	(2,942)	584,939
Trade receivables for sales and services rendered	544,489	(2,942)	541,547
Short-term accruals	320,496	(314,916)	5,580
TOTAL CURRENT ASSETS	2,300,670	(317,858)	1,982,812
TOTAL ASSETS	15,861,511	(474,308)	15,387,203
<u>EQUITY AND LIABILITIES</u>	31/12/2021	Adjustment	31/12/2021 RESTATED
EQUITY			
Own funds	6,351,608	-474,308	5,877,300
Negative results from previous fiscal years	-5,290	-36,147	-41,437
Profit/(loss) for the fiscal year	-19,972	-438,161	-458,133
TOTAL EQUITY	6,615,475	-474,308	6,141,167
TOTAL LIABILITIES AND EQUITY	15,861,511	-474,308	15,387,203

- Profit and Loss Account

	31/12/2021	Adjustment	31/12/2021 RESTATED
Net turnover	2,134,973	(584,215)	1,550,758
OPERATING PROFIT/(LOSS)	(8,056)	(584,215)	(592,271)
PROFIT/(LOSS) BEFORE TAX	(70,856)	(584,215)	(655,071)
Income tax	50,884	146,054	196,938
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(19,972)	(438,161)	(458,133)
PROFIT/(LOSS) FOR THE YEAR	(19,972)	(438,161)	(458,133)

- Statement of recognised revenue and expenses

	2021	Adjustment	2021 RESTATED
Result of the profit and loss account	(19,972)	(438,161)	(458,133)
TOTAL RECOGNISED REVENUE AND EXPENSES	(5,216)	(438,161)	(443,377)

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

• Cash Flow Statement

	2021	Adjustment	2021 RESTATED
CASH FLOW FROM OPERATING ACTIVITIES (I)	252,170	-	252,170
Profit/(loss) for the year before tax	(70,856)	(584,215)	(655,071)
Adjustments of the profit/(loss)	853,073	590,271	1,443,344
Linearisation of commercial incentives	109,466	(109,466)	-
Commercial discounts formalised in the fiscal year	-	699,737	699,737
Changes in current capital	(466,911)	(6,056)	(472,967)
Debtors and other receivables	(469,038)	(6,056)	(475,094)

3. Distribution/application of the result

The distribution of profits for the fiscal year 2022 proposed by the Board of Directors to the Annual General Meeting (AGM) is as follows:

	Thousands of euros
Allocation basis:	
Profit for the fiscal year	864,861
	864,861
Distribution:	
Dividends	712,500
To losses from previous fiscal years	152,361
	864,861

The Board of Directors of Aena S.M.E., S.A., in its meeting dated 22 February 2022, agreed to the following application of profit for the fiscal year 2021:

	Thousands of euros
Allocation basis:	
Losses for the year	(19,972)
	(19,972)
Application:	
To losses from previous fiscal years	(19,972)

Aena's Annual Accounts for fiscal year 2021 were approved by the Annual General Meeting (AGM) of Aena S.M.E., S.A., held on 31 March 2022 and, according to them, losses of €19,972 thousand were recorded for the fiscal year 2021. Said Annual Accounts differ from the information for the fiscal year 2021, which is presented for comparative purposes from the Annual Accounts for the fiscal year 2022, as a result of the change in accounting policy mentioned in Note 2.8 'Changes in accounting

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

policies'. According to the new accounting policy applied, the figure of the restated losses for fiscal year 2021 amounts to (€458,133) thousand.

The Company's reserves designated as freely distributed, as well as the profit for the fiscal year, are subject to limitations on their distribution only if the value of the equity is not, possibly as a result of the distribution, less than the share capital.

4. Recording and valuation standards

The main recording and valuation standards used to prepare the Company's annual accounts, in accordance with the provisions of the General Accounting Plan, have been the following:

4.1 Other intangible fixed assets

The items of intangible fixed assets are accounted for in the assets entry of the balance sheet at their acquisition price, production cost or market assignment value corrected by the amortisation and impairment losses they have experienced.

The 'Development expenses' are individualised by projects, and they are activated based on studies that support their viability and economic profitability, and which are reviewed annually during the project development period. In the event of any change in the circumstances that enabled a project to be capitalised, the accumulated cost is allocated to revenue.

Under the heading 'Software', the Company collects the amounts paid in relation to the acquisition and development of computer programs. Software maintenance costs are recorded in the profit and loss account for the fiscal year in which they are incurred.

As 'Other intangible fixed assets', the Company mainly activates the airport master plans and the studies associated with them, which are amortised over a period of eight years.

The master plans are resources controlled by the Company from which legal rights are derived, given that they are required by law and approved by the Ministry of Public Works.

4.1.1 Concession agreement, regulated asset

The sectoral plan of concession companies of public infrastructure regulates the treatment of service concession contract agreements, defining these as those under which the grantor entrusts construction to a concession company, as well as the improvement, and use of infrastructures intended for the provision of public services of an economic nature during the time period set forth in the agreement, obtaining the right to receive compensation in exchange.

In these concession agreements, the concession company acts as a service provider, specifically, on the one hand, of construction or infrastructure improvement services, and on the other, of operation and maintenance services during the period of the agreement. The consideration received by the concession company regarding the construction or infrastructure improvement service is accounted for at the fair value of this service, and may be recorded as:

- *Intangible fixed assets*: in those cases in which there is a right to charge a price to users for using the public service, and this is not unconditional but depends on the users actually using the service, the consideration for the construction or improvement service is recorded as an intangible asset under the entry 'Concession agreement, regulated assets' under the heading 'Intangible fixed assets' in application of the intangible asset model, in which the demand risk is assumed by the concession company. In the case of the Company, intangible fixed assets include the investment made in the facilities that the Company has received and that, once construction has been completed, it operates as an administrative concession.
- *Financial assets*: in those cases in which there is an unconditional right to receive, from the grantor (or on behalf of the latter), cash or other financial assets, and the grantor has little or no capacity to avoid payment, the consideration for the construction or improvement service is recorded as a financial asset within the entry 'Concession agreement, collection rights' in application of the financial model, in which the concession company assumes no demand risk (collects even if not using the infrastructure, as the grantor guarantees the payment of a fixed or determinable amount to the concession company, or of the deficit, if any).

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The right of access to the infrastructure in order to provide the operation service that the grantor awards to the concession company, will be accounted for by the latter as an intangible fixed asset, in accordance with recording and valuation standard 5 'Intangible fixed assets' of the General Accounting Plan.

If there is no consideration, the balancing entry will be recognised in accordance with the provisions of recording and valuation standard 18 'Grants, donations and legacies' of the General Accounting Plan.

If there is consideration, and it is substantially less than the fair value of the aforementioned right, the difference will be treated in accordance with the provisions of the preceding paragraph.

In any case, it will be understood that there is consideration and that it corresponds to the fair value of the aforementioned right, so long as the assignment of the infrastructure is included within the conditions of a tender in which the concession company undertakes to make an investment or deliver another type of consideration in exchange for the right to use either the pre-existing infrastructure alone or the aforementioned infrastructure together with the new built infrastructure.

Subsequent costs incurred in intangible fixed assets are recorded as expenses, unless the expected future economic profits of the assets increase.

For each intangible fixed asset acquired, the Company evaluates whether the useful life is finite or indefinite. For these purposes, it is understood that an intangible fixed asset has an indefinite useful life when there is no foreseeable limit for the period during which it will generate the entry of net cash flows.

The Company has no intangible assets with an indefinite useful life.

With regard to intangible asset items with a finite life, amortisation is calculated according to the straight-line method based on the useful life of the different assets, using the following percentages:

	<u>Years</u>
Operational	4
Software	6
Other intangible fixed assets	4-8

For these purposes, the amortisable amount is understood as the acquisition cost less, if applicable, its residual value.

The Company reviews the residual value, useful life and amortisation method of intangible fixed assets at the end of each fiscal year. The modifications to the initially established criteria are recognised as a change of estimate.

4.1.2 Impairment of the value of intangible assets and of property, plant and equipment

Property, plant and equipment and intangible assets subject to depreciation/amortisation are submitted for impairment reviews provided that some event or change in circumstances indicates that their book value may not be recoverable. Impairment losses are recognised for asset book values that exceed their recoverable amount. The recoverable amount is determined as the fair value less selling costs or value in use, whichever is higher.

Aena S.M.E., S.A. views all its assets as cash flow generators. The recoverable value is calculated for an individual asset, unless the asset does not generate cash inflows that are largely independent from those corresponding to 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. To this end, the Company has distinguished the cash-generating unit from the national airport network and each of the assets that are part of the real estate segment.

The Company considers the airport network—comprising all Spanish airports managed by the Company—as a single cash-generating unit, which includes revenues derived from both the aeronautical activity as well as from the commercial activity of the airports, given the high interdependence of both their revenues and the existence of a single asset that both activities share due to the legal impossibility of disposing of, selling or spinning-off the airport assets. On the other hand, for the same reasons, the activity corresponding to the 'parking network' is part of the 'airport network' cash-generating unit, within 'Commercial activity'.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Likewise, for assets that are part of the real estate segment, the calculation of the recoverable amount is calculated for each of the assets included therein.

With regard to the calculation of the recoverable value of the cash-generating unit, the procedure implemented by Company's management to perform impairment tests at the cash-generating unit level, where appropriate, is as follows:

Traditionally, Management prepares a business plan on an annual basis that generally covers a time period of four years, including the current fiscal year.

The main components of the business plan, which is the basis of the impairment test, are as follows:

- Projected results.
- Projected investments and working capital.

These forecasts take into account the financial forecasts included in the Airport Regulation Document (DORA II) for the period 2022-26 (see Note 5). Other variables that influence the recoverable value calculation are:

- The discount rate to be applied, understood as the weighted average cost of capital. The main variables that influence its calculation are the cost of liabilities and the specific asset risks.
- The cash flow growth rate used to extrapolate the cash flow forecasts beyond the period covered by the budgets or forecasts.

The business plans are prepared based on the best estimates available (see Note 6.5).

Losses related to the impairment of the value of the CGU initially reduce, where appropriate, the value of the goodwill assigned to it and subsequently of the other assets of the CGU, prorated according to the book value of each of the assets, with the limit for each of them being the higher of their fair value minus the costs of transfer or disposal by other means, their value in use and zero.

The possible reversal of impairment losses affecting the value of non-financial assets that suffer an impairment loss is analysed on all dates on which financial information is reported. When an impairment loss is subsequently reversed, the book value of the cash-generating unit is increased up to the limit of the book value that the unit's assets would have had at that time if the impairment had not been recognised. This reversal is classified in the same line in which the impairment loss was originally recognised.

With respect to real estate investments, the Company estimates the impairments based on the fair value obtained from the appraisal of the independent expert. The methodology used to determine the fair value of the assets is detailed in Note 8.

4.2 Property, plant and equipment

Items of property, plant and equipment are valued at the acquisition cost, production cost or value of the non-monetary contribution corrected by the accumulated depreciation and impairment losses experienced, if any, according to the criteria mentioned in the previous note.

Subsequent additions are valued at their acquisition price, which includes all necessary costs until the asset is in operation.

The Company activates, as the greatest value of the fixed assets, the initial estimate of the costs to repair the site to its original condition, when they constitute obligations incurred by the Company as a result of using the item.

Interest and other financial charges incurred directly attributable to the acquisition or construction of assets at the different airports, which must require a period of at least 12 months to be in operating conditions, are considered to be the highest cost thereof. The capitalisation of interest is carried out through the 'Finance income-Activation of finance expenses' item of the profit and loss account.

The replacements or renewals of complete items that increase the useful life of the good, or its economic ability, are accounted for as the greatest amount of the property, plant and equipment, with the consequent accounting removal of the replaced or renewed elements.

Regular maintenance, conservation and repair expenses are charged to revenue, following the principle of accrual, as cost for the fiscal year in which they are incurred.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The Company depreciates its property, plant and equipment once it is in conditions of use following the straight-line method, distributing the book value of the assets among the years of estimated useful life, except in the case of lands considered indefinite useful life assets and not depreciated. The useful life of the different goods is as follows:

	<u>Years</u>
Buildings	12-51
Technical facilities	4-22
Machinery	5- 20
Other facilities	6-12
Furniture	4-13
Other fixed assets	5-7

The breakdown of the elements of property, plant and equipment that are classified as Constructions is as follows:

Buildings	30-51 years
Conditioning	12 years
Airport civil engineering works	25-44 years
Housing Development	20 years

Within the category of buildings, it includes mainly passenger and goods terminals, hangars, control towers, high-rise parking lots and buildings. The airport civil works comprise the flight runways, rolling streets and exits, parking aprons and waiting decks. Urban development mainly includes urban infrastructure, car parks, greenery, exterior lighting and roads.

The real estate corresponding to airports is depreciated following the straight-line method based on their useful life, and the years of useful life are specified below:

	<u>Years</u>
Passenger and cargo terminals	32-40
Airport civil engineering works	25-44
Terminal equipment	4-22
Passenger transport between terminals	15-50
Airport civil engineering equipment	15

4.3 Real estate investments

Real estate investments consist of land, buildings, other structures and areas outside the airport terminals that are held to obtain non-current income and are not occupied by the Company. The items included under this heading are measured at acquisition cost less their corresponding accumulated depreciation and any impairment losses.

The Company recognises and values real estate investments following the criteria established for property, plant and equipment.

The straight-line method is used to calculate the depreciation of real estate investments, based on their estimated years of useful life.

	<u>Years</u>
Buildings and warehouses	32-51
Technical facilities	15

4.4 Inventories

The inventories include the spare parts and diverse materials existing in the central warehouses and in the logistics support warehouse. They are initially valued at acquisition price (weighted average price). Commercial discounts, reductions obtained, other similar items and interest incorporated into the nominal amount of the debits are deducted in the determination of the acquisition price. The acquisition price is determined based on the historical price for the items identified in the purchase orders. Subsequently, if the replacement cost of the inventories is lower than the acquisition price, the corresponding valuation adjustments are made. If the circumstances that caused the value correction of the inventories cease to exist, the correction amount is subject to reversal.

4.4.1 Greenhouse gas emission allowances

The greenhouse gas emission allowances received free of charge in accordance with the corresponding allocation plans have been recorded under the 'Inventories' heading of the attached statement of financial position, as established in the first additional provision of Royal Decree 602/2016, of 2 December. Their valuation is carried out at the prevailing market price at the start of the period for which they are granted, and they are recorded as a grant balancing entry within the 'Grants, donations and legacies received' heading of Equity. The allocation to results is made based on the effective consumption of the emission allowances. Following the latest applicable provisions, the greenhouse gas emission allowances acquired from third parties are recorded in inventories. The allowances are initially valued at the acquisition price, and assessed at the end of the fiscal year on whether the market value is below their book value for the purpose of determining whether there is evidence of impairment. If applicable, it is determined whether those rights will be used in the production process or intended for sale, in which case, the appropriate valuation corrections would be made. Such corrections will be voided to the extent that the causes underlying the emission allowances' value correction cease to exist.

Expenses derived from the consumption of greenhouse gas emission allowances are recorded in the 'Variance in inventories' heading of the profit and loss account, based on the difference between the closing balance and opening balance of the inventories that arise as the greenhouse gases are being emitted.

At the end of the fiscal year, the estimated amount of unpurchased rights according to the best estimate of consumption produced in the year is recorded in 'Purchases of supplies' with a corresponding entry in a provision for risks and expenses, which will be maintained until the moment in which the National Registry for Greenhouse Gas Emission Allowances (RENADE [Registro Nacional de Derechos de Emisión]) informs the company of the actual consumption, so that it can deliver the necessary rights once acquired and apply the provision.

Note 17 of this report includes detailed information about the emission allowances received and consumed in the current fiscal year.

4.5 Leases

Leases are classified as financial leases provided that the conditions thereof substantially transfer, to the lessee, the risks and rights inherent to the ownership of the asset covered in the contract. All other leases are classified as operating leases.

4.5.1 Financial leases

i. The Company acts as lessee

In financial leasing transactions in which the Company acts as lessee, the cost of the leased assets is reported in the balance sheet according to the nature of the asset that is the purpose of the agreement as well as, simultaneously, a liability for the same amount. Said amount will be the lesser of the fair value of the leased property and the current value at the beginning of the lease of the minimum agreed amounts, including the purchase option, when there are no reasonable doubts about it being exercised. The calculation will not include contingent fees, service costs and the taxes charged by the lessor. The total

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

financial burden of the contract is allocated to the profit and loss account of the fiscal year in which it is accrued, applying the effective interest rate method. Contingent fees are recognised as expenses for the period in which they are incurred. During this fiscal year and the last, there are no operations in which the company acts as lessee in financial leasing contracts.

The lessee will apply the corresponding amortisation/depreciation, impairment and write-off criteria to the assets that have to be recognised in the balance sheet as a consequence of the lease, according to their nature.

ii. The Company acts as lessor

In financial leasing transactions in which the Company acts as lessor, at the initial time thereof, a credit is recognised for the current value of the minimum payments to be received for the lease plus the residual value of the asset, discounted at the implicit interest rate of the contract. The difference between the credit recorded in the asset and the amount receivable, corresponding to interest not accrued, is allocated to the profit and loss account of the fiscal year as they accrue, according to the effective interest rate method. Contingent charges are expenses for the fiscal year in which they are incurred. The corresponding lease obligations, net of financial burdens, are included in 'Financial leasing creditors'.

4.5.2 Operating leases

i. The Company acts as lessee

The expenses derived to the operating lease agreements are recorded in the profit and loss account in the fiscal year in which they are accrued.

Any collection or payment that could be made when contracting an operating lease is treated as an advance collection or payment that is attributed to results throughout the lease period, as the benefits of the leased asset are transferred or received.

ii. The Company acts as lessor

The income and expenses corresponding to the operating lease agreements are recorded in the profit and loss account in the fiscal year in which they are accrued. Any collection or payment that could be made when contracting an operating lease is treated as an advance collection or payment that is attributed to results throughout the lease period.

On 19 February 2021, the ICAC responded to a query about the accounting treatment to be given to the rent reductions agreed in a business premises lease agreement due to the extraordinary measures adopted by the Government to address the effects of the COVID-19 health crisis.

According to said consultation, in the exceptional context caused by COVID-19, when the lessee and lessor have reached an agreement to reduce rent, instead of qualifying this discount for accounting purposes as an incentive to lease, a circumstance that would lead to deferring the reduction in the remaining period of the contract, it would also be possible to consider that the economic event triggering the decrease in the price of the right of use assignment is not related to subsequent fiscal years, but rather to the current economic situation. This circumstance would lead to said agreement not being qualified as an incentive for the lease but as a temporary adjustment of the rent to the ongoing economic situation and grant it, as a result, the treatment established for contingent rent.

As a result, the ICAC has proposed an accounting policy option for the treatment of lease amendments from the point of view of the lessor and lessee.

The Company maintains various lease agreements or assignment of business premises for carrying out commercial activities in airports with different private operators. Generally, agreements signed with commercial operators establish the accrual of variable rent calculated based on the lessee's sales and a minimum annual guaranteed rent (hereinafter MAG) during the term of the lease.

As a result of the impact on commercial activities in airports caused by the COVID-19 health crisis and the measures adopted by public authorities to deal with it, Aena began negotiations with commercial operators in the last few months of 2020 to identify and agree on possible changes to the contractual conditions, including the fixed rent and the MAG, which helped mitigate the situation.

During 2021, some agreements were reached, formalizing the corresponding contractual modifications that, mainly, have implied reductions in the MAG established in the contracts for the years 2020 and 2021.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Additionally, the MAG set out in the commercial lease agreements concluded by and between Aena and its commercial operators, accrued between 15 March 2020 (start date of the first state of emergency in Spain) and 3 October, have been modified as a result of the effective date, dated 3 October 2021, of the 7th Final Provision of Act 13/2021, of 1 October, amending Act 16/1987, of 30 July, on Land Transport Regulations (hereinafter DF7 of Act 13/2021) (Note 4.16 and Note 5.1.3)

In exercise of the accounting policy option indicated in the aforementioned ICAC opinion, during 2022 the Company has voluntarily changed its accounting policy as indicated in Note 2.8, opting for considering reductions in rent under lease agreements as a result of contractual amendments arising from the pandemic in a manner analogous to a contingent rent and, consequently, allocating these discounts to profit or loss in the year in which the agreement was concluded, instead of deferring them over the remaining life of each novated agreement, the policy that was the initial option (Note 5.1.3).

4.6 Financial instruments

The Company classifies financial instruments at the time of their initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic fund of the contractual agreement.

It recognises a financial instrument when it becomes a mandatory part of the contract or legal business in accordance with the provisions thereof, either as issuer or as holder or acquirer thereof.

4.6.1 Financial assets

The financial assets held by the Company are classified in the categories of *Financial assets at amortised cost* and *Financial assets at cost*.

Financial assets at amortised cost

This category includes financial assets for which the Company maintains its investment within the framework of a business model with the aim of receiving cash flows derived from the execution of the contract, and where the contractual conditions of the asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the amount of the outstanding principal.

In general, the following are included in this category:

- Credits for commercial transactions: originated in the sale of goods or in the provision of services for traffic transactions with option to pay later.
- Credits for non-commercial transactions: derived from loans or credit transactions granted by the Company whose collections are for a determined or determinable amount.

The business model is determined by the Management of the Company and at a level that reflects the way in which they jointly manage groups of financial assets in order to achieve a specific business objective. The Company's business model represents the way in which it manages its financial assets to generate cash flows.

These financial assets are initially valued at their fair value, including transaction costs that are directly attributable to them, and subsequently at their amortised cost, with the interest accrued being charged to the profit and loss account by applying the effective interest rate method. Notwithstanding the foregoing, the credits for commercial transactions maturing in no more than one year and that have no contractual interest rate are valued at their nominal value, provided that the effect of not updating the cash flows is not significant.

Impairment

The book value of financial assets is corrected by the Company with the difference charged to the profit and loss account when there is objective evidence that an impairment loss has occurred as a result of one or more events that have occurred after the initial recognition of the asset and that the event or events causing the loss have an impact on the estimated future cash flows of the financial asset or group of financial assets, which can be reliably estimated.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

In order to determine impairment losses of financial assets, the Company evaluates the possible losses of both individual assets and groups of assets with similar risk characteristics.

With respect to assets at amortised cost, there is objective evidence of impairment when, after their initial recognition, an event occurs that implies a negative impact on their estimated future cash flows.

The Company considers, as impaired assets (doubtful assets), those debt instruments for which there is any objective evidence of impairment, which may refer primarily to the existence of any unpaid debts, non-compliance, refinancing or the existence of any data that demonstrates the possibility of not recovering all the future cash flows agreed or the possibility of a delay in their collection.

In the case of financial assets valued at their amortised cost, the amount of the impairment losses is equal to the difference between their book value and the present value of estimated future cash flows that they are expected to generate, discounted at the effective interest rate at the time of the initial recognition of the asset. For trade and other receivables, the Company considers, as doubtful assets, those balances that have overdue items for which there is no certainty of collection and the balances of companies that have requested a bankruptcy of creditors.

Valuation adjustments, as well as their reversal, if applicable, are recognised in the profit and loss account. The impairment reversal is limited to the book value of the financial asset that would be recorded on the date of reversal if the impairment had not been recorded.

Write-off

The Company derecognises financial assets when the rights to the cash flows of the corresponding financial asset expire or have been surrendered and the risks and benefits inherent in its ownership have been substantially transferred.

Financial assets at cost:

The following investments are included in this category:

- Equity instruments of group, multigroup and associated companies.
- Equity loans with contingent interests.

Investments in the equity of group, associated and multigroup companies:

Group companies are considered those related to the Company by a control relationship, directly or indirectly through subsidiaries, and associated companies are those over which the Company exercises a significant influence over, directly or indirectly through subsidiaries. Furthermore, the multigroup category includes those Companies over which joint control with one or more partners is exercised, by virtue of an agreement. The investments were recognised at the value of the consolidation made on the date of the non-monetary contribution (Note 1).

If there is objective evidence that the book value is not recoverable, the appropriate valuation adjustments will be made for the differences between the book value and the recoverable amount, which is understood as the highest amount between its fair value minus sales costs and the value in use.

In this regard, value in use is calculated based on the Company's share in the present value of the estimated cash flows from ordinary activities and the final disposal, or of the expected estimated flows from the distribution of dividends and final disposal of the investment.

However, and in certain cases, except in the event of better evidence of the recoverable amount of the investment, in the impairment test of this class of assets, the equity of the participating company is taken into consideration, adjusted, where appropriate, to the accounting principles and standards generally accepted in the Spanish regulations that are applicable, corrected by the net tacit capital gains existing on the date of the valuation. If the participating company forms a subgroup of companies, the net equity derived from the consolidated annual accounts is taken into account, in the event they are formulated and, otherwise, the net equity of the individual annual accounts.

The valuation adjustment and, where appropriate, its reversal, is recorded in the profit and loss account in the fiscal year in which they occur.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The valuation correction for impairment of the value of the investment is limited to the value of the investment, except in those cases in which contractual, legal or implicit obligations have been assumed by the Company, or payments have been made on behalf of the companies. In the latter case, a provision is recognised in accordance with the criteria set out in section 4.10. (provisions).

Equity loans:

Those loans granted by the Company that have the following characteristics will be considered as equity loans:

- a) The Company, as lender, receives a variable interest that is determined based on the performance of the borrower company's activity. The criterion for determining said performance may be net profit, turnover, total equity or any other that the contracting parties freely agree. Additionally, a fixed interest could be agreed regardless of the performance of the activity.
- b) The contracting parties may agree on a penalty clause in the case of early amortisation. In any case, the borrower may only amortise the equity loan in advance if such amortisation is offset by an increase of the same amount of its own funds and provided that it does not come from the updating of assets.
- c) In terms of order of credit preference, equity loans are placed after common creditors.
- d) Equity loans shall be considered net equity for the purposes of capital reduction and liquidation of companies provided for in commercial legislation.

The equity loans that have interest of a contingent nature due to being referenced as non-financial variables of the borrower company, such as sales, EBITDA, profits or the performance of the company's activity, are valued at their cost, which is equivalent to the fair value of the consideration delivered or received, adjusted by the transaction costs at the initial time, both for the borrower and the lender. The transaction costs are allocated on a straight-line basis during the term of the loan and the finance income through the accrual criterion.

The financial asset is subsequently subject to general impairment criteria. Said corrections are calculated as the difference between their book value and the recoverable amount, understood as the greater amount between their fair value minus the cost of sales and the current value of the best estimate of future cash flows to be collected, whether these are contingent or unforeseen, discounted at an appropriate market rate.

Financial assets are reclassified when the business model is modified for management or when it meets or ceases to meet the criteria to be classified as an investment in group, multigroup or associated companies or the fair value of an investment ceases to become or becomes reliable, except for equity instruments classified at fair value with changes in equity, which cannot be reclassified.

Assets designated as hedged items are subject to the valuation requirements of hedge accounting.

4.6.2 Financial liabilities

The financial liabilities assumed or incurred by the Company are classified in the category of financial liabilities at amortised cost that correspond to those debits and items payable, which the Company has and that have originated from the purchase of goods and services for company traffic transactions, or those that, without having a commercial origin, are not derivative instruments, originate from loans or credit transactions received by the Company.

These liabilities are initially valued at the fair value of the consideration received, adjusted by the directly attributable transaction costs. Subsequently, said liabilities are valued according to their amortised cost. Accrued interest will be accounted for in the profit and loss account, applying the effective interest rate method.

However, debits with a maturity of no more than one year that are initially valued at their nominal value will continue to be valued at that amount.

Assets and liabilities are shown separately in the balance sheet and are shown only at their net amount when the Company has the right to offset amounts recorded, and also intends to settle amounts for the net amount or to realise the asset and settle the liability simultaneously.

The Company derecognises financial liabilities when the obligations that have generated them are extinguished.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

In the event of renegotiation of existing debts, no substantial changes in the financial liability are considered to exist when the lender of the new loan is the same as the one that granted the initial loan and the current value of cash flows, including net commissions, does not differ by more than 10% of the current value of cash flows pending payment of the original liability, calculated under that same method.

4.6.3 Derivative instruments

The Company uses derivative financial instruments to mitigate risks primarily stemming from variations in the interest rates associated with its financing. Additionally, at the end of 2022 the Company has contracted swaps on Spanish electricity traded on the Iberian Electricity Market (MIBEL) in order to hedge the inflationary pressures that have been occurring in the price of electricity.

The Company documents the hedge relationships and verifies that the hedging is effective at the end of each fiscal year, for which variations in fair value or cash flows attributed to the hedged risk are evaluated prospectively throughout the expected term, consistent with the established risk management strategy, ensuring that the following requirements are met:

- There is an economic relationship between the hedged item and the hedging instrument in which the credit risk does not have a dominant effect on the changes in value resulting from this economic relationship.
- The hedging ratio of the accounting hedge relationship, understood as the amount of the hedged item between the hedge item amount, must be the same as the hedging ratio used for management purposes. In any case, this ratio is adjusted continuously to readjust the hedge relationship.

Derivative financial instruments classified as hedges, in accordance with the preceding paragraph, are recorded as assets or liabilities, depending on their sign, at their fair value, plus, where applicable, the transaction costs that are directly attributable to their contracting, with a balancing entry in the 'Hedging transactions' account of equity, until they mature, which is when they are allocated to the profit and loss account at the same time as the hedged item.

The hedge relationship is not revoked until the hedge instrument expires, is sold or resolved or the risk management objective has ceased or there is no economic relationship, at which time the hedges are no longer accounted for and any accumulated gain or loss corresponding to the hedge instrument is transferred to the results for the period.

4.6.4 Confirming

The Company has contracted confirming operations with various financial entities to manage payments to suppliers. The commercial liabilities whose settlement is managed by the financial entities are included in the heading 'Trade and other payables' of the balance sheet up to the moment in which their settlement, cancellation or expiry has occurred.

Likewise, if debts held with financial institutions are incurred as a result of the assignment of commercial liabilities, they are recognised under the item of advance on commercial debts in the balance sheet. In those cases in which the payment period of the debts initially held with the commercial creditors is postponed, they are cancelled on the original maturity date and a financial liability is recognised in the 'Financial debt' line of the balance sheet. As of 31 December 2022 and 2021, there are no debts with intermediary financial institutions resulting from confirming transactions performed over commercial liabilities nor have any debts originally maintained with commercial creditors been postponed.

4.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and sight deposits in credit institutions. Highly liquid assets of temporary acquisition are also included in this item, provided they are easily convertible into certain cash amounts and are subject to a negligible risk of changes in value. For these purposes, investments with maturities of less than three months from the acquisition date are included.

In the cash flow statement, the Company presents the payments and collections from highly rotated financial assets and liabilities at their net amount. For these purposes, the rotation period is considered to be high when the term between the acquisition date and the maturity date does not exceed six months.

4.8 Net equity

The share capital is represented by ordinary shares. The costs of issuing new shares or options are presented directly against equity, as lower reserves. In the case of the acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental cost, is deducted from the equity until its settlement, new issue or disposal. When these shares are sold or subsequently reissued, any amount received, net of any directly attributable incremental transaction cost, is included in equity.

4.9 Grants, donations and legacies received

Non-refundable grants, donations and legacies of capital are accounted for as such when there is an individualised concession agreement for the grant, the conditions established for their concession have been met and there are no reasonable doubts surrounding their receipt. The Company applies Order EHA/733/2010, of 25 March, which approves accounting aspects of public companies operating under certain circumstances. In the case of grants awarded for the construction of an asset whose execution has not been completed, the grant is classified as non-refundable in proportion to the work executed, 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 of the good awarded, and are accounted for in equity, deducting the tax effect, being attributed to results in proportion to the depreciation experienced by the assets financed by these grants, except in the case of non-depreciable assets, in which case they are attributed to results for the fiscal year in which their disposal or valuation adjustment occurs. The official grants awarded to offset costs are recognised as revenue on a systematic basis, throughout the periods in which the costs that are intended to be balanced are extended.

Grants, donations and legacies that are refundable will be recorded as liabilities until they acquire the status of non-refundable or they are refunded.

Operating grants are paid to results at the time they are awarded. If they are awarded to finance specific expenses, the allocation will be made as the financed expenses accrue, recording them as liabilities or equity depending on whether or not they are considered refundable.

As indicated in Note 4.4, greenhouse gas emission allowances received free of charge are initially recorded as an asset and a grant within Equity, at market value at the beginning of the fiscal year in which they are activated, and are allocated to the income statement as these allowances are consumed.

4.10 Provisions and contingencies

The Company, in the presentation of the annual accounts, differentiates between:

- **Provisions:** credit balances covering present obligations arising from past events, whose settlement is likely to cause an outflow of resources, but that are indeterminate in terms of their amount and/or timing of settlement.
- **Contingent liabilities:** possible obligations that arise from past events, whose future materialisation is contingent upon occurrence, or lack thereof, of one or more future events beyond the control of the Company.

The balance sheet includes all provisions whose obligations will, more likely than not, have to be met. Contingent liabilities are not accounted for, but are included in the report.

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, recording the adjustments arising from updating the provision as a finance expense as it accrues.

Annual Report for the fiscal year ended 31 December 2022*(Amounts in thousands of euros unless otherwise stated)***4.11 Provisions for work commitments acquired**

The cost of the obligations arising from staff commitments is recognised based on their accrual, according to the best estimate calculated with the data available from the Company.

The Company is committed to paying long-term compensation to its staff, both defined contributions and defined benefits. In the case of defined compensation contributions, there will be compensation liabilities when, at the end of the fiscal year, there are accrued unpaid contributions. In the case of defined compensation benefits, the amount to be recognised as a provision corresponds to the difference between the present value of the committed compensation and the fair value of the contingent assets subject to the commitments with which the obligations will be settled.

Specifically, the attached balance sheet includes the following provisions for acquired work commitments:

4.11.1 Length of service awards

Article 138 of the 1st Collective Bargaining Agreement for the Aena Group of Companies (public business entity ENAIRE and Aena S.M.E., S.A.) stipulates length of service awards for services effectively rendered for a period of 25, 30 or more years. The Company includes the present value of the best possible estimate of future commitment obligations, based on an actuarial calculation. The most relevant assumptions taken into account to obtain the actuarial calculation are as follows:

Year	2022	2021
Technical interest rate:	3.74%	0.50%
Long-term salary growth:	2%	0.90% for 2021 and 2% in the following years
Defined Contribution Fund Yield:	-	-
Mortality table:	PER2020_Col_1er order	PER2020_Col_1er order
Financial system used:	Individual capitalisation	Individual capitalisation
Accrual method:	Projected credit unit	Projected credit unit
Retirement age:	65 years	65 years
Disability tables	Ministerial Order 1977	Ministerial Order 1977

4.11.2 Early Retirement Award

Article 154 of the 1st Collective Bargaining Agreement for the Aena Group of Companies (public business entity ENAIRE and Aena S.M.E., S.A.) stipulates that any employee between the ages of 60 and 64 who is entitled to do so under current provisions may take voluntary early retirement and will receive an indemnity that, taken together with the vested rights in the Pension Plan at the time their employment contract is terminated, is equal to four monthly base salary payments and the length of service bonus for each year remaining until they reach the age of 64 or the relevant prorated amount.

In 2004, the early retirement awards were outsourced by taking out a single payment life insurance policy with Mapfre Vida on 25 March 2004. Currently, pension obligations are insured through Group Life Insurance policies. The Company includes the present value of the best possible estimate of future commitment obligations, based on an actuarial calculation.

The most relevant assumptions taken into account to obtain the actuarial calculation are as follows:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Year	2022	2021
Technical interest rate:	3.74%	0.50%
Long-term salary growth:	2% thereafter	0.90% in 2021 and 2% in the following years
Defined Contribution Fund Yield:	-	-
Mortality table:	PER2020_Col_1er order	PER2020_Col_1er order
Financial system used:	Individual capitalisation	Individual capitalisation
Accrual method:	Projected credit unit	Projected credit unit
Retirement age:	63 years	63 years

It can be seen that the discount rate used in the valuation at 31 December 2022 was 3.74%, a rate that is higher than that used in the valuation relating to the fiscal year 2021, which was 0.5% for long service awards and early retirement.

This higher discount rate is due to the increases in interest rates. The rate of 3.74% used in the valuation is the rate derived from the corporate debt curve of the highest credit rating (AA) for the term of 10 years, with the financial duration being 13.4 years for the commitments subject to valuation (2021: 10.82 years).

The increase of the discount rate involves a reduction in the present value of the accrued obligation.

4.12 Severance payments

In accordance with current labour regulations, the Company is obliged to pay compensation to employees with whom it terminates their employment relationship under certain circumstances.

Severance payments are paid to employees when the Company decides to terminate their employment agreement before the normal retirement date or whenever an employee accepts voluntary resignation in exchange for these benefits. The Company recognises these benefits when it has demonstrably committed to ceasing the employment of workers in accordance with a formal detailed plan without the possibility of withdrawal or to providing severance pay as a result of an offer to encourage voluntary resignation. Benefits that are not going to be paid within 12 months from the balance sheet date are discounted at their present value.

4.13 Variable remuneration

The Company recognises a liability and an expense for variable remuneration based on the results of the workers' annual performance evaluation. The Company recognises a provision when it is contractually obliged or when past practices have created an implicit obligation.

4.14 Income tax

The income tax expense or revenue comprises the part related to the current tax expense or revenue, and the part corresponding to the deferred tax expense or revenue.

Current tax is the amount that the Company pays as a result of the tax returns it files for income tax for a particular fiscal year.

Tax credits and other tax benefits applicable to tax due, excluding withholdings, prepayments and tax losses carried forwards from previous years and applied in the current year, result in a reduction in current tax.

The deferred tax expense or revenue corresponds to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences identified as those amounts that are expected to be payable or recoverable arising from differences between the book value of the assets and liabilities, and their tax value, as well as the tax losses that can be used to offset future taxes and the tax deductions not applied for tax purposes. These amounts are recorded by applying the tax rate at which they are expected to be recovered or paid to the corresponding temporary differences or credits.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Deferred tax liabilities are generally recognised for all taxable temporary differences, except those derived from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect the tax result or accounting profit and is not a business combination.

On the other hand, deferred tax assets are only recognised to the extent that it is considered likely that the Company will have future tax profits against which to make them effective.

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

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised with a balancing entry in equity.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made to them to the extent that there are doubts as to their future recoverability. Likewise, deferred tax assets not recognised in the balance sheet are also reviewed at the end of each reporting period and are recognised insofar as their recovery with future tax benefits becomes probable.

On 5 June 2015, the Tax Agency communicated the creation of new Fiscal Group 471/15 made up of Aena S.M.E., S.A. as parent company and Aena Desarrollo Internacional S.M.E., S.A. as subsidiary company. Therefore, this fiscal group has paid Corporate Income Tax since the 2015 fiscal year. In the 2019 fiscal year, the newly created company Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. was included in the tax consolidation group.

4.15 Transactions denominated in foreign currency

The Company's functional currency is the euro. Consequently, transactions in currencies other than the euro are considered to be denominated in 'foreign currency' and are recorded at the exchange rates in effect on the transaction dates.

Exchange differences in monetary items in foreign currency that arise both when they are settled and converted at the closing exchange rate are generally recognised in the profit and loss account for the fiscal year in which they occurred.

4.16 Revenue and expenses

The revenue and expenses are recorded when the actual flow of goods or services that they represent takes place, regardless of the moment in which the monetary or financial flow arising from them occurs.

As a general criterion, the Company will recognise revenue when there is a transfer of control of the goods or services committed to the customer and for the amount expected to be received from the latter. To carry out this revenue accounting criterion, a five-step process is followed:

- Step 1: Identify the contract (or contracts) with the customer
- Step 2: Identify performance obligations in the contract
- Step 3: Determine the price of the transaction
- Step 4: Allocate the transaction price between the performance obligations of the contract
- Step 5: Recognise revenue from ordinary activities when (or as) the entity satisfies a performance obligation

The revenue will therefore be recognised at an amount that reflects the consideration to which the Company expects to receive, in exchange for the transfer of goods or services to a customer, at the time in which the customer obtains control of the goods or services provided. This control is based on the ability to decide on the use and substantially obtain all economic benefits derived from the good or service. The point at which said control is transferred (at a certain point or over time) determines the recognition of the revenue.

The revenue derived from commitments that are fulfilled over time, as may be the case for goods or services whose control is not transferred at a given time, is recognised considering the degree of realisation of the provision at the closing date,

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

provided that reliable information is available to measure the degree of realisation. Otherwise, revenue will only be recognised in an amount equivalent to the costs incurred that are expected to be reasonably recovered in the future.

The revenue derived from commitments that are fulfilled at a given time are recognised on that date, with the costs incurred up to that time in the production of the goods or services being accounted for as inventory.

Ordinary revenue arising from the sale of goods and from the provision of services is valued at the monetary amount received or, where appropriate, at the fair value of the consideration received, or expected to be received, and which, unless evidenced otherwise, will be the agreed price deducted from any discount, taxes and interest incorporated into the nominal amount of the credits. The best estimate of the variable consideration will be included in the valuation of revenue when its reversal is not considered highly probable.

4.16.1 Aeronautical Services (airport charges)

The majority of the Company's revenue is from the airport services provided, which mainly correspond to the use of airport infrastructure by airlines and passengers (including airport charges and private prices). For this type of revenue, customers are considered to be airlines with whom there are no long-term contracts and to whom the charges, which are regulated and approved in accordance with the current regulatory framework, are applied as and when the infrastructure is used. Hence, the revenue is recognised at that time of provision of the airport service.

In this regard, the services are provided to the airlines based on the corresponding request in accordance with the published regulated prices, rather than through individual fixed-quantity contracts. Depending on the service provided, the transaction price is calculated based on a fixed price per landing, parking, per passenger and per weight. Where applicable, separate incentive agreements are signed with each airline. These charges are recognized at the time the service is rendered and performed.

Act 18/2014 of 15 October establishes the Legal framework applicable to the airport network of Aena. In terms of airport charges, the regulatory framework is defined in Articles 32 to 40 of the aforementioned Act 18/2014, and has evolved in recent years in line with European regulations, adapting the changes introduced to Directive 2009/12/EC on airport charges.

According to this Act, the considerations that Aena, S.A. is entitled to receive for basic aeronautical services are regarded as airport charges and are therefore subject to regulation. These basic aeronautical services are those that correspond to the provision of public aviation services as detailed below:

- Use of runways at civil and joint-use airports and air bases open to civil aircraft traffic, and the provision of services required for such use, other than ground handling of aircraft, passengers and goods.
- Airport air traffic services provided by the airport operator, regardless of whether such services are provided through duly certified air traffic service providers that have been contracted by the airport operator and appointed for this purpose by the Ministry of Public Works.
- Meteorological services provided by the airport operator, regardless of whether such services are provided through duly certified meteorological service suppliers and, moreover, appointed for this purpose by the Ministry of the Environment and Rural and Marine Affairs.
- Inspection and screening services for passengers and luggage on airport premises as well as the resources, facilities and equipment required for the provision of services for controlling and monitoring in aircraft movement areas, open access areas, controlled access areas and restricted security areas on the entire airport premises connected to airport charges.
- Airport facilities made available to passengers, and which are not accessible to visitors, in terminals, on aprons and runways which are required to perform the air transport contract.
- Services that allow the general mobility of passengers and necessary assistance to persons with reduced mobility (PRMs) to allow them to travel between the point of arrival at the airport to the aircraft, or from the aircraft to the exit, including boarding and disembarkation from the aircraft.
- Use of aircraft stand areas equipped for this purpose at airports.
- Use of airport facilities to facilitate passenger boarding and disembarkation for airlines using airbridges or the mere use of an apron position that impedes the use of the airbridge by other users.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Use of airport premises for the transport and supply of fuels and lubricants, regardless of the means of transport or supply.
- Use of airport premises to provide ground assistance services that are not subject to any other specific consideration.

On the other hand, and in accordance with that stipulated in section 2 of the first additional Provision of the Act 2/2021 of 29 March, Aena will have the right to recover the costs incurred as a consequence of collaborating with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic. COVID-19 costs will be recovered within the framework of the DORA and will be analysed and monitored by the CNMC during the consultation process. If these costs cannot be recovered within the framework of DORA 2017–21, with a view to minimising the impact of their application on the sector, they may be recovered, duly capitalised, in any of the subsequent DORAs.

In relation to the revenue to be received by Aena, the Act establishes a ceiling on the revenue per passenger: the Annual Maximum Revenue per Passenger (IMAP). This ceiling must allow for the recovery of efficient operator costs, including capital cost.

The IMAP will be adjusted annually based on the penalties/discounts given for compliance with certain levels of service quality and in relation to the annual investment schedule, thus establishing the Adjusted Annual Maximum Revenue per Passenger (IMAAJ)

In addition to the foregoing, Act 18/2014 establishes that the Airport Regulation Document (hereinafter, DORA) is the instrument that must determine the five-year regulation conditions of the entire airport network of Aena.

The DORA sets the variance in the IMAP over five-year periods, establishing an initial value— $IMAP_0$ —and an annual percentage variation— X —equal for all years of the five-year period, which will be applied to the IMAP of the previous year in each year of the regulatory period.

A percentage increase or decrease in prices of inputs outside the control of the operator (P-index), which is not put forth in the DORA, but rather is established in the year prior to the application of each IMAP, is subsequently added to this annual variation percentage.

On 10 April 2019, the Royal Decree 162/2020 of 22 March was published, which develops the mechanism for calculating the P index using a formula that depends on specific indexes applicable for the review of the airport operator's costs, as well as the procedure for determining its annual value. The National Markets and Competition Commission (CNMC) is the body responsible for approving the value of the P index in accordance with current regulations.

On 28 September 2021, the Council of Ministers approved the DORA for the period 2022–26 (DORA II). The value of the initial IMAP for the period 2022–26 established therein is €9.89, which is the value of the regulated revenue required per passenger established for the year 2021, in accordance with the CNMC Resolution of 11 February 2021, and a freeze is established on Aena's airport charges during the next five years (value of the X or annual variation 0%).

The calculation and establishment of airport charges will be made based on the following scheme:

- Establishment of the IMAP that allows for the recovery of costs of basic airport services over the five-year period, with the application of the P-index calculated annually.
- Calculation of the IMAAJ: the Spanish Aviation Safety and Security Agency (AESA) oversees the annual compliance of the DORA, issuing a report. Aena calculates the IMAAJ by considering incentives and penalties for quality of service and delays in the execution of investments.
- Calculation of charges: Aena proposes the charge per service and airport based on the IMAAJ
- Consultation: a consultation process is conducted with users and possible adjustments are negotiated.
- Supervision: supervision and resolution of funds by the CNMC.

With all of the foregoing taken into account, on 22 December 2020 the Board of Directors approved the charges corresponding to 2021, which entered into force on 1 March 2021. The corresponding charges were based on freezing the 2021 adjusted annual maximum revenue per passenger (IMAAJ) relative to the 2020 adjusted annual maximum revenue per passenger (IMAAJ), which was established at €10.27 per passenger, representing a 0% change in charges.

On 11 February 2021, the CNMC issued its Resolution on the supervision of Aena's aeronautical charges in fiscal year 2021, where it ratified the decision of the Board of Directors.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

On 21 December 2021, the Board of Directors of Aena approved an IMAAJ for 2022 of €9.95 per passenger, which includes €0.80 per passenger for the recovery of the COVID-19 costs incurred by Aena in the period 2020 to September 2021, both inclusive, which represented a variation in the charges of -3.17% with respect to the IMAAJ of 2021.

On 17 February 2022, the CNMC issued its oversight decision for airport charges for 2022, declaring the charges approved by Aena's Board of Directors to be compliant and applicable.

On 24 November 2022, the CNMC issued its Resolution in monitoring airport charges for 2023, establishing an IMAAJ of €9.95 per passenger to be applied, which represents a variation in the charges of 0%.

All these regulations have not led to any change in the Company's revenue recognition policy, which continues to be subject to the explanations at the beginning of this Note. In particular, the regulated revenue in the DORA period has been recognised in 2022 according to the same criteria as in previous fiscal years—that is, it is recorded when the service is provided—based on the approved regulated charges.

For Aena S.M.E., S.A.'s remaining non-regulated airport services, the same principle applies; revenue is recognised at the time of their provision, at the applicable prices and charges in each case.

4.16.2 Commercial services

Airport revenues include revenue from commercial activity, which includes rents from lease agreements or assignment of business premises entered into between the Company and the various private operators for the performance of commercial activities at airports as well as those directly managed by Aena (parking lots and VIP lounges).

Revenue from the rental of commercial areas located within airport infrastructures corresponding to the Minimal Annual Guaranteed Rent (MAG) is recognised on a straight-line basis as long as there isn't another criterion that best reflects the economic substance of the lease agreements concluded with the counterparties (see Note 4.5). The contingent part of the lease income relating to the variable levels of income generated by the commercial areas is recognised as revenue in the period in which it is accrued. As a consequence of the entry into force of DF7, from 21 June 2020, the contractual MAG are automatically reduced on an airport by airport basis in direct proportion to the lower volume of passengers at the airport where the premises is located with respect to the volume of passengers at the same airport in 2019. This reduction in rents applies in all subsequent years until the annual volume of passengers at the airport reaches the 2019 level. Therefore, the MAG of contracts affected by DF7 are recorded as revenue from variable lease payments until traffic recovery occurs.

Car park revenue is recognised as the services are provided.

In its capacity as lessor, the Company accounts for the modification of an operating lease as a new lease from the effective date of the modification.

4.16.3 Real estate services

Real estate service revenue originates from land leases, warehouses and hangars, and the management and operation of cargo centres. Revenue from rental contracts is recognised on a straight-line basis in accordance with the lease agreements concluded with the counterparties. The conditional part of rental revenue is recognised as revenue in the period in which it is accrued.

4.16.4. Other revenue

The Company has formalised contracts for the provision of technical assistance services with other companies of the Group that incorporate different performance obligations. These performance obligations are all completed annually and the consideration, fixed or variable, is also on an annual basis. The recognition of revenue is produced in full in the same fiscal year and, therefore, no assets or liabilities associated with the contract are recorded. In the fiscal years 2021 and 2022, these revenues have not been significant for the Company.

4.17 Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive the dividend payment is established and it is probable that the entity will receive the economic benefits associated with the dividend.

In any case, interest and dividends on financial assets accrued subsequent to the time of acquisition are recognised as revenue in the profit and loss account.

In relation to dividends received, any distribution of available reserves will be classified as a transaction of 'profit distribution' and, consequently, will result in the recognition of revenue received by the partner, provided that, from the acquisition date, the investee or any company of the Group invested by the latter has generated profits for an amount greater than the own funds that are distributed. The judgement on whether profits have been generated by the investee will be made based exclusively on the profits recorded in the individual profit and loss account from the acquisition date, unless the distribution charged to such profits must be classified as a recovery of the investment from the perspective of the company receiving the dividend.

4.18 Activities affecting the environment

Any operation designed mainly to prevent, lessen or repair damage to the environment is treated as an environmental activity.

In this regard, investments derived from environmental activities are valued at their acquisition cost and are activated as the highest cost of fixed assets in the fiscal year in which they are incurred, following the criteria described in section 4.12 of this same note.

Expenses incurred to protect and improve the environment are assigned to the income statement when they accrue, irrespective of when the related monetary or financial flow takes place.

Provisions for probable or certain liabilities, litigation in progress and outstanding indemnity payments or obligations of an indeterminate amount related to environmental issues, not covered by the insurance policies taken out, are constituted at the time when the liability or obligation determining the indemnity arises.

4.19 Related-party transactions

A party is considered to be related to another when one of them or a group that acts together, exercises or has the possibility to exercise, directly or indirectly, or by virtue of pacts or agreements between shareholders or interested parties, control over another or a significant influence on the financial and operational decision-making of the other.

In any case, related parties will be considered as those companies that are considered a group, associated or multigroup company.

As a company that belongs to the public business sector, Aena is exempt from including the information contained in the section of the report on related-party transactions when the other company is also controlled or significantly influenced by the same Public Administration, as long as there are no signs of influence between them, or when the transactions are not significant in terms of their size. This influence is understood to exist when the operations are not conducted under normal market conditions (unless these conditions are imposed by a specific regulation), among other cases.

The Company conducts all its related-party transactions at market values. Additionally, the transfer prices are properly supported, thus the Company administrators believe that there are no significant risks in this respect that could arise from any liabilities that may exist in the future.

Generally speaking, transactions between the group companies are initially accounted for at fair value. Where applicable, if the agreed price differs from its fair value, the difference is recorded considering the economic reality of the transaction. The subsequent valuation is performed in line with the provisions of the corresponding regulations.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Despite this, in transactions of mergers, spin-offs or non-monetary contributions of a company, the constituent elements of the acquired business are valued by their corresponding amounts once the transaction has been completed, in the consolidated annual accounts of the group or subgroup.

When the parent company of the group or subgroup, and its subsidiary, is not involved, the annual accounts to be considered for these purposes will be those of the largest group or subgroup with a Spanish parent company to which the assets belong.

In these cases, the differences that may be found between the net value of the assets and liabilities of the acquired Company, adjusted by the balance of the groupings of grants, donations and legacies received, and adjustments of changes in value, and any amount of the capital and share premium, if applicable, issued by the absorbing company are recorded in reserves.

4.20 Business combinations

The merger, split and non-monetary contribution transactions of a business between group companies are recorded in accordance with the provisions for transactions between related parties.

Merger or split transactions other than the foregoing and business combinations arising from the acquisition of all equity items of a company, or a party constituting one or more businesses, are recorded in accordance with the acquisition method.

In the case of business combinations arising as a result of the acquisition of shares or holdings in the capital of a company, the Company recognises the investment in accordance with the provisions for investments in the equity of group, multigroup and associated companies.

4.21 Joint ventures

A joint venture is an economic activity jointly controlled by two or more natural persons or legal entities. For these purposes, joint control is a statutory or contractual agreement under which two or more interested parties agree to share the power to direct financial and operational policies over an economic activity in order to obtain economic benefits, in such a way that strategic decisions, both financial and operational, related to the activity require the unanimous consent of all interested parties.

Joint ventures can be:

- Joint ventures that are not manifested through the incorporation of a company or the establishment of a financial structure independent of the interested parties, such as temporary unions of companies and joint ownership, and which include:
 - Jointly controlled operations: activities that involve the use of assets and other resources owned by the interested parties.
 - Jointly controlled assets: assets that are owned or jointly controlled by the interested parties.
- Joint ventures manifested through the constitution of an independent legal entity or jointly controlled companies.

4.21.1 Jointly controlled operations and assets (Note 7.12)

The company manages assets that are jointly controlled with the Ministry of Defence (note 1) to operate Air Bases Open to Civilian Traffic (BAATC) via an agreement with the Ministry of Defence, which stipulates the rules on the assignment and compensation criteria of civilian aircraft using the BAATCs in Valladolid Airport, León Airport, Albacete Airport, Salamanca Airport, Badajoz Airport and the joint-use airfield in Zaragoza Airport. This agreement is based on the application of Royal Decree 1167/1995, of 7 July, on the system of using airfields, which are used both as an air base and an airport, and on air bases open to civilian traffic.

In this sense, the Company recognises the assets and liabilities derived from this agreement as a result of the use of the BAATCs in the annual accounts. Likewise, the profit and loss account recognises the corresponding part of the revenue generated and the expenses incurred for operating the jointly controlled assets.

4.22 Current and non-current items

Current assets are considered to be those linked to the normal operating cycle, which is generally considered to be one year, as well as those other assets whose maturity, disposal or realisation is expected to occur in the short term from the closing date of the fiscal year, financial assets held for trading—with the exception of financial derivatives whose liquidation term is greater than the year—and cash and cash equivalents. Assets that do not meet these requirements are rated as non-current.

Similarly, current liabilities are those linked to the normal operating cycle, financial liabilities held for trading—with the exception of financial derivatives whose settlement term is greater than the year—and, in general, all obligations whose maturity or termination will occur in the short term. Otherwise, they are classified as non-current.

5. Management of operational and financial risks

5.1 Description of the main operational risks

5.1.1 Risks arising from the macroeconomic environment

During 2022, there has been a very significant recovery in air traffic throughout Europe, which seems to corroborate that the pandemic situation has been overcome. Specifically in the Company, 16 of its airports have exceeded 100% of the passenger volume for the fiscal year 2019 (Santiago-Rosalía de Castro Airport, Asturias Airport, San Sebastián Airport, Vitoria Airport, Zaragoza Airport, Sabadell Airport, Son Bonet Airport, Mahón Airport, Ibiza Airport and Melilla Airport, the Canary Islands airports—César Manrique-Lanzarote Airport, Fuerteventura Airport, El Hierro Airport and La Gomera Airport—and Ceuta Heliport and Algeciras Heliport).

The almost total restoration of passenger traffic throughout 2022 has meant that all the airports in the Aena network have recovered 88.6% of the passengers recorded in the same period in 2019—levels that are now very close to those before the pandemic.

Traffic recovery at the airports managed by Aena may be affected as a result of the current macroeconomic environment, resulting from a combination of lingering pandemic-related effects, rising interest rates, geopolitical risks and global uncertainty.

Nearly a year after Russia's invasion of Ukraine, the global economy is experiencing a challenging time, coupled with the highest inflation in decades and tightening financial conditions in most regions.

An increasing number of economies are slowing down or experiencing a full-blown recession, especially in Europe. Growth in the euro area is forecast to slow from 5.3% in 2021 to 3.5% in 2022, 0.7% in 2023 and 1.6% in 2024, according to the latest IMF update.

5.1.2 Risks arising from Russia's invasion of Ukraine

The war between Russia and Ukraine continues to leave a mark in the region and internationally. In addition to financial and technological sanctions aimed at exerting pressure on Russia to cease hostilities, the European Union has implemented blockades on seaborne oil imports from the end of 2022. The reduction in exports from Russia, especially gas, has also affected trade in fossil fuels, with the flow of Russian gas to Europe falling.

The war is having serious economic repercussions in Europe, with rising energy prices, weakening consumer confidence and slower manufacturing drive as a result of persistent supply chain disruptions and rising input costs.

However, the impact of the war in Spain is having less of an impact than in Europe as a whole due to various factors, such as its geographical location and its lower dependence on exports from Russia.

Similarly, in the field of air transport, traffic in Spain is performing significantly better than in the rest of Europe, not only because of the recovery of tourism and pent-up demand, but also because of the effect of Spain as a 'safe destination'. Thus,

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

both IATA and ACI estimate that traffic recovery in 2022 in Europe will be in the order of 81%, compared to 2019 levels, whereas Aena's recovery has been 88.6%.

The current crisis has a broadly impact on the Company's risk management due mainly to the following factors:

- **Energy price increases:** Russia is one of Europe's leading oil and gas suppliers. The restrictions and sanctions imposed on trade with Russia create strong inflationary pressure not only on the prices of both energy sources, but also on the prices of electricity, products and services associated with the intensive use of such energy sources or transport dependents, as well as other raw materials. The main economic impact for the Company in 2022 has been due to the increase in energy costs. On the other hand, aviation fuel is the main operating cost of airlines, so in the medium and long term, the increase in its price could even affect the availability of some flights.
- **Impact on air traffic:** decrease in the volume of traffic to/from the affected countries as a direct consequence of the conflict and sanctions imposed on airlines, although there has been no relevant operational impact on the airports managed by the Company.
- **Supply chain:** possibility of widespread disruptions in the supply chain with the consequent impact on a decrease or temporary shutdown of production and increased procurement or delivery costs and even non-fulfilment of product delivery commitments. This situation could affect the pace of execution of the Company's investments by causing delays in the execution of works.
- **Reduced international trade:** this possible decrease in trade relations has meant the need to modify the supply of raw materials, the destination of some exports and even trade routes, having to take longer alternative routes, which, together with a contraction in consumption, could impact the projections and growth levels that the Company had been managing.
- **Confidence:** in Europe there is a widespread slowdown in travel and flight bookings in areas near the conflict zone. Spain has been less affected as it is considered a "safe destination" compared with other tourism competitors such as Turkey or Greece.
- **Economic impact:** impact on global economic growth (GDP) and widespread price rises. Lower disposable income for families will involve cutting back on non-essential expenses, such as tourism.
- **Cybersecurity:** the conflict can lead to an increase in the number and sophistication of cyberattacks.
- **Escalation of conflict:** an escalation of conflict to other areas, outside Ukraine, would result in an unforeseeable situation with significant consequences.

As of the preparation date of these Annual Accounts, the most relevant impact for the Company derived from the current macroeconomic and geopolitical crisis is a consequence of the high increase in the cost of electricity. As a result of the upward trend in prices, during 2022, the national airport network has recorded an expense for this item in the amount of €266 million compared to €121 million recorded in 2021, representing an increase of €145 million. In the fiscal year 2019, the cost of energy was €86 million, so in 2022 compared to 2019, the increase in said cost has been €180 million.

Although at the time of filing these Annual Accounts there have been no material consequences for Aena, the Directors and Management of the Company continue to analyse and monitor the potential impacts that the current situation of uncertainty may have in the future.

5.1.3 Risks derived from the COVID-19 pandemic

The Company's activity was dramatically affected during 2020 and 2021 by the circumstances surrounding the COVID-19 pandemic, which forced the establishment of mobility restrictions that were modulated as the pandemic developed. In this context, the aviation sector, and specifically, the airports managed by Aena, suffered a historically unprecedented reduction in operations and passenger traffic following the onset of the pandemic, which seems to have been overcome in 2022, when traffic levels very close to pre-pandemic levels have been reached.

Passenger traffic

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

During 2022, the progress of vaccination programmes in both Spain and other issuing countries, the evolution of the epidemiological situation and the relaxation of travel restrictions have allowed for an improvement in the behaviour of demand and the flights offered by airline companies.

The recovery of traffic remains sensitive to the emergence of new variants and the framework of uncertainty in which we find ourselves due to serious geopolitical tensions and a complex macroeconomic environment, with a generalised rise in inflation rates and in which the main economic organisations (Bank of Spain, International Monetary Fund, etc.) are significantly cutting GDP forecasts, both for 2022 and 2023, especially in Europe and specifically in Spain.

The airports managed by the Company have closed the fiscal year 2022 with 11.4% less passenger traffic compared to the same period of the fiscal year 2019 (2021: 56.4%), which represents a recovery of 88.6 % of pre-pandemic traffic (2021: 43.6%). If we compare them with 2021, the fiscal year affected by the COVID-19 health crisis, 2022 has closed with an increase in passenger traffic of 103.1% (2021 compared to 2020: 57.7%). In particular, in this fiscal year, a passenger volume of 242.8 million has been recorded, compared to 119.7 million in 2021, but still well below the 274.2 million passengers of 2019.

Commercial activity

In terms of commercial activity, all business lines were affected by the reduction of traffic at the airports in the national network. As a result of the health crisis and the measures taken by the public authorities that caused an unprecedented drop in air traffic, since the end of 2020 and during fiscal year 2021 some agreements were reached with the commercial operators, carrying out the formalisation of the corresponding contractual modifications that have mainly resulted in reductions in MAG established in contracts for 2020 and 2021. During 2022, contractual modifications have continued to be formalised with some lessees on the 2020 and 2021 MAG, which have led to a total reduction of the 2020 and 2021 MAG for a total of €17,445 thousand.

In other cases, since it was not possible to reach an agreement regarding the rent, commercial operators have filed claims. Aena has also filed claims for amounts in cases where commercial operators have not complied with the MAG payments (Note 28.1.1).

Additionally, the MAG established in the commercial lease agreements executed between Aena S.M.E., S.A. and its commercial operators, accrued between 15 March 2020 (start date of the first state of emergency in Spain) and 2 October 2021, were modified as a result of the effective date, dated 3 October 2021, of the 7th Final Provision of Act 13/2021, of 1 October, which amends Act 16/1987, of 30 July, pertaining to Land Transport Management (hereinafter DF7). This reduction of income imposed by DF7 of Act 13/2021 is included in the measures carried out by the Government to address the effects of the COVID-19 health crisis.

In particular, it is worth noting that, since November 2021, 150 tenders have been published in the specialty shops business line and 75 in food and beverage. In specialty shops, the MAG from the award of the different tenders represents a recovery from that of 2019, with 88% in 2022 and 105% in 2023. In the case of food and beverage, these tenders collectively represent a recovery from that of 2019, with 105% in 2022 and 118% in 2023.

Health risk

Collaborating with measures designed to prevent the spread of COVID-19 and protecting the health of its workers, suppliers, external personnel and passengers are priorities for the Company. Since the beginning of the health crisis, Aena has created Operational Recovery Groups (GRO [Grupos de Recuperación Operativa]) in order to identify and implement measures to ensure that airports operate safely and generate confidence in passengers and workers. The measures envisaged have been coordinated with other players in the air transport sector (airlines through their main associations ALA and IATA, handling operators, commercial concessionaires, etc.) and with the Ministries of Transport and Health of the Government of Spain and the European Commission. In addition to this, Aena is an active member of the ACI Europe (Airports Council International Europe) 'Off the Ground' project.

With regard to the health and operational controls at the airports managed by Aena, in accordance with the provisions of the first additional provision of Royal Decree-Law 21/2020, of 9 June, on urgent prevention, containment and coordination measures to deal with the health crisis caused by COVID-19, Aena, as manager of the general-interest airport network, made available to the central and peripheral services of the Spanish Border Health Checks Body the technical and human resources necessary to guarantee the health checks for the entry of passengers on international flights at the airports it manages.

Aena will be entitled to recover, as part of the Airport Regulation Document (DORA) framework and via charges, the costs actually incurred for collaborating in carrying out health checks at airports, and the operational health and safety measures adopted, discounting any grants or other financial assistance it may receive for carrying out these activities under the first

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

additional provision of Royal Decree-Law 21/2020, of 9 June, and the other operational health and safety measures to be adopted as a result of the COVID-19 pandemic.

As a result of the measures taken to control, contain and foresee events surrounding the pandemic in 2022, the Company has incurred exceptional expenses, both in airport facilities, as well as in personal and health protection, to the reported amount of €60.4 million (2021: €113.6 million), recorded under the 'Other profit/(loss) – net' heading of the attached profit and loss account. In addition, investments have been made in fixed assets amounting to €3.6 million (2021: €9.8 million).

As we indicated previously, Royal Decree-Law 21/2020, of 9 June, states that under the framework of the DORA, Aena will have the right to recover the costs incurred as a consequence of collaborating with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic. At the end of fiscal year 2022, it is estimated that the amount of recoverable costs incurred by the Company in 2022 will amount to €40 million (2021: €54 thousand).

5.1.4 Regulatory risks

Aena S.M.E., S.A. operates in a regulated sector and changes or future developments in the applicable regulations may have a negative impact on the income, operating profit/(loss) and financial position of Aena. In particular, the said regulations affect:

- Management of the airport network with public service criteria.
- The airport charges regime.
- Airport security measures (*security*).
- Operational safety (*safety*).
- Allocation of slots.

The legal framework applicable to Aena's airport network of general interest is provided for in many areas by Act 18/2014, of 15 October, on the approval of urgent measures for growth, competitiveness and efficiency (hereinafter, Act 18/2014). Act 18/2014 establishes that the Airport Regulation Document (hereinafter, DORA) is the instrument that must determine the five-year regulation conditions for the entire airport network of Aena, which is regarded as a service of general economic interest.

The DORA for the period 2017-2021 was the first five-year regulation document applicable since the entry into force of Act 18/2014. This DORA establishes obligations regarding the service quality standards and commissioning of strategic investments. Non-compliance with this document may lead to penalties to the Annual Maximum Revenue per Passenger.

Act 18/2014 introduces the mechanism governing the determination of airport charges for the first Airport Regulation Document ('DORA').

On 27 January 2017, the Council of Ministers approved the DORA for the 2017-21 period, in which they established the minimum service conditions that will be in force in airports in the Aena network for said period, providing a foreseeable regulatory framework in the medium-term that will have enabled improved levels of efficiency and competitiveness in terms of airport operations.

The DORA was prepared by the Directorate General of Civil Aviation (DGAC), following the proposal submitted by Aena and approved by its Board of Directors on 8 March 2016, duly adjusted to the conditions and principles set out in Act 18/2014, of 15 October. It contains Aena's obligations for said five-year period, establishing, amongst other aspects, the following:

- The tariff path, with the establishment of a maximum annual revenue per passenger (IMAP) that allows Aena to recover costs associated with the provision of basic airport services, costs that also respond to efficiency criteria set forth by the regulator. Aena's IMAP experienced an annual decrease of 2.22% over the period 2017–21, starting from 1 March 2017.
- The investments that Aena must carry out and that have to meet the standards of capacity and service levels must also remain in line with traffic forecasts. Regulated investment related to airport services amounted to €2,185 million over the five years (€437.1 million on average per year). Furthermore, a series of investment projects that are regarded as strategic have been drawn up. The delay in the execution of these investments entails a penalty on the IMAP of the following year.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- The levels of service quality, as well as a system of incentives and penalties to ensure compliance with them. The penalty/maximum annual bonus applicable to Aena for this item would be $\pm 2\%$ of the IMAP.
- The amount of operating costs recognised in DORA 2017–21 are prospectively estimated without price effects and must be updated through the P index. Thus, any unexceptional deviation that may be transferred to service providers is considered to be an operator risk.

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

DORA II offers the stability necessary to develop an efficient, competitive and sustainable long-term service. It sets the parameters for the recovery of the air transportation sector by allowing the airport network to have the resources necessary to provide a safe, quality and sustainable service. However, the conditions established in DORA 2022–26 entail a series of obligations regarding the quality standards of the service and commissioning of strategic investments, whose non-compliance may entail penalties on the charges that, as occurred with DORA I, would in any case affect future fiscal years. The Company does not expect any non-compliance with the commitments undertaken within the framework of the DORA.

The conditions established in this DORA II, on the one hand, require that the airport operator offer, among other things, quality service with sufficient capacity to meet demand during the five-year regulatory period and, on the other, offer them the predictability needed to develop an efficient, competitive and sustainable service in the long-term.

DORA II establishes, among other measures, a freezing of Aena's airport charges until the year 2025. This means charges will be among the most competitive and are expected to contribute to attracting new companies and to the recovery of the air transport sector.

Likewise, the document's main objectives include air traffic recovery, service excellence and commitment to safety, environmental sustainability, fostering innovation and digitization, and efficient management.

The main aspects included in DORA 2022-26 are, among others:

- In order to determine the investment and the applicable charges, it is estimated that 1,234 million passengers will be reached in the five-year period. The traffic scenario foresees a recovery of the 2019 air traffic levels at the end of 2025, mainly due to the increase in domestic traffic and in line with the base scenario forecasts published by Eurocontrol.
- With regard to commercial discounts, DORA 2022-2026 makes it easier to establish commercial incentives by eliminating the requirement to obtain a report from the Spanish Civil Aviation Authority (DGAC) with a reasoned proposal that includes the users' opinion. Given the special circumstances associated with the COVID-19 pandemic, it introduces extraordinary commercial incentive schemes, which allow for the recovery of traffic and reduce connectivity restrictions. Commercial incentives aimed at improving environmental sustainability at the network's airports may also be established.
- The total recognised investment for the DORA period amounts to €2,250 million, fostering and accelerating investments related to digitisation, innovation and sustainability. The average scheduled annual investment level will be €450 million each year. In the event that Aena makes a lower investment volume with respect to the total investment recognised for this period, the initial Regulated Asset Base for the next period will be adjusted.
- Determination of the IMAAJ: when determining the IMAAJ and its limits for each year, consideration must be given to the adjustments applicable in previous fiscal years to ensure they do not prevent, in its case, the possibility of achieving the IMAP set forth in DORA 2022-2026, in accordance with the framework established in Act 18/2014.
- Recovery of COVID-19 expenses: when determining the annual IMAAJ, pursuant to the provisions of the First Additional Provision of Act 2/2021, of 29 March, on urgent prevention, containment and coordination measures to address the health crisis caused by COVID-19, the CNMC must conduct an analysis and supervision of the costs incurred for this item in previous fiscal years and determine, if no agreement is reached between Aena and the representative user associations, the method used for the recovery thereof within the framework of the supervisory function of the annual consultation procedure and the adjustment, to the IMAAJ, of Aena's airport charges referred to in section 2 of Article 10 of the Act that creates it.
- Environmental standards: sustainability is a core strategy for the company and has now been reflected in DORA 2022-2026 through environmental standards. In this regard, this document sets the conditions for the sustainable

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

development of the Aena airport network by establishing environmental standards that are articulated through 6 indicators: absolute CO2 emissions; energy efficiency; carbon neutrality; water consumed; noise levels and non-hazardous waste valorisation.

As indicated in Note 5.1.3, Aena considers that, as a consequence of the effects from the COVID-19 situation, there is concurrence in all of the requirements provided for in Article 27 of Act 18/2014 of 15 October, on the modification of the DORA and the concession of the economic rebalancing provided for in said regulation. Therefore, proceedings have been initiated and are still pending before the corresponding judicial bodies.

In 2012, the European Commission initiated an infringement procedure against the Kingdom of Spain to assess whether there has been an incorrect transposition of Directive 2009/12/EC, or an incorrect application of Regulation (EC) No. 1008/2008, on common rules for the operation of air services in the Community. This procedure was resolved on 2 December 2021 with no consequences for Aena or for the Spanish State.

In addition, Aena's activity is regulated by both domestic and international regulations relating to personal, property and environmental operational safety, which could limit the activities or growth of Aena's airports and/or require significant outlays. Aena is a state trading company and, as such, its management capacity may be subject to regulatory conditions.

The main shareholder of Aena is the Spanish State, which maintains control of Aena's operations, and whose interests may differ from those of other shareholders.

5.1.5 Operational risks

The Group's activity is directly related to the levels of passenger traffic and air operations at its airports, so it can be affected by the following factors:

- Aena's business is directly related to passenger traffic and air operations levels. In this respect, the recovery of traffic may be affected, as indicated above, by the evolution of the geopolitical situation (marked by the uncertainty of the development of the war in Ukraine), the macroeconomic environment (in a scenario of rising inflation and, in particular, energy prices) and the emergence of new variants of the pandemic. Likewise, despite the agreements reached after the UK left the European Union, the risks associated with Brexit continue to be monitored, in particular those associated with changes in the ownership and control of airlines and their regulation, which could affect their operations in the European Union.
- These external factors that impact the aeronautical business include the risks derived from dependence upon airlines, possible bankruptcies and airline mergers in a crisis context, as well as competition from new means of transportation or alternative airports.
- Aena is exposed to risks related to airport operations (operational and physical security). The negative impacts on the safety of persons or property, due to incidents, accidents and illegal interference activities (including terrorists) derived from operations that could expose the Company to potential responsibilities that may involve indemnities and compensations, as well as loss of reputation or interruption of operations.
- Aena is dependent on information and communication technology, and systems and infrastructures face certain risks including risks related to cybersecurity, that are the result of both internal and external threats and the exploitation of vulnerabilities, as a result of cyberattacks and other threats to the confidentiality, integrity and availability of the information stored in the systems, as well as their capacity.
- Aena is exposed to risks specifically related to commercial activity. Commercial revenue has been affected by both lower passenger volume and their spending capacity. Additionally, the entry into force of the 7th Final Provision of Act 13/2021 has caused a reduction in commercial revenue until the traffic levels of 2019 are recovered. In a context that is still marked by the crisis and the worsening of the passenger mix, there has been a greater concentration of commercial operators, increasing the risk of non-payment and abandonment of contracts. Changes in consumer trends are also affecting the real estate business, raising additional challenges linked to the development strategy of airport cities.
- Risk of losing competitiveness by not developing innovation and technological development policies that are appropriate to the needs of the business, and which are aimed at improving passenger experience, strengthening airport security and improving operational efficiency.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Failure to adhere to the health safety requirements and its impact on the service quality perceived by passengers and in relation to other airports. This could affect Aena's reputation or entail breaches.
- Aena is a listed state trading company and, as such, its management capacity in certain areas (international expansion, hiring of personnel and suppliers, among others) is affected by the application of public regulations.
- Aena depends on the services provided by third parties at its airports. Aspects such as labour disputes and breaches in service levels by these providers in a scenario of widespread cost increases could have an impact on operations.
- Risk derived from the increase in the need for planned investments as well as breaches to the deadline, budget or quality of the contracted actions, that affect the operation or profitability of airports, or that entail a breach of the obligations of the DORA regulatory framework, as a result of actions by third parties (awardees or public bodies) or derived from the evolution of other external conditions that could affect the execution of the actions (increase in prices of raw materials, energy, construction materials, supply chain failures, new environmental regulation, etc.).
- Aena's international activity is subject to risks associated with the materialization of potential impacts that have not been foreseen when planning acquisitions, as well as those derived from the subsequent development of operations in third-party countries (through subsidiaries and affiliates) and the fact that profitability prospects may not be as expected due to the worsening economic situation, adverse legal and regulatory changes and/or loss of concession agreements, among others. In particular, the investment made in Brazil requires continuous analysis of its recovery and the evolution of its main indicators, which may be affected by the market/country in which it operates.
- There is a risk that Aena may suffer from sanctions, financial losses or damage to its reputation, or be held liable due to non-compliance or defective compliance with legal regulations, rules of conduct and other standards enforceable in its operation.
- Changes in tax legislation could result in additional taxes or other forms of harm to the tax position of Aena.
- Aena is and will in the future continue to be exposed to the risk of loss from legal or administrative proceedings in which it is involved.
- Insurance coverage may be insufficient.
- Aena is exposed to risks related to its indebtedness, whose obligations may limit Aena's activity and the possibility of accessing financing, distributing dividends or making its investments, among others.

The Company's management bodies have implemented mechanisms aimed at identifying, quantifying and covering situations of risk. Regardless of the above, situations that can entail a major risk are closely tracked, as are the measures taken in this regard. Notes 21 and 28 of this report detail the provisions and contingencies derived from the above risks.

5.2 Description of the main financial risks

The Company's activities are exposed to various financial risks: market risk (including exchange rate risk and fair value risk due to the interest rate), credit risk and liquidity risk. The Company's global risk management programme focuses on the uncertainty of financial markets and tries to minimise the potential adverse effects on its financial profitability. In specific cases, the Company uses derivative financial instruments to hedge certain risk exposures.

The Board of Directors issues policies to manage global risk, as well as specific areas, such as exchange rate risk, interest rate risk, liquidity risk, the use of derivatives and investment of surplus liquidity.

There is an acknowledgement of financial debt agreement between Aena S.M.E., S.A. and its parent company ENAIRE, which originated in the non-monetary contribution that led to the creation of Aena Aeropuertos, S.A., through which 94.9% of the parent company's bank debt was initially taken on ('Mirror loan with ENAIRE'). On 29 July 2014, this contract was novated (See Note 15.1).

The main financial risks are described below.

5.2.1 Market risk

Exchange rate risk

The Company does not usually carry out significant commercial transactions in a currency other than the euro.

Interest rate risk on cash flows and fair value

The Company's interest rate risk arises from the financial debt. Loans issued at variable rates expose the Company to interest rate risk from cash flows. Fixed interest rate loans expose the Company to fair value interest rate risks.

Finance expenses are due mainly to own debt with credit institutions (see Note 15).

The Company's goal when managing interest rates is to optimise the finance expenses within the established risk limits and the risk variables in this case are the three and six-month Euribor, the main reference for long-term debt.

In addition, the value of the finance expenses risk over the time horizon of the forecasts is calculated and rate trend scenarios are established for the considered period.

Aena S.M.E., S.A. manages the interest rate risk in cash flows through variable to fixed interest rate hedge swaps. On 10 June 2015, the Company engaged in a variable to fixed interest rate cash flow hedging operation, for a notional amount of €4,196 million to cover part of its exposure to the Mirror Loan with ENAIRE, of which hedges for a notional amount of €1,669 million maturing on 15 December 2026 are outstanding. The average spread of these loans over three and six-month Euribor was 1.0379%. The execution fixed rate was 1.9780%. The objective of the transaction was to provide a stable framework of interest rates in the DORA 2017–21 period. As of 31 December 2022, the total amount of the asset for these interest rate swaps amounts to €99,184 thousand (2021: liability for €73,558 thousand) (See Note 15.5).

As of 31 December 2022, if the interest rate of variable-rate loans of Aena S.M.E., S.A. had increased or decreased by 20 basis points, keeping the remaining variables constant, the pre-tax profit for the year would have been €2,821 thousand higher and €2,821 thousand lower respectively (in 2021: €6,645 thousand higher and €6,645 thousand lower respectively).

As a result of all of this, the composition of the Company's debt by rates, as of 31 December 2022 is at 80% fixed-rate debt, compared to 20% variable-rate debt (as of 31 December 2021: 59% fixed and 41% variable), if the effect derived from the contracted interest rate swaps is considered.

As of 31 December 2022, if the interest rate had increased or decreased by 20 basis points, with the rest of the variables remaining constant, the asset for said derivatives, which at the close of fiscal year 2022 amounts to €99,184 thousand (2021: liability amounting to 73,558 thousand) would have been €10,023 thousand higher and €10,023 thousand lower respectively (31 December 2021: liabilities for €13,647 thousand lower and €13,647 thousand higher respectively).

Additionally, at the end of 2022 the Company has contracted swaps on Spanish electricity traded on the Iberian Electricity Market (MIBEL) in order to hedge the inflationary pressures that have been occurring in the price of electricity (Note 15.5). As of 31 December 2022, if the price of electricity had increased or decreased by 100 basis points, with the rest of the variables remaining constant, the liability recorded at the close of fiscal year 2022 amounting to €1,162 thousand for said derivatives would have been €3,340 thousand higher and €3,340 thousand lower, that is, an asset for €2,178 thousand respectively).

5.2.2 Credit risk

The Company's credit risk originates from cash and cash equivalents, derivative financial instruments and bank and other deposits, as well as exposure to trade receivables and agreed transactions.

Credit risk relating to trade accounts is reduced, given that main clients are airlines, and collateral is usually available or, if not, collected in advance. As for retail customers who have leased premises at the various airports, their risk is managed by obtaining sureties and guarantees. As of 31 December 2022, the Company has, in addition to the deposits and other cash bonds listed in the Balance Sheet, sureties and other guarantees related to the normal course of the aeronautical business amounting to €279,659 thousand (2021: €190,777 thousand) and the normal course of the commercial business amounting to €489,321 thousand (2021: €426,618 thousand).

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

On 5 March 2011, Act 1/2011, of 4 March, which amends Act 21/2003, of 7 July, on Air Security, was published in the Spanish Official State Gazette. This act allowed Aena S.M.E., S.A. or its subsidiaries to use debt collection proceedings in order to manage, liquidate and collect payment of all outstanding airport charges, this being managed by the collection bodies of the State Tax Administration Agency.

The credit limits have not been exceeded during the fiscal year and the management does not expect any losses that were not provisioned for, as a result of default by these counterparties.

5.2.3 Liquidity risk

The main risk variables are the limitations in the financial markets, the increase in planned investment and the reduction in cash flow generation.

The credit risk policy described in the previous section results in short average collection periods. Additionally, as reflected in Note 5.2.1 of this note, as a result of the exceptional situation caused by the pandemic, the Company's cash flows reduced significantly in 2021 compared to 2019, with a significant improvement in 2021 compared to 2020, which continues to consolidate in 2022 as a result of the gradual recovery of air traffic.

In order to ensure the availability of liquidity, the Company continues with the plan to strengthen its liquidity initiated during the onset of the pandemic and to be consistent with the current challenges arising from the complex macroeconomic environment resulting from a combination of the potential effects related to the COVID-19 pandemic, the widespread escalation of inflation rates, rising interest rates and geopolitical tensions. This situation, together with the significant recovery in the Group's business, had a positive impact on the Company's cash generation.

Consequently, at 31 December 2022 the Company has positive working capital of €753,236 thousand (positive in 2021: €86,959 thousand), has EBITDA, calculated as the sum of operating profit and the amortisation/depreciation of fixed assets, of €1,892,306 thousand (2021: €123,279 thousand), and there is not considered to be a risk to meet its short-term commitments given the positive operating cash flows amounting to €1,696,252 thousand in 2022 (2021: €252,170 thousand, as reflected in the accompanying Cash Flow Statement and which the Company expects to remain positive in the short term. The Company tracks cash flow generation to ensure that it is capable of meeting its financial commitments.

New financing

During 2021, the Company's policy to strengthen liquidity in response to the effects derived from the spread of COVID-19 continued. In this regard, medium and long-term loans were contracted for the amount of €700 million. In addition, in order to reduce the financial cost, an ESG-linked loan of €500 million was signed in order to pay off debt for the same amount in January 2022.

On 27 July 2022, Aena formalised a syndicated line of credit for €650 million for a term of two years, extendable for a further year.

On 21 December, a new syndicated loan with the European Investment Bank (EIB) for €800 million with a first tranche of €200 million available to finance the investment plan contained in the DORA II 2022–26.

Aena also has available three EIB loans for the amount of €95 million, €110 million and €200 million, and an ESG-linked ICO loan for the amount of €250 million.

In addition, it has a syndicated credit facility in the amount of €800 million signed in 2018 and an ECP programme in the amount of €900 million (see note 15).

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Financing available

The summary of available (unused) funding excluding the ECP Programme is:

Organisation	Amount (Millions of euros)	Maturity
EIB	110	Maximum 20 years since disbursement
EIB	200	Maximum 20 years since disbursement
EIB	95	Maximum 20 years since disbursement
ICO	250	7 October 2031
Syndicated line of credit	800	12 December 2025
Syndicated line of credit	650	27 July 2024 + 1 extension of 1 year
Total	2,105	

The Company also has a cash balance of €1,435 million as of 31 December 2022 (2021: €1,383 million).

The breakdown of the Aena S.M.E., S.A. loans by applicable interest rate and annual average interest rate on 31 December 2022 and 31 December 2021, taking into account the hedging resulting from the contracted interest rate swaps is as follows:

Thousands of euros	31 December 2022		31 December 2021	
	Balance	Average rate	Balance	Average rate
Variable	1,410,750	0.43	3,322,617	0.43
Permanent	5,595,926	1.26	4,765,525	1.26
TOTAL	7,006,676	1	8,088,142	0.99

Commitments to meet covenants

Aena S.M.E., S.A. has taken out loans for a total outstanding amount, as of 31 December 2022, of €4,681 million (31 December 2021: €5,258 million), which include the obligation to meet the following covenants of financial ratios:

Ratio	2022	2023	2024 and subsequent
Net financial debt/EBITDA			
Less than or equal to:	7.00x	7.00x	7.00x
EBITDA/Finance expenses			
Greater than or equal to:	3.00x	3.00x	3.00x

At the end of the current fiscal year, the Company complies with the aforementioned ratios.

During 2022, the operating cash flow has increased very significantly compared to 2021 as air traffic increased and the activity of the airports normalised. In addition to the cash flows generated by its activity, the Company has sufficient liquidity and credit facilities available that will allow it to meet the investment payment commitments for the coming years (Note 7.8) and the loan maturities (Note 15). If the evolution of traffic worsens, the Company could access additional external financing, halt its investment plan and implement cost reduction measures, as it did in 2020 at the beginning of the pandemic.

5.3 Description of the main risks derived from climate change

The Company is exposed to the effects of climate change and environmental sustainability is a key strategy for Aena. The associated risks – as differentiated according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) regarding physical or transitional risks – can lead to a number of economic, operational and reputational impacts:

- **Physical risks**, resulting from extreme weather conditions and natural disasters such as increased temperatures, frequency of heat waves, extreme precipitation, increased sea levels and the risk of river or coastal flooding, among others. These risks may have a direct impact on the infrastructures and operations of airports and, consequently, may involve the need to undertake actions of adapting airports in the medium-long term, among other aspects.
- **Transitional risks**, including:
 - **Technology risks**, mainly as a consequence of the replacement of the aircraft with new technologies (existing products and services with lower emission options), it has entailed the participation of the Group in SAF (Sustainable Aviation Fuels) production projects, the reduction of emissions in airport operations (costs of transitioning to low-emission technology) and the adaptation of airport infrastructures to new requirements in sustainability.
 - **Market risks**, caused, among other things, by the effects of a possible economic recession arising from the energy crisis or the loss of attractiveness to visitors.
 - **Reputational risks**, as a result of industry stigmatisation and changes in consumer preferences and behaviours, ESG investments, or failure to meet Company commitments on decarbonisation (*e.g.*, *Net Zero by 2040*).
 - **Regulatory risks** arising primarily from the following:
 - The potential implications of the provisions of the European Union’s regulatory package ‘Fit for 55’ that seeks a 55% reduction in greenhouse gases by 2030, such as:
 - Extension of the coverage and duration of the European Union Emissions Trading System (EU ETS), tightening the carbon market and phasing out free allowances allocated to aviation operators until free allowances are completely eliminated by 2026.
 - A possible change in the taxation of fuels by introducing a tax on energy derived from kerosene used in aviation (amendment of the Energy Taxation Directive, ETD), with the possible removal of the exemptions in air transportation (tax duties on kerosene).
 - ReFuelEU Aviation regulation for sustainable aviation fuels, which forces airlines to consume an increasingly higher percentage of sustainable aviation fuels (SAF).
 - Application of new taxes on airline tickets or the restriction of domestic flights on routes served by high-speed rail networks, which would significantly limit medium and long-haul connectivity and the development of *hubs* of major airports.
 - Potential impacts arising from the approval of uncoordinated national and regional climate frameworks, policies and regulations, as well as partial or total limitations on the operations, capacity and necessary development of airports originating as a result of non-compliance with existing or future environmental regulations.

The impact of these risks, mainly regulatory risks, on air traffic will depend on the conditions under which the new measures are applied. Although to date not all the regulations included in the legislative package at environmental level have been approved, so there is not enough detail on the scope and time frame for their implementation. For this reason, and in order to limit the uncertainty associated with the application of these measures, as part of the projections drawn up by the Company, forecasting scenarios have been considered with ranges based on confidence levels provided by the econometric models, which take these factors into account.

When preparing the traffic forecasts taken into account in the performance of the impairment tests (see Note 6.5), the Company, in addition to taking into account the expected macroeconomic environment, has analysed the main risks, uncertainties and factors affecting air traffic, highlighting the risks related to climate change. Additionally, it has taken into

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

account the projections made by the main international bodies of the aviation sector, thus, IATA forecasts an annual global growth of the number of air passengers in the range of 1.8-4.0% over the next 20 years.

However, these possible regulations and laws are long-term risks that have not affected these annual accounts because legislation only gives rise to obligations in the financial statements once they have been enacted or substantially enacted, which is not the case at the date of formulating these annual accounts.

In preparing the Company's financial information, the Management has taken into account the impact of climate change in the recognition and measurement of assets and liabilities, and the level of compliance with the objectives of the Climate Action Plan of Aena S.M.E., S.A. These considerations have not had a significant impact on the judgements and estimates applied in preparing the financial information for the fiscal year.

6. Intangible fixed assets

The movements in the accounts included in intangible fixed assets for fiscal years 2022 and 2021 have been as follows:

		2022					
Notes	Operational	Intangible assets, concession agreement	Software	Other intangible fixed assets	Intangible fixed assets in progress	Total	
Cost:							
	818	15,668	268,617	10,790	77,715	373,608	
	-	173	25,015	2	23,260	48,450	
	-	(143)	(886)	(770)	(1,108)	(2,907)	
7 8	-	11	18,893	2,694	(25,765)	(4,167)	
Closing balance	818	15,709	311,639	12,716	74,102	414,984	
Amortisation:							
	(818)	(7,556)	(207,278)	(7,325)	-	(222,977)	
	-	(717)	(29,498)	(786)	-	(31,001)	
	-	81	881	770	-	1,732	
Closing balance	(818)	(8,192)	(235,895)	(7,341)	-	(252,246)	
Net:	-	7,517	75,744	5,375	74,102	162,738	

() Write-off corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.*

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

		2021						
Notes	Operational	Intangible assets, concession agreement	Software	Other intangible fixed assets	Intangible fixed assets in progress	Total		
Cost:								
	Opening balance	818	15,610	220,649	10,055	69,371	316,503	
	Additions	-	69	32,556	-	25,507	58,132	
	Write-off (*)	-	(13)	(14)	-	(744)	(771)	
	Transfers	7 8	-	2	15,426	735	(16,419)	(256)
	Closing balance	818	15,668	268,617	10,790	77,715	373,608	
Amortisation:								
	Opening balance	(818)	(6,839)	(182,261)	(6,627)	-	(196,545)	
	Allocation	-	(723)	(25,031)	(698)	-	(26,452)	
	Write-off (*)	-	6	14	-	-	20	
	Closing balance	(818)	(7,556)	(207,278)	(7,325)	-	(222,977)	
	Net:	-	8,112	61,339	3,465	77,715	150,631	

(*) Write-off corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.

The 'Other intangible fixed assets' heading mainly includes the Master Plans for airports.

The main additions in fiscal years 2022 and 2021 in the "Software" and "Intangible fixed assets under construction" headings correspond to acquisitions, as well as improvements and developments, of new software technologies related to airports and central services, including Windows and Linux hyper-converged equipment, process re-engineering and automation, the new innovation portal and the integration of loyalty clubs.

The total costs activated on 31 December 2022 and 2021 in the different kinds of intangible fixed assets, include assets under construction in accordance with the following breakdown:

	2022	2021
Software	38,450	40,454
Other intangible fixed assets	35,652	37,261
Total	74,102	77,715

6.1 Intangible fixed assets acquired from related companies

During fiscal years 2022 and 2021, the Company has acquired the following items of their fixed assets from related companies Ingeniería y Economía del Transporte, S.A. (INECO), Ingeniería de Sistemas para la Defensa de España (ISDEFE) and Grupo Indra (in thousands of euros):

	2022		2021	
	Cost	Accumulated amortisation	Cost	Accumulated amortisation
Software	498	(66)	857	(69)
Other intangible fixed assets	5	-	1,150	-
Intangible fixed assets under construction	1,865	-	1,260	-
Total	2,368	(66)	3,267	(69)

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

6.2 Finance expenses

During the fiscal year 2022, a total of €32 thousand of finance expenses associated with intangible fixed assets (2021: €4 thousand) have been activated, which are recorded under the finance income heading 'Activation of finance expenses' (see Note 23.6).

6.3 Fully amortised assets

As of 31 December 2022 and 2021, there are fully amortised intangible fixed assets in use according to the following detail:

	2022	2021
Concessions	79	72
Operational	794	794
Software	290,596	267,675
Other intangible fixed assets	86,204	86,105
Total	377,673	354,646

Because the non-monetary contribution mentioned in Note 1 was made at net book value, in 2022 and 2021, the original cost of these fixed assets is higher than the cost of the intangible fixed assets shown in the movement.

6.4 Concession agreement, regulated asset

- Ceuta Heliport: the Company operates the civilian-use Ceuta heliport with all its services under a service concession contract with the Port Authority of Ceuta. This concession started on 28 March 2003 and lasts for 30 years. The Company pays an annual fee of €39,000 for the occupancy of the public port. Likewise, in accordance with article 69 bis of Act 27/92, the Company pays a fee amounting to €0.823386 per passenger to the Port Authority, depending on volume of passengers.
- Algeciras Heliport: the Company has an administrative concession contract with the Port of Algeciras Bay for the use of the facilities that will be used for installation and operation activities of the publicly owned heliport at the Port of Algeciras. This concession started on 3 February 2009 and lasts for 25 years. The contract establishes an occupancy rate for the exclusive use of the public port area of €82,000 per year and a rate of special use of the public space of €1 per passenger loaded or unloaded at the facility.

6.5 Impairment of intangible assets

During the fiscal year 2022, the traffic of the national airport network has reached 88.6% of 2019 traffic and the economic-financial results show a substantial improvement, having recorded a post-tax profit for the year ended 31 December 2022 of €865 million compared to the loss recorded at the end of the previous fiscal year amounting to €458 million. Therefore, the negative effects of the pandemic seem to have been overcome. This is also reflected in the business forecasts set out in the company's strategic plan published on 16 November 2022, which puts across the company's vision for the future and establishes a series of objectives associated, among others, with aeronautical, commercial and international activity, the development of airport cities and sustainability.

Given the circumstances described above, the Company considers that there are no indications of impairment for the CGU formed by the national airport network. However, in accordance with the procedure described in Note 4.1.2, and for the cash-generating units also described in that note, the Company has carried out an impairment test of the non-amortised intangible assets due to not being in use.

The reasonableness of the key assumptions assumed, as well as the sensitivity analyses performed, and the results and conclusions reached on the impairment tests carried out have been reviewed favourably by independent professional experts from the firm Deloitte at the close of the fiscal year ended 31 December 2022 and 31 December 2021. In both cases, there

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

were no significant discrepancies between the assumptions considered by the Company and the assumptions or estimates of independent experts.

The recoverable amount of the CGU of Aena's airport network has been determined in accordance with the procedure detailed below.

6.5.1 Description of the base scenario

The main premises used in the base scenario used for calculating the recoverable value of the impairment test at the close of the fiscal year ended 31 December 2022 have been as follows:

Traffic

For the baseline scenario of the impairment test, Aena has considered the scenario approved in its 2022–26 Strategic Plan, for which an econometric model based on IMF economic variables has been used, taking the same four-year time period as a reference.

In December 2022, IATA updated its 2023 traffic volume forecasts for Europe, estimating a recovery of around 88.7% in 2023 compared to 2019 volumes. For its part, in December 2022, ACI Europe published that passenger volumes for the European airport network in 2023 will be 91% of 2019 levels, estimating a full recovery between 2024 and 2025. The Company has considered keeping traffic forecasts in line with those published by official bodies.

This traffic scenario takes into account, in addition to the foreseen macroeconomic environment, an analysis of the main risks, uncertainties and factors that affect air traffic at the current situation, both globally and those of the sector. Among the main risk factors analysed would be, among others:

- The evolution of the pandemic itself, structural habit changes, scheduling by airlines;
- The macroeconomic environment: although the main economic organisations, such as the Bank of Spain and the International Monetary Fund, revised their GDP growth estimates upwards compared to those given in the first half of 2022, they have cut their forecasts for 2023 for both Spain and Europe as a result of the widespread rise in prices. Although the short-term outlook for airlines is optimistic for the years 2023 and 2024, as Spain is considered a safe destination, a trend that has become evident during the fiscal year 2022, the truth is that there is great uncertainty due to the current situation in which demand could be affected by lower disposable income;
- Competition with other modes of transportation such as the high-speed train (AVE) for the entry into service of new corridors and the liberalisation of the rail sector;
- The historical moment of great geopolitical tension, aggravated by the Russian invasion of Ukraine, to which must be added, among other risk factors, the economic confrontations between the main global powers (US and China), which has led to a slowdown in the Chinese economy;
- The possible impact of climate change measures (Note 5.3): a large part of EU countries are committed, particularly through various environmental and reduction of emissions agreements, to a green exit from the crisis. Decreases in expected revenues related to changes in customer behaviour or anticipated costs and investments that are necessary to meet the zero emission commitments can affect the expected return on a company's assets. In particular, these commitments are reflected in various initiatives that affect the air transport sector, as this sector is in the spotlight as regards measures to be taken (note 5.3).
- Possible market restructuring with the stoppages of operations at some companies and the possibility of buy-outs or mergers. On the other hand, the increase in fuel prices will impact airlines to a greater or lesser extent.
- Structural habit changes as a result of technological advancement, teleworking and conferencing, which could be either a risk due to the decline in business travel; or an opportunity due to the offshoring of employees and businesses and the need to travel for face-to-face visits.

Financial projections

The Company has calculated the recoverable amount as the value in use at 31 December 2022 on the basis of the financial projections approved by management for the period 2023–26 and in accordance with the Company's traditional assumption

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

of a four-year period for this CGU, except in the impairment tests performed in the two previous years when a time horizon in line with the traffic recovery forecasts of the main international organisations was used.

In preparing the financial forecasts, the Company has based itself on the forecasts of international bodies regarding the evolution of air traffic and has taken into account the institution's historical experience to estimate the rest of the variables taking into account the volume of traffic.

The cash flow forecasts from the fifth year have been calculated using a constant expected growth rate of 1.5%.

The key assumptions that mainly affect the cash flows of the airport network's Cash-Generating Unit are:

- Passenger traffic, in which the scenarios published in its 2024–26 Strategic Plan have been considered.
- The variation in airport service charges has been calculated by type of service, based on traffic and charge variations. In the baseline scenario, the regulatory model approved by the 2022–26 Airport Regulation Document (DORA) has been considered. In the years 2023 and 2024, adjustments are made to the IMAAJ (within the framework established by Act 18/2014 and DORA II) and including the recovery of COVID-19 costs. Until 2026, Transitional Provision 6 of Act 18/2014 does not allow for a methodology to be applied in the calculation of the IMAJ that could lead to an increase of more than 0%.
- Level of investments according to the planned investments and the regulated investment in the 2022–2026 period, with little dependence on the level of traffic, as the main investments in this period are not linked to an increase in the capacity of facilities.
- Operating expenses (OPEX) grow slightly above inflation (estimated at 2% annually from 2023), due to a certain level of variability with traffic increases, even when considering efficiencies therein and the operational needs identified by Aena during the evaluation period.
- The revenue from airport services has been calculated based on the variations in traffic and charges, and commercial incentives to support the recovery of traffic have been considered.
- As for commercial revenue, cautious scenarios have been considered that reflect the reduction in rent payments as a result of the 7th Final Provision of Act 13/2021 and the agreements reached with some leaseholders. The ratio of commercial revenue per passenger would return to pre-pandemic levels by 2024, remaining at similar values during the following years.

Discount and perpetual growth rates

	31 December	
	2022	2021
Perpetual growth rate	1.5%	1.5%
Pre-tax discount rate (WACC pre-tax)	9.2%	9.1%
Post-tax discount rate (WACC post-tax)	6.9%	6.8%

The discount rate applied to cash flow projections is the Weighted Average Cost of Capital, which is estimated according to the Capital Asset Pricing Model (CAPM) methodology and is determined by the weighted average cost of equity and of debt capital.

As can be seen, the discount rates used have hardly changed in 2022 compared to 2021, despite the significant upward trend during 2022 of the rate of return on the 10-year Spanish sovereign bond. In this respect, it should be pointed out that the low interest rates prevailing in 2021 were mainly due to the impact of the expansionary monetary policies (usually referred to as quantitative easing, or QE) implemented by the various central banks to counter, among other things, the economic effects of COVID-19. To eliminate the effects of the atypical scenario described above, a normalisation exercise has been carried out in both 2021 and 2022, taking as a reference the average yield of the Spanish 10-year bond from the introduction of the euro until 31 December 2021 and 31 December 2022, respectively, so that the resulting values are very similar in both years.

The remaining parameters of the discount rate calculation have not changed significantly.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

6.5.2 Conclusions and sensitivity analysis

To 31 December 2022, the Company carried out the impairment test using the base scenario with the assumptions and variables described above and found no impacts on the annual accounts as of 31 December 2022.

Additionally, the Company performed a sensitivity analysis of the impairment calculation, using variations, within a reasonable range, of the main financial assumptions considered in the calculation, assuming the following increases or decreases, expressed in percentage points (p.p.):

- Discount rate (-1 p.p./+1 p.p.)
- Perpetuity growth rates (+1 pp/-1 pp)

As well as the following changes in the key assumptions:

- Passenger traffic, in which a scenario that is more pessimistic than the base scenario has been used, in which the recovery of 2019 traffic would occur around 2025. In the most optimistic scenario, traffic recovery occurs in 2024. For each scenario, traffic forecasts for 2023 would be: for the medium or base scenario, 92.4% of the traffic recorded in 2019 would be reached in 2023; in the optimistic scenario, 97%; and in the most pessimistic scenario, traffic in 2023 would be 87.4%.
- Commercial revenue is considered in each scenario taking into account the foreseen traffic, as well as the reduction of lease payments as a result of the 7th Final Provision of Act 13/2021 and the agreements reached with some leaseholders.

The variations of the value in use resulting from the described sensitivity analysis with respect to the one that results from the baseline scenario mentioned above are shown below:

<i>Thousands of euros</i>	Post-tax discount rate			Perpetual growth rate (g)		
	5.9%	6.9%	7.9%	0.5%	1.5%	2.5%
Pessimistic passenger traffic scenario	3,988,095	(1,761,625)	(5,700,731)	(5,088,567)	(1,761,625)	3,077,562
Base Scenario	6,139,106	-	(4,206,309)	(3,551,380)	-	5,165,644
Optimistic passenger traffic scenario	8,609,295	2,012,074	(2,508,319)	(1,803,930)	2,012,074	7,562,626

The result of these sensitivity analyses, performed on 31 December 2022, show there are no significant risks associated with reasonably possible changes to the assumptions. That is, Management believes that, within the above ranges, no corrections for impairment in any of the aforementioned situations will be necessary.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

7. Property, plant and equipment

The movements in this heading during fiscal years 2022 and 2021 have been as follows:

	Notes	2022					
		Land and buildings	Plant and machinery	Other facilities, tools and furnishings	Other fixed assets	Property, plant and equipment under construction	Total
Cost:							
Opening balance		13,835,932	951,406	3,762,310	12,453	805,727	19,367,828
Additions		50,366	29,521	50,551	2,718	342,221	475,377
Write-off (*)		(56,560)	(42,211)	(122,078)	(357)	(5,368)	(226,574)
Transfers	6 8	169,992	43,861	222,382	(28)	(435,142)	1,065
Closing balance		13,999,730	982,577	3,913,165	14,786	707,438	19,617,696
Amortisation							
Opening balance		(3,952,485)	(583,832)	(2,650,449)	(9,027)	-	(7,195,793)
Allocation		(394,384)	(59,581)	(227,011)	(1,226)	-	(682,202)
Write-off (*)		14,966	40,326	116,690	356	-	172,338
Transfers	6 8	1,231	25	(277)	1	-	980
Closing balance		(4,330,672)	(603,062)	(2,761,047)	(9,896)	-	(7,704,677)
Impairment:							
Opening balance		(109)	(37)	(10)	-	-	(156)
Application of impairment		109	37	10	-	-	156
Closing balance		-	-	-	-	-	-
Net book value		9,669,058	379,515	1,152,118	4,890	707,438	11,913,019

() Write-off corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.*

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Notes	2021					Total
		Land and buildings	Plant and machinery	Other facilities, tools and furnishings	Other fixed assets	Property, plant and equipment under construction	
Cost:							
Opening balance		13,681,683	903,039	3,586,376	12,189	542,426	18,725,713
Additions		111,857	32,369	96,719	526	520,747	762,218
Write-off (*)		(27,949)	(19,838)	(62,638)	(279)	(2,582)	(113,286)
Transfers	6 8	70,341	35,836	141,853	17	(254,864)	(6,817)
Closing balance		13,835,932	951,406	3,762,310	12,453	805,727	19,367,828
Amortisation							
Opening balance		(3,581,191)	(539,871)	(2,476,560)	(8,310)	-	(6,605,932)
Allocation		(389,071)	(60,931)	(232,813)	(991)	-	(683,806)
Write-off (*)		10,878	17,860	58,707	277	-	87,722
Transfers	6 8	6,899	(890)	217	(3)	-	6,223
Closing balance		(3,952,485)	(583,832)	(2,650,449)	(9,027)	-	(7,195,793)
Impairment:							
Opening balance		(109)	(37)	(10)	-	-	(156)
Closing balance		(109)	(37)	(10)	-	-	(156)
Net book value		9,883,338	367,537	1,111,851	3,426	805,727	12,171,879

(*) Write-off corresponding to assets that entered at net book value in the non-monetary contribution are made at net book value.

The Company owns properties whose net value, separate from land and buildings, at the close of fiscal years 2022 and 2021, is as follows:

	2022	2021
Land	3,533,225	3,534,885
Buildings	6,135,833	6,348,453
Total	9,669,058	9,883,338

7.1 Property, plant and equipment acquired from related companies

During the fiscal years 2022 and 2021, the Company has acquired the following items of their property, plant and equipment from group companies Aena Desarrollo Internacional S.M.E., S.A. (ADI) and Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia (SCAIRM), from ultimate parent company ENAIRE and from related companies Ingeniería y Economía del Transporte, S.A. (INECO) and Ingeniería de Sistemas para la Defensa de España (ISDEFE) and Grupo Indra (thousands of euros):

	2022		2021	
	Book value (gross)	Accumulated amortisation	Book value (gross)	Accumulated amortisation
Land and buildings	1,988	(184)	1,130	(511)
Technical facilities and machinery	336	(9)	654	(60)
Other facilities, tools and furnishings	93	(4)	188	(7)
Other fixed assets	185	(49)	712	(29)
Property, plant and equipment under construction	2,909	-	3,905	-
Total	5,511	(246)	6,589	(607)

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

7.2 Finance and other expenses

During the fiscal year 2022, a total of €2,021 thousand of finance expenses accrued in the fiscal year have been activated, corresponding to the financing of property, plant and equipment under construction (2021: €973 thousand), which are recorded in the finance income heading 'Activation of finance expenses' (Note 23.6). In addition, €6,493 thousand of internal work carried out by the Company for its property, plant and equipment have been activated, which are recorded in the heading 'Works carried out by the company for its assets' of the attached profit and loss account (2021: €6,374 thousand).

7.3 Additions of property, plant and equipment

The main additions recognised in fiscal years 2022 and 2021 are described below:

Land and buildings

During the fiscal year 2022, the main additions have been the planned actions for soundproofing homes within the framework of the Sound Insulation Plan for A Coruña Airport, Gran Canaria Airport and Palma de Mallorca Airport; the works related to the extension and adaptation of the terminal building to the functional design of Ibiza Airport and the remodelling of toilets at Girona-Costa Brava Airport; construction of terrace and reconstruction of warehouses at Josep Tarradellas Barcelona-El Prat Airport; lengthening works on taxiways A27, A28, A29, A30, A31, KB1, D1, D2, D3, D4, D5, KB2, KC1, KC2, KC3, N1, N2, N3, N4, N5, N6, BN3, G11 and GATE 11, new flooring in building T-3 north dock and remodelling of the Premium lounge at Adolfo Suárez Madrid-Barajas Airport; construction of the new cargo terminal at Zaragoza Airport.

The most important actions put into service have been the functional improvements in the Terminal Building according to functional design at Tenerife Sur Airport and Sevilla Airport; new bus area in the T-4 terminal building at Adolfo Suárez Madrid-Barajas Airport; construction of the new technical block at Bilbao Airport; adaptation of the Checked Baggage Screening Service (SIEB [Sistema de Inspección de Equipaje en Bodega]) to new standard EDS at Menorca Airport; adaptation of the movement area at Asturias Airport; remodelling of the Picasso building at Málaga-Costa del Sol Airport; regeneration of the runway surface at Girona-Costa Brava Airport and remodelling of the commercial gallery and boarding lounge at Gran Canaria Airport.

During fiscal year 2021, the main additions were the planned home soundproofing activities within the framework of the Sound Insulation Plan of Alicante-Elche Airport; the work related to the terminal building at Bilbao Airport; the work on the M16, M17, M18, M19, M20, M21, M22, M23 taxiways at Adolfo Suárez Madrid-Barajas Airport; and the work related to exit taxiway HW-1 threshold 12 (12-30) at Málaga-Costa del Sol Airport.

The most important commissioning activities were: at Josep Tarradellas Barcelona-El Prat Airport the remodelling and expansion of the south dock building; at Palma de Mallorca Airport, the replacement of the EDS3 machines and the extension of the automated baggage handling system and its adaptation to the new functional design; and at the Tenerife Sur Airport the adaptation work of the T2 building to the new boarding processes.

Technical facilities, machinery, furniture and other fixed assets

In the fiscal year 2022, the most important additions were:

- Acquisitions of 6x6 extinguishing vehicles at several airports in the network, for example, at Almería Airport, Asturias Airport, A Coruña Airport, Girona-Costa Brava Airport, F.G.L. Granada-Jaén Airport, César Manrique-Lanzarote Airport and Santiago-Rosalía de Castro Airport.
- Beacons for areas 14R-32L, 18L-36R, terminal building T-4 and T-4 satellite, at Adolfo Suárez Madrid-Barajas Airport.
- Boarding pass printer for Adolfo Suárez Madrid-Barajas Airport and Palma de Mallorca Airport.
- Finger T-10, T-11 and T-12 at Adolfo Suárez Madrid-Barajas Airport.

During the fiscal year 2021, the most important additions were:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Acquisitions of explosives detection systems (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various network airports, for example, in Josep Tarradellas Barcelona-El Prat Airport, Menorca Airport and A Coruña Airport.
- The new boarding bridges in Josep Tarradellas Barcelona-El Prat Airport and Adolfo Suárez Madrid-Barajas Airport.
- The new self-extinguishing vehicles at Alicante-Elche Airport and Tenerife Sur Airport.

Property, plant and equipment under construction

With regard to the actions in progress, the following stand out: the lengthening of the runway and adaptation of the taxiways at A Coruña Airport; the adaptation of the baggage handling systems with the new explosives detection equipment (EDS) adapted to Standard 3 at several airports in the network; at Adolfo Suárez Madrid-Barajas Airport, work continues on the remote apron at T4S; remodelling of the terminal area, the processor building and Module A at Palma de Mallorca Airport; and lengthening of the taxiways at Tenerife Norte-Ciudad de La Laguna Airport.

During the fiscal year 2021, the main additions of property, plant and equipment under construction corresponded to the investments in functional improvements at the terminal building of Tenerife Sur Airport; the continued acquisitions of explosive detection equipment (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various airports in the network, as well of checked baggage inspection systems; at Adolfo Suárez Madrid-Barajas Airport, the work on the T4S remote apron and the new T4 bus area; and in Gran Canaria Airport the work for the extension of accesses to the 03R and 03L thresholds.

7.4 Write-off and results for disposals of property, plant and equipment

Property, plant and equipment assets with a net value of €54,236 thousand were derecognised during fiscal year 2022 (during fiscal year 2021: €25,564 thousand).

The most representative write-off of property, plant and equipment derive from the lengthening of the runway at A Coruña Airport; the replacement of explosives detection equipment integrated into the baggage handling system at several airports in the network with new models compliant with Standard 3 established by the ECAC (European Civil Aviation Conference); the remodelling of airbridges and replacement of the 400 Hz collector equipment at several airports in the network; the renewal due to obsolescence of the mobile radio communications system and the closed circuit television (CCTV) system for the apron management service at Adolfo Suárez Madrid-Barajas Airport.

The write-off of property, plant and equipment that occurred during the fiscal year 2022 with their allocation to profit or loss have resulted in an overall loss of €11,961 thousand. Moreover, the following items that have not generated any result in the profit and loss account are included within write-off:

- Reversals of provisions recorded in previous fiscal years for estimated environmental investments to comply with current regulations, for fair value differences primarily arising from land expropriations and for litigation related to works, which have been charged to the provisions for risks and expenses accounts (see Note 21) amounted to a total of €37,369 thousand.
- Payments to suppliers of fixed assets in relation to amounts activated in previous fiscal years, amounted to €3,703 thousand.

During the fiscal year 2021, the most representative write-off of property, plant and equipment was derived from the rehabilitation of the pavement on the runways in various airports, replacement of explosive detection equipment integrated in the baggage handling system in various airports of the network with new models that meet Standard 3 established by the ECAC (European Civil Aviation Conference), the removal and replacement due to obsolescence of the communications network at Alicante-Elche Airport with a new high-speed Wi-Fi communication system, as well as the demolition of a hydrocarbon plant due to the construction of a remote aircraft parking apron to service the T4S Satellite Building at Adolfo Suárez Madrid-Barajas Airport.

The write-off of property, plant and equipment that occurred during the fiscal year 2021 with their allocation to profit or loss resulted in an overall loss of €13,053 thousand. Moreover, the following items that have not generated any result in the profit and loss account are included within the write-off:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Reversals of provisions recorded in previous fiscal years for estimated environmental investments to comply with current regulations, for fair value differences arising, primarily, from land expropriations, and for litigation related to works, which have been charged to the provisions for risks and expenses accounts (see Note 21) amounted to a total of €10,036 thousand.
- Payments to suppliers of fixed assets in relation to amounts activated in previous fiscal years, amounted to €2,289 thousand.

7.5 Capital grants

As of 31 December 2022, the Company has grants for fixed assets amounting to €296,790 thousand net of taxes (2021: €319,035 thousand) (see Note 19.4). The gross cost of the assets in use related to these grants is €2,384 million, which correspond to property, plant and equipment (2021: €2,384 million).

Of the above amount, Aena S.M.E., S.A. has collected practically all amounts, leaving only a debit balance for this item of €769 thousand as of 31 December 2022 (2021: €961 thousand) (see Note 22).

7.6 Limitations

The contributed land, buildings and constructions (see Note 1) have lost their classification as public domain property due to the reclassification conducted by Article 9 of Royal Decree-Law 13/2011, of 3 December, which establishes that all state public domain properties assigned to the public business entity ENAIRE that are not used for air navigation services, including those destined for air traffic services, will cease to be public domain property, without this altering the purpose for which they were expropriated and they will, therefore, not need to be reverted.

There are certain limitations on the sale of airport assets (see Note 15).

7.7 Fully amortised assets

As of 31 December 2022 and 2021, there is property, plant and equipment that is fully amortised and still in use, according to the following details:

	2022 ¹	2021 ¹
Buildings	1,544,259	1,356,085
Plant and machinery	625,125	598,917
Other facilities, tools and furnishings	2,082,419	2,096,366
Other fixed assets	270,821	12,862
Total	4,522,624	4,064,230

¹ These amounts refer to the original cost of the assets (the non-monetary contribution was made at net book value).

7.8 Commitments

The commitments for investments pending execution as of 31 December 2022 amount to approximately €1,299.7 million (2021: €958.9 million), which include the awarded investments pending contractual formalisation and the final investments pending execution. The details of the fiscal years in which payments will be made for the fixed asset purchase commitments are shown below:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Maturity	31 December 2022
<i>(millions of euros)</i>	
2023	655
2024	362
2025	182
2026	71
2027	24
Subsequent	6
Total	1,300

The total investment for the period 2022-2026 in DORA II amounts to €2,250 million. This investment is not formalized nor is it enforceable at the end of the fiscal year 2022, with the exception of €415.1 million euros (2021: €448.5 million) corresponding to investment commitments for the 2022–2026 fiscal year that are detailed previously.

The breakdown by investment typology included in the DORA for the 2022-2026 period is as follows:

Investment type	Total for the period	2022-2026
<i>(millions of euros)</i>		
Strategic	479	21.3%
Regulatory	616	27.4%
Relevant	335	14.8%
Other investments	697	31.0%
Budgetary allocation for replacement	123	5.5%
Total DORA Period	2,250	100%

The 2022-2026 DORA identifies as strategic investments those that are necessary to comply with the established capacity standards, as well as those that due to their scope have an extraordinary impact on the strategic lines for the second regulated five-year period in terms of sustainability, innovation and economic and process efficiency. Of particular relevance are the capacity actions that will be needed in future regulatory periods but which need to be started during the five-year period of 2022-2026.

The regulated investments planned for the next five-year period and onwards are focused, to a large extent, on performing the actions required by the applicable regulations, as well as on carrying out the proper maintenance of the airport network and contributing to the improvement of environmental sustainability. As of the date of formulating these Annual Accounts, no difficulties in being able to execute the required investments are identified.

7.9 Insurance policies

The Company's policy is to take out insurance policies to suitably cover all possible risks that could affect the various items of its property, plant and equipment. At the end of fiscal years 2022 and 2021, the Company considers there is no coverage deficit.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

7.10 Leases

The Company leases part of its property, plant and equipment to third parties for commercial use. The Company's operating and financial leases are detailed in Note 9 and the revenue generated by this business area is detailed in Note 23.1. The approximate amount of the property, plant and equipment items that are subject to operating lease as of 31 December 2022 amounts to approximately €1,154 million (2021: €1,196 million).

7.11 Jointly controlled assets

The Company has an agreement with the Ministry of Defence to establish the rules on the allocation of costs and the compensation criteria for the use by civilian aircraft of Air Bases Open to Civilian Traffic in Villanubla, León, Albacete, Matacán, Talavera and the joint-use airfield in Zaragoza. This Agreement is based on the application of Royal Decree 1167/1995, of 7 July, on the system for using airports as both an airbase and an airport, and the airbases open to civilian traffic.

The amounts shown below represent the Company's shareholdings in assets and liabilities, not including the allocation of indirect costs, which have been included in the balance sheet (in thousands of euros):

	2022	2021
- Non-current assets	169,143	174,147
Net assets	169,143	174,147
- Revenue	13,946	12,168
- Expenses	(41,118)	(37,566)
Profit/(loss) after taxes	(27,172)	(25,398)

There are no contingent liabilities corresponding to the Company's interest in the joint operations or contingent liabilities in the joint operations itself.

7.12 Renovation costs

In accordance with the accounting policy described in Note 4.2, the Company activates, as the greatest value of the fixed assets, the initial estimate of the costs to repair the site to its original condition, when they constitute obligations incurred by Aena as a result of using the item. Thus, all obligations envisaged for carrying out noise insulation and soundproofing of residential areas in order to comply with current legislation on noise generated by airport infrastructures are capitalised as an increase in airport assets (see Note 21).

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

8. Real estate investments

Real estate investment movements during fiscal years 2022 and 2021 are shown below:

	Notes	2022		
		Real estate land and buildings	Other facilities	Total
Cost:				
Opening balance		198,076	3,509	201,585
Additions		355	-	355
Write-off		(234)	(44)	(278)
Transfers	6 7	3,102	-	3,102
Closing balance		201,299	3,465	204,764
Amortisation:				
Opening balance		(56,400)	(3,436)	(59,836)
Allocation		(5,435)	(47)	(5,482)
Write-off		205	44	249
Transfers	6 7	(980)	-	(980)
Closing balance		(62,610)	(3,439)	(66,049)
Impairment:				
Opening balance		(5,021)	-	(5,021)
Allocation		(11)	-	(11)
Reversal		170	-	170
Closing balance		(4,862)	-	(4,862)
Net:		133,827	26	133,853

	Notes	2021		
		Real estate land and buildings	Other facilities	Total
Cost:				
Opening balance		189,265	3,507	192,772
Additions		1,969	-	1,969
Write-off		(229)	-	(229)
Transfers	6 7	7,071	2	7,073
Closing balance		198,076	3,509	201,585
Amortisation:				
Opening balance		(45,088)	(3,382)	(48,470)
Allocation		(5,238)	(54)	(5,292)
Removed allocations		149	-	149
Transfers	6 7	(6,223)	-	(6,223)
Closing balance		(56,400)	(3,436)	(59,836)
Impairment:				
Opening balance		(5,126)	-	(5,126)
Allocation		(15)	-	(15)
Reversal		120	-	120
Closing balance		(5,021)	-	(5,021)
Net:		136,655	73	136,728

This heading mainly includes real estate assets used for leasing operations or assigned for use (land, offices, hangars and warehouses). In the cases of properties where a part thereof generates rent and another part is used in the production or supply of goods or services, or for administrative purposes, such properties are considered real estate investments when the use corresponding to the production or supply of goods or services, or for administrative purposes, is an insignificant portion thereof.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

At the end of fiscal years 2022 and 2021, there were no real estate investments subject to guarantees.

The Company's policy is to obtain insurance policies to cover possible risks that could affect its real estate investments. At the end of fiscal years 2022 and 2021, the Company had reasonably covered these risks.

In fiscal year 2022, the main additions in real estate investments correspond to improvements made in real estate constructions and the transfers are caused by the change of use of various buildings and land.

In fiscal year 2021, the main additions in real estate investments correspond to the foreseen reversal of one of the buildings at Adolfo Suárez Madrid-Barajas Airport and the work carried out in the general aviation building at Palma de Mallorca Airport.

In 2022, the Company did not acquire real estate constructions from group or related companies, nor did it in 2021.

As of 31 December 2022 and 2021, there are real estate investments that are fully amortised and still in use, according to the following details:

	2022¹	2021¹
Real estate buildings	14,156	14,244
Real estate facilities	2,855	2,865
Total	17,011	17,109

1 These amounts refer to the original cost of the assets (the non-monetary contribution was made at net book value).

The fair value of the real estate investments, taking into account the present values as of the dates presented, are as follows:

	2022	2021
Land	388,677	344,263
Buildings	544,486	518,920
Total	933,163	863,183

The Company has commissioned an independent appraisal company (Gloval Valuation, S.A.U.) to review and value the real estate portfolio as of 31 December 2022, as it also did for 31 December 2021, in order to determine the fair value of its real estate investments, with special attention put on the significant changes and market conditions caused by the COVID-19 pandemic.

The valuation has been performed using a capitalisation approach, which provides an indication of value by converting future cash flows into a single present capital value. This approach, which is similar to a Discounted Cash Flow (DCF) model, is generally used to estimate the value of cash-generating operating units, explicitly recognising the time value of cash flows that the asset itself will generate.

As a result of the comparison between the fair value as of 31 December 2022 and the book value of the various cash-generating units included in the Real Estate segment, an impairment has been endowed totalling €11 thousand (2021: €2 thousand), as well as a partial reversal of impairments of buildings and land totalling €170 thousand (2021: €106 thousand), thus obtaining a net positive result of €159 thousand (2021: €104 thousand).

9. Leases

9.1 Operating leases

9.1.1 Lessee

The Company uses a variety of assets in the system of operating leases to third parties. These include the one outlined below with the main characteristics of the corresponding agreement:

Asset	Location	Date of maturity	Annual rent without VAT (thousands of euros)	Notes
Piovera building	Madrid	31/01/2024	3,913	Rent based on contract conditions

The total minimum future payments of operating leases that cannot be cancelled (until the agreement expires) are as follows (in thousands of euros):

	2022	2021
Less than one year	3,953	3,883
Between one and five years	330	4,283
More than five years	-	-
Total	4,283	8,166

9.1.2 Lessor

The Company leases several shops and warehouses under non-cancellable operating lease agreements. These contracts last between five and ten years, and most of them can be renovated upon expiry in accordance with market conditions.

The minimum total collections from non-cancellable operating leases are as follows for the terms indicated (in thousands of euros):

	2022	2021
Less than one year	161,839	93,645
Between one and five years	456,179	214,512
More than five years	49,017	27,001
Total	667,035	335.158

On 3 October 2021, Act 13/2021, of 1 October, amending Act 16/1987, of 30 July, on Land Transport Regulations, entered into force. The seventh final provision (DF7) thereof establishes that the Minimum Annual Guaranteed Rent (MAG) established in the agreements in force at the time becomes variable rent on the basis of the drop in the volume of passengers at each airport where the leased premises are located with respect to the volume of passengers that existed at that same airport in 2019, until the annual volume of passengers at the airport is equal to the one that existed in 2019.

Given that the rent became variable based on the number of passengers until traffic recovers to 2019 levels, it is considered that there will be no minimum MAG charges at each airport until traffic recovers as foreseen in DORA II, which explained the significant decrease in total minimum charges in 2021 compared to 2020. However, the favourable evolution of air traffic during the fiscal year 2022 has meant that 16 airports in the Network have recovered and surpassed the air traffic of 2019, and therefore their rent has once again become Minimum Annual Guaranteed Rent (MAG), which again generates future minimum charges, as occurs with the new contracts formalised from 2022, where the aforementioned DF7 is not applicable to them.

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

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Maturity	At 31 December 2022 (thousands of euros)
2023	161,839
2024	149,603
2025	126,084
2026	106,952
2027	73,540
Subsequent	49,017
Total	667,035

9.2 Financial leases

In its property, plant and equipment, the Company includes a power cogeneration plant at Adolfo Suárez Madrid-Barajas Airport and certain computer equipment (acquired in 2018), which are under a financial lease agreement in which the Company is the lessee. The amount for which the assets were initially recognised amounted to €17,955 thousand, corresponding to their estimated fair value. The amounts are shown below in thousands of euros:

	2022	2021
Cost – capitalised finance leases	17,955	17,955
Accumulated amortisation	(13,466)	(11,938)
Net book value	4,489	6,017

As of 31 December 2022 and 2021, the current value of the minimum lease payments to be paid in the future, not including increases in inflation or other contingent charges, derived from said financial lease agreement is as follows (in thousands of euros):

	2022	2021
Less than one year	1,701	1,682
Between one and five years	3,796	5,586
More than five years	-	-
	5,497	7,268

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

10. Financial instruments

10.1 Analysis by category

The book value of each category of financial instruments established in the 'Financial instruments' recording and valuation standard, except for investments in equity of group, multigroup and associated companies (Note 11), is as follows (in thousands of euros):

	Notes		Long-term financial assets									
			Equity instruments		Loans to companies		Derivatives		Other financial instruments (**)		Total	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Assets at Amortised Cost			-	-	-	-	-	-	95,226	95,043	95,226	95,043
Financial Assets at Cost	12	11	26	-	377,934	370,000	-	-	-	-	377,960	370,000
Hedging derivatives			-	-	-	-	67,670	-	-	-	67,670	-
Total			26	-	377,934	370,000	67,670	-	95,226	95,043	540,856	465,043

(*) The 'Other instruments' item mainly includes deposits consigned by legal mandate with various public institutions of Autonomous Regions, corresponding to deposits in guarantee previously received from leaseholders of commercial spaces owned by Aena S.M.E., S.A., in compliance with Act 29/1994, of 24 November, on Urban Leases.

(**) "Loans to companies" includes the Company's equity loans with Aena Desarrollo Internacional, S.M.E., S.A. and Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.M.E. maturing on 23 December and 15 December 2023, respectively. However, depending on both contracts and the will of the parties, they will be automatically extended for additional two-year periods up to a maximum of two extensions.

	Short-term financial assets							
	Loans to companies		Derivatives		Other financial instruments (**)		Total	
	2022	2021	2022	2021	2022	2021 (*)	2022	2021 (*)
Financial Assets at Amortised Cost	1,780	2,150	-	-	570,840	553,109	572,620	555,259
Hedging derivatives	-	-	31,514	-	-	-	31,514	-
Total	1,780	2,150	31,514	-	570,840	553,109	604,134	555,259

(*) Restated figures.

(**) The 'Other financial instruments' item mainly contains the total of the 'Trade and other receivables' heading, excluding 'Other loans with Public Administrations' and 'Current tax assets'.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Long-term financial liabilities									
	Debts with credit institutions (*)		Debts with group companies (**)		Derivatives		Other financial liabilities (***)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Liabilities at Amortised Cost	3,298,048	3,292,734	3,110,718	3,624,598	-	-	167,979	154,409	6,576,745	7,071,741
Hedging derivatives	-	-	-	-	-	45,951	-	-	-	45,951
Total	3,298,048	3,292,734	3,110,718	3,624,598	-	45,951	167,979	154,409	6,576,745	7,117,692

(*) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €1,952 thousand (2021: €2,896 thousand) (see Note 15).

(**) The "Debts" heading refers to "Debts with group companies" and includes the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €1,594 thousand (2021: €2,078 thousand) (see Note 15).

(***) The amount of the bonds corresponds to bonds and guarantees set by commercial space leaseholders, as well as deposits established by airlines and handling agents.

	Short-term financial liabilities									
	Debts with credit institutions (*)		Debts with group and associated companies (**)		Derivatives		Other financial liabilities (***)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Liabilities at Amortised Cost	87,482	632,907	535,721	545,693	-	-	622,511	632,754	1,245,714	1,811,354
Hedging derivatives	-	-	-	-	1,162	27,607	-	-	1,162	27,607
Total	87,482	632,907	535,721	545,693	1,162	27,607	622,511	632,754	1,246,876	1,838,961

(*) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €1,066 thousand (2021: €830 thousand (Note 20)) (see Note 15).

(**) The "Debts" heading refers to "Debts with group companies" and includes the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €231 thousand (2021: €272 thousand) (see Note 15).

(***) Includes, mainly, debts to fixed asset Suppliers, for the amount of €297,106 thousand (2021: €337,952 thousand), as well as the "Trade and other payables" heading excluding "Other debts with Public Administrations".

The net profits and losses of financial assets and liabilities as of 31 December 2022 and 2021 are shown in Note 23.6.

At the close of the fiscal year ended 31 December 2022 and 2021, the Company has no firm commitment to purchase or sell financial assets and liabilities.

10.2 Fair value

At the end of fiscal years 2022 and 2021, the book value of financial assets and liabilities does not differ significantly from their fair value.

The following table presents an analysis of the financial instruments that are measured at fair value, classified by measurement method. A fair value hierarchy is established that classifies the input data from valuation techniques used to measure fair value in three levels, as follows:

- Listed prices (not adjusted) on active markets for identical assets and liabilities (Tier 1).
- Data other than listed prices included within Level 1 that are observable for the asset or liability, both directly (i.e. prices) and indirectly (i.e. derived from prices) (Tier 2).

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Information regarding the asset or liability that is not based on observable market data (non-observable data) (Tier 3).

The following table presents the Company's assets and liabilities measured at fair value at 31 December 2022:

	Note	Tier 1	Tier 2	Tier 3	Total balance
Assets					
Derivatives	13	-	99,184	-	99,184
Total assets		-	99,184	-	99,184
Liabilities					
Derivatives	13	-	1,162	-	1,162
Total liabilities		-	1,162	-	1,162

The following table presents the Company's assets and liabilities measured at fair value at 31 December 2021:

	Note	Tier 1	Tier 2	Tier 3	Total balance
Assets					
Derivatives	13	-	-	-	-
Total assets		-	-	-	-
Liabilities					
Derivatives	13	-	73,558	-	73,558
Total liabilities		-	73,558	-	73,558

There have been no transfers between Tier 1 and Tier 2 financial instruments during the period.

Financial instruments in Tier 1:

The fair value of the financial instruments that are negotiated on active markets is based on listed market prices on the reporting date. A market is considered active when listed prices are readily and regularly available through an exchange, financial intermediaries, a sectoral institution, a price service or a regulatory body, and those prices reflect current market transactions that occur regularly between parties acting in conditions of mutual independence. The listed market price used for the financial assets held by the Group is the current purchasing price. These instruments are included in Tier 1. There are no financial instruments in Tier 1 on any of the dates.

Financial instruments in Tier 2:

The fair value of financial instruments that are not traded on an active market (e.g. off-the-books market derivatives) is determined using valuation techniques. The measurement techniques maximize the use of observable market information that is available and are based as little as possible on specific estimates made by the companies. If the significant inputs that are required to calculate the fair value of an instrument are observable, the instrument is included in Tier 2. The financial instruments included in Tier 2 are interest rate derivatives (swaps) hedging floating rate loans.

Financial instruments in Tier 3:

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Tier 3. There are no financial instruments in Tier 3 on either of the dates.

The specific measurement techniques applied to financial instruments include:

- Listed market prices or the prices established by financial brokers for similar instruments.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on estimated interest rate curves.
- Other techniques, such as an analysis of discounted cash flows, are used to analyse the fair value of all other financial instruments.

10.3 Analysis by maturity

On 31 December 2022, the amounts of financial instruments with a determined or determinable maturity, classified by year of maturity, are as follows (in thousands of euros):

Financial assets	2023	2024	2025	2026	2027	2028 and subsequent	Total
Financial assets at amortised cost	572,620	22,936	4,753	30,223	11,632	25,682	667,846
Financial Assets at cost (Note 12)			377,934			26	377,960
Hedging derivatives	31,514	30,886	20,873	15,911	-	-	99,184
Total	604,134	53,822	403,560	46,134	11,632	25,708	1,144,990

Financial liabilities	Notes	2023	2024	2025	2026	2027	2028 and subsequent	Total
Loan with the ultimate parent company (*)	15	524,566	765,707	396,710	376,402	345,492	1,226,407	3,635,284
Interest accrued on outstanding loans		11,154						11,154
Debts with credit institutions (**)	15	78,934	1,233,000	780,000	406,667	146,667	731,714	3,376,982
Interest on debts with credit institutions	15	8,548						8,548
Guarantees received		30,092	58,884	45,425	17,464	15,367	26,744	193,976
Financial leasing creditors		1,701	1,915	1,880				5,496
Other long-term debts		42	40	37	35	33	155	342
Trade and other payables		590,677						590,677
Hedging derivatives	15	1,162						1,162
Total		1,246,876	2,059,546	1,224,052	800,568	507,559	1,985,020	7,823,62

(*) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €1,825 thousand, of which an amount of €1,594 thousand corresponds to long-term and €231 thousand to short-term (2021: €2,350 thousand, of which €2,078 thousand are long-term and €272 thousand are short-term) (see Note 15), as these concepts do not involve cash outflow.

(**) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €3,018 thousand, of which an amount of €1,952 thousand are long-term and €1,066 thousand are short-term (2021: €3,725 thousand, of which €2,896 thousand are long-term and €830 thousand are short-term) (see Note 15, as these concepts do not involve cash outflow).

The amount of €377,934 thousand as of 31 December 2022 corresponds to loans granted to group companies (Aena Desarrollo Internacional S.M.E., S.A. (Single-member Company) and Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.) and their interests. As of 31 December 2021, the loan with Aena Desarrollo Internacional S.M.E., S.A. (Single-member Company) for the amount of €370 million had its maturity in 2023 but at the end of the 2022 fiscal year, the Company agreed not to request a refund thereof, so the first two-year extension has been activated.

On 31 December 2021, the amounts of financial instruments with a determined or determinable maturity, classified by year of maturity, are as follows (in euros):

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Financial assets	2022	2023	2024	2025	2026	2027 and subsequent	Total
Financial assets at amortised cost	555,259	14,186	9,182	5,818	31,846	34,011	650,302
Financial Assets at cost	-	370,000	-	-	-	-	370,000
Total	555,259	384,186	9,182	5,818	31,846	34,011	1,020,302

Financial liabilities	Notes	2022	2023	2024	2025	2026	2027 and subsequent	Total
Loan with the ultimate parent company (*)	15	535,564	514,364	765,707	396,710	376,402	1,571,415	4,160,162
Interest accrued on outstanding loans		10,129	-	-	-	-	-	10,129
Debts with credit institutions (**)	15	629,170	580,000	1,230,000	330,000	406,667	746,067	3,921,904
Interest on debts with credit institutions		3,737	-	-	-	-	-	3,737
Guarantees received		54,302	45,370	9,708	44,229	11,615	37,777	203,001
Financial leasing creditors		1,682	1,790	1,915	1,881	-	-	7,268
Other long-term debts		154	41	83	-	-	-	278
Trade and other payables		576,616	-	-	-	-	-	576,616
Financial Liabilities at Amortised Cost		1,811,354	1,141,565	2,007,413	772,820	794,684	2,355,259	8,883,095
Hedging derivatives	15	27,607	18,244	12,129	9,226	6,352	-	73,558
Total		1,838,961	1,159,809	2,019,542	782,046	801,036	2,355,259	8,956,653

(*) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €2,350 thousand, of which an amount of €2,078 thousand corresponds to long-term and €272 thousand to short-term (2020: €2,946 thousand, of which €2,630 thousand are long-term and €316 thousand are short-term) (see note 15), as these concepts do not involve cash outflow.

(**) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €3,725 thousand, of which an amount of €2,896 thousand are long-term and €830 thousand are short-term (2020: €2,387 thousand, of which €1,899 thousand are long and €488 thousand are short-term) (see note 15), as these concepts do not involve cash outflow.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

11. Investments in group, associate and multigroup companies, and other shareholdings

11.1 Equity instruments

The movements of investments in equity instruments of group companies are as follows:

Subsidiaries	Thousands of euros			
	2021	Additions	Write-off	2022
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	16,192	-	-	16,192
Aena Desarrollo Internacional S.M.E., S.A. ('ADI')	165,032	-	-	165,032
Cost	181,224	-	-	181,224

Subsidiaries	Thousands of euros			
	2021	Allocation	Reversal	2022
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	(9,386)	-	9,386	-
Impairment	(9,386)	-	9,386	-
Total equity instruments	171,838	-	9,386	181,224

Subsidiaries	Thousands of euros			
	2020	Additions	Write-off	2021
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	16,192	-	-	16,192
Aena Desarrollo Internacional S.M.E., S.A. ('ADI')	165,032	-	-	165,032
Cost	181,224	-	-	181,224

Subsidiaries	Thousands of euros			
	2020	Allocation	Reversal	2021
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	(16,192)	-	6,806	(9,386)
Impairment	(16,192)	-	6,806	(9,386)
Total equity instruments	165,032	-	6,806	171,838

The main data regarding shareholdings in group and associated companies, as well as other shareholdings, none of which are listed on the stock exchange as of 31 December 2022 and 2021, are set out below:

11.2 Shareholdings in group companies

Details of the Group's subsidiary companies as of 31 December 2022 and 2021, all consolidated by applying the global integration method in the consolidated annual accounts of the group of which the Company is parent, are as follows:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Subsidiaries	Address	Activity	%		Share holder
			Direct	Indirect	
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E. ('SCAIRM') (1)	Murcia	Company holding the operating concession for Región de Murcia International Airport.	100	-	AENA S.M.E., S.A.
Aena Desarrollo Internacional S.M.E., S.A. ('ADI') (1)	Madrid	Operation, maintenance, management and administration of airport infrastructure, as well as complementary services.	100	-	AENA S.M.E., S.A.
London Luton Airport Holdings III Limited ('LLAH III') (2)	Luton (United)	Holding of shares in the company that holds the concession for the operation of London Luton Airport.	-	51	Aena Desarrollo Internacional S.M.E., S. A.
London Luton Airport Holdings II Limited ('LLAH II') (2)	Luton (United)	Holding of shares in the company that holds the concession for the operation of London Luton Airport.	-	51	London Luton Airport Holdings III Limited (LLAH III)
London Luton Airport Holdings I Limited ('LLAH I') (2)	Luton (United)	Holding of shares in the company that holds the concession for the operation of London Luton Airport.	-	51	London Luton Airport Holdings II Limited (LLAH II)
London Luton Airport Group Limited ('LLAGL') (2)	Luton (United)	Guarantor company for the acquisition of the concession for the operation of London Luton Airport.	-	51	London Luton Airport Holdings I Limited (LLAH I)
London Luton Airport Operations Limited ('LLAOL') (2)	Luton (United)	Company holding the concession for the operation of London Luton Airport.	-	51	London Luton Airport Group Limited ('LLAGL')
Bloco do Onze Aeroportos do Brasil SA (BOAB)	Sao Paulo (Brazil)	Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the SP/MS/PA/MGI Group.	-	100	Aena Desarrollo Internacional S.M.E., S. A.
Aeroportos do Nordeste do Brasil S.A. (ANB) (2)	Sao Paulo (Brazil)	Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	-	100	Aena Desarrollo Internacional S.M.E., S. A.

(1) Companies audited by KPMG Auditores, S.L.

(2) Companies audited by the KPMG network

The main amounts of capital, equity, results and book value related to the group companies at the end of fiscal years 2022 and 2021 are as follows:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

11.2.1 Companies with a direct stake in Aena

a) Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (“SCAIRM”)

Name/ Address/Activity	31 December 2022							
	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation		Net	Reserves	Other Equity	Total equity
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.	100%	8,500	298	199	1,697	(6,667)	3,729	16,192
Avenida España 101, Valladolises y Lo Jurado (Murcia)/ Administrative concession for the management, operation and maintenance of the Región de Murcia								
Total								16,192

(*) Data obtained from the individual annual accounts for fiscal year 2022.

(**) The profit/(loss) for the year comes entirely from continuing operations.

Name/ Address/Activity	31 December 2021 (*)							
	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation		Net	Reserves	Other Equity	Total equity
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.	100%	8,500	(4,477)	33,188	(5)	(38,155)	3,528	6,806
Avenida España 101, Valladolises y Lo Jurado (Murcia) Administrative concession for the management, operation and maintenance of the Región de Murcia								
Total								6,806

(*) Data obtained from the individual annual accounts for the fiscal year ended 31 December 2021.

(**) The profit/(loss) for the year comes entirely from continuing operations.

On 25 January 2018, Aena incorporated “Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.” (hereinafter, SCAIRM), the concession company holding the contract for the management, operation, maintenance and conservation of the Región de Murcia International Airport (SCAIRM), operating this airport as a concession and its complementary activities area for a period of 25 years, the concession agreement being formalised on 24 February 2019.

As a result of the situation caused by the pandemic, the air traffic at this airport has been strongly impacted by relevant reductions in traffic, which significantly affected its activity and therefore its turnover and results. Additionally, the forecasts showed future scenarios that are totally different from those foreseen at the time the concession contract bid was made.

In view of the unbalanced situation of the concession, on 27 December 2021, the addendum to the concession contract was formalised in accordance with the Order of the Ministry of Development and Infrastructures of the Region of Murcia dated

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

17 November 2021, which issues a resolution regarding the requests to rebalance the Concession Agreement for the “Management, operation, maintenance and conservation of the Región de Murcia International Airport”, modifying part of the relevant terms of the agreement based on which compensation mechanisms are established, which are based mainly on a transformation of the fixed fees to be paid into variables based on air traffic that will be periodically reviewed.

The circumstances described above led to an extraordinary reduction in the activity and revenues of the Aena Group companies, which resulted in a sharp reduction in operating cash flows. In the specific case of SCAIRM, the Company calculated the recoverable amount of its stake at the end of 2020, resulting in the impairment of the entire book value of the stake. At the end of 2021, the year in which air traffic at Región de Murcia International Airport began to recover, part of this impairment was reversed for the amount of €6,806 thousand.

During 2022, there has been a very significant recovery in air traffic throughout Europe, which seems to corroborate that the pandemic situation has been overcome. Specifically, traffic at Región de Murcia International Airport has reached 75% of 2019 traffic, the reference year prior to the restrictions derived from COVID-19. In accordance with the calculation of the recoverable amount at 31 December 2022 for this CGU, the Company has reversed the entire remaining impairment of its stake for the amount of €9,386 thousand.

The recoverable amount of this investment as the value in use at the end of the fiscal year, based on the financial projections prepared by Management for the entire concession period, considered as the ‘base scenario’ for performing the impairment test. The main component of these projections is the estimate of airport traffic over the entire concession period. The base scenario considered the recovery of 2019 traffic levels by 2024, with air traffic level for 2022 of 75% with respect to 2019 traffic, with traffic growths as regards 2022 traffic in 2023, 2024 and 2025 of 13%, 31% and 43% respectively.

The discount rate applied to cash flow projections is the Weighted Average Cost of Capital before taxes (WACCBT), estimated according to the Capital Asset Pricing Model (CAPM) methodology, and is determined by the weighted average cost of equity, and cost of debt capital. In 2022, a pre-tax discount rate of 11.7% (2021: 11.5%) and a post-tax discount rate of 8.8% (2021: 8.6%) have been applied.

The reasonableness of the key assumptions made, as well as of the sensitivity analyses carried out, the results and the conclusions reached in the impairment tests carried out, have been favourably reviewed by independent professional experts.

b) Aena Desarrollo Internacional S.M.E., S.A. (ADI)

Name/ Address/Activity	31 December 2022							
	Fraction of		Profit/(Loss)		Reserves	Other	Total	Book
	Direct capital	Capital	Operation	Net				
(%)				equity	equity	value (*)		
Aena Desarrollo Internacional S.M.E., S.A. Peonías, 12. Madrid Operation, conservation, management and administration of airport infrastructures.	100 %	161,182	130,548	78,473	230,989	(346,146)	124,498	165,032
Total								165,032

(*) Data obtained from the individual annual accounts for fiscal year 2022.

(**) The profit/(loss) for the year comes entirely from continuing operations.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Name / Address/Activity	31 December 2021							Book value (*)
	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation Net		Reserves	Other equity	Total equity	
Aena Desarrollo Internacional S.M.E., S.A. Peonías, 12. Madrid Operation, conservation, management and administration of airport	100 %	161,182	(43,201)	(45,823)	230,989	(300,323)	46,025	165,032
Total								165,032

(*) Data obtained from the individual annual accounts for the fiscal year 2021.

(**) The profit/(loss) for the year comes entirely from continuing operations.

The company 'Aena Desarrollo Internacional S.M.E., S.A. (Sociedad Unipersonal)' (hereinafter 'the Company' or 'AENA INTERNACIONAL') was incorporated on 13 November 1991 under the name of Empresa de Mantenimiento Aeronáutico, S.A. and its sole shareholder is the company Aena S.M.E., S.A. (hereinafter 'AENA'). The Company is a holding company that holds shares or stakes in the international business of the Aena group through investments in companies domiciled outside Spain, which is its current activity.

In fiscal years 2022 and 2021, Aena Desarrollo Internacional, S.M.E., S.A. (hereinafter, "ADI") has not distributed dividends.

In line with the test conducted by Aena, at the close of the fiscal year ended on 31 December 2022, Aena Desarrollo Internacional has calculated the recoverable amount of its stakes, as well as of the loan granted to its subsidiaries LLAHL II and LLAH III and ANB, by estimating its share in the cash flows expected to be generated by the held companies, arising from both their ordinary activities and their disposal or write-off in accounts. These calculations use cash flow forecasts based on financial budgets approved by Management that cover the duration of the operating concessions of the Luton (London, United Kingdom) and Nordeste do Brasil. The flows consider past experience and represent Management's best estimate of future market evolution. As a result of these tests, at the end of financial year 2022, ADI recorded an impairment reversal in its stake in LLAHL III amounting to €15,455 thousand (2021: impairment reversal of €29,867 thousand), and has recorded an impairment reversal amounting to €70,194 thousand in its stake in ANB (2021: allowance for impairment of €90,329 thousand).

On the other hand, it is important to mention that ADI's management and administrators estimate that the valuation of the Company's investment in Aeropuertos Mexicanos del Pacífico (AMP) as of 31 December 2022, made on the basis of the recoverable value on that date, would amount to €452,005 thousand (2021: €414,592 thousand), whereas the net book value of the Company's investment in AMP as of 31 December 2022 and 31 December 2021 amounts to €50,555 thousand showing a significant unrealized gain in this company in both fiscal years.

Based on the above, the Company's management considers that the recoverable amount of the investment in ADI, calculated as of 31 December 2022 and 2021, is higher than its acquisition cost, taking into account its equity plus the unrealised gains existing at the closing date arising from the valuation of ADI's stake in AMP.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

11.2.2 Companies with an indirect stake in Aena

a) London Luton Airport

The Company Aena S.M.E., S.A. has a majority stake in London Luton Airport Holding III Limited (hereinafter, "LLAH III") and all of its subsidiaries through ADI. The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed on the acquisition date, related to this company at the end of fiscal years 2022 and 2021 are as follows (expressed in thousands):

Name/Address/Activity	31 December 2022						
	Share %	Capital	Operating profit/(loss)	Profit/(loss) for the fiscal year (***)	Reserves	Other equity	Total equity
<i>Thousands of GBP</i>							
London Luton Airport Holdings III Limited (*)	51 %	986	37,922	8,439	103,874	(249,339)	(136,040)
London Luton Airport Holdings II Limited (*)	51 %	986	41,638	11,417	103,874	(271,692)	(155,415)
London Luton Airport Holdings I Limited (*)	51 %	1,930	41,640	21,146	197,341	(257,004)	(36,587)
London Luton Airport Group Limited (*)	51 %	5,274	63,815	51,391	66,170	-	122,835
London Luton Airport Operations Limited (**)	51 %	5,274	63,815	51,391	66,170	-	122,835

(*) Data obtained from the consolidated annual accounts at 31 December 2022.

(**) Data obtained from the individual annual accounts as of 31 December 2022.

(***) The profit/(loss) for the year comes entirely from continuing operations.

Name/Address/Activity	31 December 2021						
	Share %	Capital	Operating profit/(loss)	Profit/(loss) for the fiscal year (***)	Reserves	Other equity	Total equity
<i>Thousands of GBP</i>							
London Luton Airport Holdings III Limited (*)	51 %	986	(31,315)	(51,826)	97,453	(197,726)	(151,113)
London Luton Airport Holdings II Limited (*)	51 %	986	(27,600)	(47,073)	97,453	(224,832)	(173,466)
London Luton Airport Holdings I Limited (*)	51 %	1,930	(27,598)	(41,003)	190,920	(216,213)	(64,366)
London Luton Airport Group Limited (*)	51 %	5,274	(2,089)	(4,672)	70,628	-	71,230
London Luton Airport Operations Limited (**)	51 %	5,274	(2,089)	(4,672)	70,628	-	71,230

(*) Data obtained from the consolidated annual accounts as of 31 December 2021.

(**) Data obtained from the individual annual accounts as of 31 December 2021.

(***) The profit/(loss) for the year comes entirely from continuing operations.

In financial year 2013, ADI subscribed shares representing 40% of the capital of London Luton Airport Holdings III Limited (LLAHL III) for an amount of £39.4 million (corresponding to €47.3 million), with Aerofi S.a.r.l. (Aerofi) being the other shareholder of the company with a stake of 60%.

LLAHL III is a holding company created with the objective, through its 100% subsidiary London Luton Airport Holdings II Limited (LLAHL II), which in turn owns 100% of London Luton Airport Holdings I Limited (LLAHL I); of carrying out the acquisition, on 27 November 2013, of London Luton Airport Group Limited and its subsidiary London Luton Airport Operations Limited, the company that manages London Luton Airport in the United Kingdom. Within the framework of the transaction, Aena Desarrollo Internacional S.M.E., S.A. and Aerofi signed an agreement whereby Aena Desarrollo Internacional S.M.E., S.A. had the option (purchase option) to acquire, from Aerofi, the shares representing 11% of the share capital of LLAHL III, for an eleven-month period as of 27 November 2013, at a price equivalent to the subscription price of those shares. This price was adjusted due to certain factors linked to the dividends received by Aerofi, the financial costs of 51% of the debt subscribed by Aerofi in LLAHL II, return on earnings and the issuance of new LLAHL III shares that occurred during the fiscal year.

On 16 October 2014, ADI, once the relevant authorisations were obtained, proceeded to execute the purchase option, reaching 51% of the share capital in LLAHL III for an amount of £13.7 million (corresponding to €17.2 million). ADI also took on 51% of the debt subscribed by Aerofi in LLAHL II, which amounted to £48.3 million. This debt corresponds to a 10-year

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

shareholder loan, at 8% interest, with semi-annual payment of interest and with amortisation at maturity in November 2025, with the option of capitalizing the interest accrued on the date of payment becoming part of the principal and accruing interest. This option has been used both in fiscal year 2022 and in fiscal year 2021. Therefore, as of 31 December 2022, the nominal amount of the shareholder loan granted to LLAHL II amounts to £61,099 thousand (2021: £56,489 thousand), corresponding to €68,888 thousand (2021: €67,227 thousand). In the fiscal year 2022, this loan generated interest in favour of Aena Desarrollo Internacional S.M.E., S.A. of €5,440 thousand (2021: €5,006 thousand).

The financing of the transaction was implemented by a capital increase in ADI, 100% subscribed by parent company Aena. As a result of this operation, in 2014, ADI acquired control of LLAHL III and, therefore, the Aena Group consolidated this company (and its subsidiaries) through the global integration method.

In 2014, the Company, through its investee ADI and with the advice of independent experts, completed the process of carrying out the valuations of (i) the fair value of the previous 40% stake held in LLAH III and (ii) the fair values of the assets and liabilities of the acquired business. Therefore, the Aena Group's consolidated accounts recognised and valued the identifiable assets acquired and liabilities assumed at the acquisition date.

In order to strengthen Luton's liquidity following the sharp fall in airport activity as a result of the pandemic, a loan for the amount of £55 million was drawn up on 5 August 2020, through which Aena Desarrollo Internacional, S.M.E., S.A. and AMP Capital Investors Crown S.à r.l., shareholders of LLAH III, undertake to facilitate liquidity to London Luton Airport Holdings III Limited (LLAH III), and to its subsidiaries, in order to ensure that London Luton Airport Holdings I Limited can comply with the requirements of the monthly liquidity test demanded by its creditors. The amount corresponding to Aena Desarrollo Internacional amounts to £28 million. On 5 July 2021, LLAH III requested the disposal of £20 million, of which £10,200 thousand correspond to ADI, equivalent to €12,139 thousand at the end fiscal year 2021. On 16 December 2021, the loan was novated reducing the loan amount to £40 million and extending its maturity until 31 August 2024. As of 31 December 2022 the loan recorded in ADI with LLAH III amounts to £11,212 thousand which is equivalent to €12,642 thousand at the end of fiscal year 2022.

The interest accrued in fiscal year 2022 in favour of ADI for this new loan was €1,000 thousand (2021: €446 thousand).

Furthermore, worth noting, is the sustainable recovery agreement formalized on 17 November 2021 between London Luton airport and Luton Borough Council, based on the Special Force Majeure (SFM) mechanism included in the concession contract, and whose final agreement foresees a reduction of the concession fee of £45 million (up to 2023), a concession extension of 16.5 months (from 31 March 2031 to 15 August 2032), as well as an agreement on other environmental and economic-social matters with value for both parties.

In line with the test conducted by Aena, at the close of the fiscal year ended on 31 December 2022, Aena Desarrollo Internacional has calculated the recoverable amount of its stakes, as well as of the loan granted to its subsidiaries LLAHL II and LLAH III, by estimating its share in the cash flows expected to be generated by the held companies, arising from both their ordinary activities and their disposal or write-off in accounts. These calculations use cash flow forecasts based on financial budgets approved by Management that cover the duration of the operating concessions of the Luton (London, United Kingdom) airports. The flows consider past experience and represent Management's best estimate of future market evolution. As a result of this test, at the end of fiscal year 2022, as mentioned above, ADI recorded a reversal of impairment in its stake in LLAHL III for the amount of €15,455 thousand, in relation to the impairment produced in (2021: impairment reversal of €29,867 thousand).

b) Aeroportos do Nordeste do Brasil (ANB)

On 15 March 2019, ADI was declared the winner by the Brazilian National Civil Aviation Agency (ANAC) of the auction held in connection with the operation and maintenance concession for the following airports: Recife/Guararapes-Gilberto Freyre International Airport, Maceió/Zumbi dos Palmares International Airport, Aracaju-Santa Maria International Airport, Presidente João Suassuna Airport of Campina Grande, Presidente Castro Pinto International Airport of Joao Pessoa and Orlando Bezerra de Menezes Airport of Juazeiro do Norte in Brazil. These airports are grouped within the so-called Northeast Brazil Airport Group. The 30-year service concession contract was signed by the subsidiary Aeroportos do Nordeste do Brasil S.A. (hereinafter 'ANB') in October 2019, and the start of operation at the six airports began between January and March 2020.

In accordance with Act 40/2015, of 1 October, on the Legal Regime of the Public Sector, at its meeting on 12 April 2019, the Council of Ministers agreed to authorise ADI to create the state trading company called Aeroportos do Nordeste do Brasil S.A. (hereinafter, "ANB") as the holder of the concession to manage the aforementioned airports. On 30 May 2019, the new Brazilian company was incorporated, wholly owned by Aena Desarrollo Internacional S.M.E. S.A., with a share capital of

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

R\$10,000 and with the specific and exclusive corporate purpose of providing public services for the expansion, maintenance and operation of the infrastructure of the airport complexes that make up the Northeast of Brazil block. At its meeting held on 1 July 2019, the Board of Directors of the Brazilian company approved a share capital increase of R\$2,388,990,000, which was fully subscribed by its sole shareholder.

Likewise, the stake amount increased by R\$14,601,360 (€3,233,465.45 at the exchange rate of 4.5157 EUR/BRL) corresponding to the assumption by ADI of tender expenses arising from obtaining the concession registered in ANB mentioned previously.

Given the characteristics of the bid specifications, it is possible to qualify this contract as a public services management contract in the form of a concession, and its successful tenderer must provide all services corresponding to an airport manager, although not including ATC (Air Traffic Control) services. The main summarised points of this agreement are the following:

- The concession, which has a period of 30 years that may be extended for 5 additional years, is a BOT (build, operate and transfer) concession. Once the total term of the concession has ended, the full and unlimited possession of the land and the entirety of the existing facilities (including the useful expenses made by the concessionaire and the improvements that may have been incorporated by it) will revert to the Brazilian National Civil Aviation Agency without any right to compensation in favour of the Concessionaire.
- Revenue from aeronautical activity is regulated under a dual till model.
- The new Concession Company will have the right to receive remuneration for the price of the use of the facilities and for the provision of services linked to the management of the airport.
- For its part, the Administration receives a fixed fee of R\$1,900 million (approximately €427.7 million) on the date of signing the contract and a variable fee from the fifth year based on the gross revenue of the concession agreement. The variable financial consideration is set at 8.16% of gross revenue, with an initial grace period of 5 years and 5 progressive years. This would commence at 1.63% in 2025 and gradually increase to 3.26% in 2026, 4.90% in 2027, 6.53% in 2028, reaching the applicable contractual rate of 8.16% in 2029 and in successive years.
- The National Civil Aviation Agency (ANAC) estimated an investment amount of R\$2,153 million in the bid specifications (equivalent to €486.6 million at an EUR/BRL exchange rate 4.4239) distributed among investments aimed at: adapting the infrastructure to traffic (25.6% of the total estimated by the Brazilian authority); non-mandatory discretionary investments that are mainly intended for commercial areas (31.7%); and infrastructure, runways and equipment maintenance (42.7%).

In accordance with the provisions of the Concession Contract, also considering the interpretations made by the Brazilian authorities on the COVID-19 pandemic, as well as the legislation applicable to the case, ANB has been submitting requests for financial economic rebalancing to ANAC, for the amount of the imbalances estimated in the fiscal years 2020 to 2022.

On 14 December 2021, ANAC approved said request, concluding that the recounted event falls within the contractual risk matrix, especially in terms of its effects on the concession in the period March to December 2020, and that the amount of the imbalance in the period cited amounted to R\$69.7 million (€11.0 million at the exchange rate of 31 December 2021) before taxes.

This imbalance will be compensated as follows:

- Assumption of the excess of the rates applied in 2020 at the Maceio airport over the applicable contractual rate ceiling, for R\$1.1 million (€0.2 million at the exchange rate of 31 December 2021).
- Increase in domestic and international boarding charges at Recife Airport (R\$2.50 per passenger) and Maceió, Aracaju and João Pessoa airports (R\$2.20 per passenger) from January 2022, over the contractual charge ceiling applicable to said airports.
- Elimination of the annual variable contribution. This contribution payable to the Brazilian state is determined as a percentage of the concession revenue, beginning in the 5th full year of the concession (2024) and until its completion.
- The measures will be applied until the imbalance is exhausted, which will be updated by the HICP and at the contractual WACC of 8.86%.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Considering the approved imbalances, the offsetting made in 2022 via boarding charges and the update mentioned in the previous point, as of 31 December 2022, the rebalancing amount to be offset is estimated to be R\$139.9 million (€24.8 million at the exchange rate of 31 December 2022) before tax.

Once the 2021 rebalancing approval process was completed, ANB initiated the process of requesting an imbalance for the fiscal year 2022, in which it understands that it is entitled to the same rights since circumstances similar to those of the fiscal year 2021 continue to prevail. Thus, in December 2022, a request for rebalancing was submitted based on an EBITDA estimate of the year-end closing, with a calculation methodology, amount and rebalancing conditions similar to those of fiscal years 2020 and 2021.

For accounting purposes, the charge increase is recorded as operating revenue at the time the service is provided, according to its accrual. During the period in which the rebalancing is in force, the variable contribution is recorded as minus expenses in the fee accrual year.

The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed on the acquisition date, related to this company at the end of fiscal years 2022 and 2021 are as follows (expressed in thousands):

31 December 2022								
Thousands of RBL (*)								Thousands of euros
Name/ Address/Activity	Fraction of Indirect capital (%)	Capital	Profit/(Loss)		Reserves	Other equity	Total equity	Book value (*)
			Operation	Net				
Aeroportos do Nordeste do Brasil S.A. (ANB) <i>State of Recife, Pernambuco</i> Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	100%	2,389,000	312,963	213,678	-	(704,753)	1,897,925	274,293
Total								274,293

() Data obtained from the individual annual accounts for the fiscal year 2022.*

31 December 2021								
Thousands of RBL (*)								Thousands of
Name/ Address/Activity	Fraction of Indirect capital (%)	Capital	Profit/(Loss)		Reserves	Other equity	Total equity	Book value
			Operation	Net (**)				
Aeroportos do Nordeste do Brasil S.A. (ANB) <i>State of Recife, Pernambuco</i> Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	100%	2,389,000	(551,909)	(361,537)	-	(343,216)	1,684,247	203,481
Total								203,481

() Data obtained from the individual annual accounts for the fiscal year 2021.*

As of 31 December 2022, the Company has conducted an impairment test for the investment it maintains in ANB. The calculation of the recoverable amount of the investment has been carried out in accordance with the estimated value in use through the valuation of the cash flows expected to be generated by this subsidiary company, converted at the exchange rate applicable on the date of the determination of that value (closing exchange rate on the balance sheet date). These calculations

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

are based on cash flow forecasts based on financial budgets prepared by ANB and approved by Management, and which cover the duration of the concession of the Brazilian airports. Said flows represent Management's best estimate of the market's future evolution. As a result of this test, at the end of 2022 ADI recognised an impairment reversal of €70,194 thousand on its stake in ANB (2021: allowance for impairment of €90,329 thousand), mainly as a result of a decrease in the projected cost of investments to be executed in the period 2022 to 2027, mainly due to the re-estimation of the cost of works following the awarding of various works and supply contracts, and the adaptation of the sizing of certain projects in this period to the needs of the service.

c) Bloco do Onze Aeroportos do Brasil S.A.

Within the scope of the objectives of the Strategic Plan 2018-2021 and in the strategic vision for the period 2022-2026, on 18 August 2022, the National Civil Aviation Agency of Brazil (ANAC [Agência Nacional de Aviação Civil]) declared ADI the winner in the auction held for the signing of a concession contract for the expansion, maintenance and operation of the following 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 – Uberaba (hereinafter, the Tender).

In accordance with the provisions of Act 40/2015, of 1 October, on the Legal Regime of the Public Sector, on 18 October 2022 the Council of Ministers approved authorisation for Aena Internacional to create in Brazil the state trading company Bloco do Onze Aeroportos do Brasil S.A. (hereinafter, "BOAB"), to be the future concession company of the airports in the SP/MS/PA/MG Block. On 16 November 2022, BOAB was incorporated as a company wholly owned by Aena Internacional, whose corporate purpose is to provide public services for the expansion, maintenance and operation of the airport infrastructure of the airport complexes comprising the SP/MS/PA/MG block. The Company BOAB was incorporated with an initial share capital of R\$10 thousand, which was fully subscribed by Aena Internacional and of which R\$1,000 were paid up. The Board of Directors of BOAB, at a meeting held on 28 November 2022, approved a share capital increase of R\$4,124 million, which was fully subscribed by Aena Internacional. On 26 January 2023, Aena Internacional paid up the R\$1,639 million of the share capital, complying with the minimum amount to be paid up in accordance with the Tender Specifications.

The signing of the concession contract is scheduled to take place at the end of March 2023. Given the characteristics of the bid specifications, it is possible to qualify this contract as a public services management contract in the form of a concession, and its successful tenderer must provide all services corresponding to an airport manager, although not including ATC (Air Traffic Control) services. The main summarised points of this agreement are the following:

- The concession, which has a period of 30 years that may be extended for 5 additional years, is a BOT (build, operate and transfer) concession. Once the total term of the concession has ended, the full and unlimited possession of the land and the entirety of the existing facilities (including the useful expenses made by the concessionaire and the improvements that may have been incorporated by it) will revert to the Brazilian National Civil Aviation Agency without any right to compensation in favour of the Concessionaire.
- Revenue from aeronautical activity is regulated under a dual till model.
- The new Concession Company will have the right to receive remuneration for the price of the use of the facilities and for the provision of services linked to the management of the airport.
- For its part, the Administration receives a fixed fee of R\$2,450 million (approximately €457.5 million) on the date of signing the contract and a variable concession fee from the fifth year based on the gross revenue of the concession agreement. The consideration for the fifth year is 3.23% and progressively increases (6.46% in the sixth, 9.69% in the seventh and 12.92% in the eighth) up to 16.15% annually in the ninth year and thereafter until the end of the concession.
- The National Civil Aviation Agency (ANAC) estimated in the call for tenders an investment amount of R\$5,808 million (at constant October 2020 prices). At Congonhas airport alone, a total of R\$3,350 million was expected to be invested over the 30-year concession period, of which 75.4% (R\$2,530 million) was to be invested in infrastructure expansion in the first five years of the contract.

The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed at the acquisition date, related to this company at the end of the fiscal year 2022 are the following (expressed in thousands):

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Name/Address/Activity	31 December 2022							Thousands of euros
	Fraction of Indirect Capital (%)	Capital	Thousands of RBL (*)		Reserves	Other equity	Total equity	
			Profit/(Loss) Operation	Net				
Bloco do Onze Aeroportos do Brasil S.A. (BOAB) State of Sao Paulo-Brazil Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the SP/MS/PA/MGI Group.	100%	1	(549)	(362)	-	-	(361)	0.18
Total								0.18

(*) Data obtained from the individual annual accounts for the fiscal year 2022.

11.3 Stakes in associated and jointly controlled companies (BOAB)

On the other hand, the Company has indirect holdings in other companies through its subsidiary ADI. The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, related to this company at the end of the fiscal years 2022 and 2021 are the following (expressed in thousands):

Name/Address/Activity	Share %	Capital	31 December 2022					Total equity
			Operating profit/(loss)	Profit/(loss) for the fiscal year	Reserves	Other equity		
<i>Thousands of COP</i>								
Sociedad Aeroportuaria de la Costa S.A. (SACSA) Rafael Núñez Airport. Cartagena de Indias-Colombia. Operation of Cartagena Airport (*)	37.89 %	3,698,728	15,669,700	12,294,591	20,224,855	-	36,218,174	
<i>Thousands of MXN</i>								
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) Mexico City Operator of 12 airports in Mexico (*)	33.33 %	1,484,705	1,917,193	1,919,153	329,277	237,713	3,970,848	
<i>Thousands of COP</i>								
Aerocali, S.A. Alfonso Bonilla Aragón International Airport (Cali, Colombia) Operation of Cali Airport (*)	50.00 %	3,800,000	72,110,816	48,942,977	10,951,801	-	63,694,778	

(*) Data obtained from the annual accounts at 31 December 2022.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Name/Address/Activity	31 December 2021						
	% Stake	Capital	Operating profit/(loss)	Profit/(loss) for the fiscal	Reserves	Other equity	Total equity
<i>Thousands of COP</i>							
Sociedad Aeroportuaria de la Costa S.A. (SACSA) Rafael Núñez Airport. Cartagena de Indias-Colombia. Operation of Cartagena Airport (*)	37.89 %	3,698,728	63,524,206	49,618,005	13,150,541	(22,000,000)	44,467,274
<i>Thousands of MXN</i>							
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP) Mexico City Operator of 12 airports in Mexico (*)	33.33 %	171,500	1,016,654	1,016,911	2,292,311	(101,825)	3,378,897
<i>Thousands of COP</i>							
Aerocali, S.A. Alfonso Bonilla Aragón International Airport (Cali, Operation of Cali Airport (*)	50.00 %	3,800,000	55,119,845	38,641,837	3,666,252	(22,523,231)	23,584,858

(*) Data obtained from the annual accounts at 31 December 2021.

The equity of the investee Companies in Colombia and Mexico includes the inflation adjustments item, following the rules established for this purpose in the respective country.

On 25 September 2020, the concession of the Rafael Núñez international airport in the city of Cartagena de Indias ended, managed by Sociedad Aeroportuaria de la Costa S.A. The agreement was first extended for two additional months, then for an additional four months and then, an extension of compensation due to the effects of the pandemic generated by COVID-19 has been signed with the ANI, with a variable term, initially for a maximum duration until 31 July 2022. On 4 January 2022 it was changed to a fixed term until December 2022 and again on 14 October 2022 until 31 August 2023.

As of 31 December 2022, ADI has performed an impairment test to determine the recoverability of the amount of its interests in associates and joint control, no impairment is required to be recorded in any case.

As of 31 December 2022, ADI has received dividends from SACSA amounting to €1,820 thousand (2021: €2,553 thousand), from Aerocali amounting to €1,945 thousand (2021: €2,247 thousand) and from AMP amounting to €21,811 thousand (2021: €0 thousand).

11.3.1 Aerocali

On 29 May 2014, subsidiary company Aena Desarrollo Internacional S.M.E., S.A. purchased 63,335 additional ordinary shares in Aerocali, S.A., which amount to a 16.67% stake. With this acquisition, Aena Desarrollo Internacional S.M.E., S.A. now has a 50% stake in this company. The amount paid for this acquisition came to €2,036 thousand. According to the analysis carried out by the management of Aena Desarrollo Internacional S.M.E., S.A., with this acquisition, there would be no control over the investee, since there is joint control. Therefore, on 31 December 2022 and 31 December 2021, it continues to be recorded in the consolidated annual accounts using the equity method with changes in the invested percentage from the acquisition of the new shares.

On 1 September 2020, the concession of the Alfonso Bonilla Aragón International Airport, Cali, managed by the Company Aerocali S.A., expired. The contract was extended for a further six months. With the situation caused by COVID-19, in March 2021, Aerocali reached an agreement with the National Infrastructure Agency (ANI) of Colombia by which the compensation mechanisms are agreed and it was determined that the maximum compensation extension period is July 2022. On 22 November 2021, an extension of the concession contract was signed until 31 December 2022, and subsequently, on 15 November 2022, it was extended until 31 October 2023.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

11.3.2 Aeropuertos Mexicanos del Pacífico (AMP)

On 24 February 2006, Grupo Aeroportuario del Pacífico, S.A. (a company in which AMP has invested) was listed on the Mexican and New York stock markets through an IPO carried out by the Mexican Government (former owner of the remaining 85% of the share capital). In addition, Aeropuertos Mexicanos del Pacífico acquired 2.296% of Grupo Aeroportuario del Pacífico, S.A. on the stock exchange for Mex\$286,297,895, increasing its stake to 17.296% of its capital. In May 2008, 640,000 shares were acquired on the stock exchange for an amount of Mex\$26,229,376, increasing from 0.11396% to 17.40996% of Grupo Aeroportuario del Pacífico, S.A. On 19 December 2019, in compliance with the board determination, AMP sold 250,000 series B shares representing 1.85% of the 2.41% held in these shares, and therefore having sold 0.04% and maintaining 17.4% (17.36996% vs. 17.40996%) of GAP with a profit of Mex\$29.6 million.

The average acquisition price for the shares held by Aeropuertos Mexicanos del Pacífico in Grupo Aeroportuario del Pacífico is Mex\$23.12, while the share price at 31 December 2022 was Mex\$279.40 (2021: Mex\$282.16) and the average share price over the last quarter was Mex\$300.16 in 2021 (2021 Mex\$265.26). In this regard, in relation to the impairment test of its stake in ADI carried out by the Company, there is a relevant tacit gain arising from the difference between the book value and the share price mentioned above. In this regard, and as mentioned previously, it is important to mention that the management and administrators of ADI estimate that the valuation of its investment in AMP as of 31 December 2022, made on the basis of the recoverable value on that date, would amount to €452,105 thousand, whereas the net book value of the Company's investment in AMP as of 31 December 2022 amounts to €50,555 thousand, with a substantial tacit capital gains of €401,550 thousand.

On 27 April 2021, at the Extraordinary Annual General Meeting (AGM) of GAP, the cancellation of 35,424,453 shares in treasury was approved, which will increase the stake of AMP in GAP, reaching 18.5359%, when the Mexican National Banking and Securities Commission (CNBV) formalises the cancellation of GAP shares.

AMP has communicated that the cancellation had been formalised by the CNBV in the first half of 2022, with no formal confirmation having been received to date. Additionally, the Shareholders' Meeting of GAP, at a meeting held on 22 April 2022, approved the cancellation of 13,273,970 shares acquired by the company itself, which represents an increase in AMP's stake in GAP from 18.54% to 19.02%, with the cancellation also pending formalisation of the cancellation by the CNBV.

On 31 May 2021, at the Annual General Meeting (AGM) of the investee company Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V., the reduction of 375,000 thousand shares from the variable portion of its share capital was approved, placing it at Mex\$931,400 thousand. As a result of this transaction, the Group has recognised a cash inflow of €5,208 thousand, reduced its shareholding in the associate by €5,018 thousand and recorded the difference resulting from this transaction into equity. Likewise, on 27 September 2021, at the Annual General Meeting (AGM) of the investee company Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V., the reduction of 759,900 thousand shares from the variable portion of its share capital was approved, placing it at Mex\$171,500 thousand. As a result of this transaction, the Group recognised a cash inflow of €10,668 thousand, reduced its shareholding in the associate by €10,664 thousand and recorded the difference resulting from this transaction into equity. These transactions did not generate changes in the stake percentage.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

11.4 Other stakes

On 4 February 2022, Aena purchased shares in the trade company INFRA GRANADILLA 2, S.L., reaching a stake of 13.76%. The book value of this stake as of 31 December 2022 amounts to €26 thousand.

The amounts of capital, equity, results and book value related to other stakes at the end of fiscal year 2022, expressed in thousands of euros, are as follows:

Name/Address/Activity	Fraction of Direct Capital (%)	Capital	Profit/(Loss)		Reserves	Other equity	Total equity	Book value
			Operation	Net				
INFRA GRANADILLA 2 S.L.	13.76 %	3	(15)	(15)	-	188	176	26
C/ Rioja No. 25 Seville								
Production, sale, storage and marketing of renewable electricity and thermal energy, as well as the exploitation and development of projects related to renewable energy: wind, photovoltaic and any other type.								
Total								26

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

12. Transactions and balances with related parties

The breakdown of the debit and credit balances maintained with group and related companies at the end of the fiscal years 2022 and 2021 is the following:

Fiscal year 2022

Note	Short-term payables	Long-term payables	Long-term loans	Other short-term financial assets	Long-term debts	Other non-current liabilities (sureties)	Short-term debts	Short-term debts (taxes)	Other short-term liabilities (sureties)	Fixed asset suppliers	Customer advances	Receivables
	13				15	10	15	15	10	15	16	16
Parent company:												
ENAIRE	81	-	-	-	(3,110,718)	(553)	(525,286)	-	-	-	-	(22,732)
Transactions with group and associated companies:												
Aena Desarrollo Internacional S.M.E., S.A. (ADI)	85	-	374,934	-	-	-	-	(10,004)	-	-	-	-
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (AIRM)	200	-	3,000	1,727	-	-	-	(429)	-	(2)	-	-
Aeroportos do Nordeste do Brasil, S.A. (ANB)	-	1,567	-	-	-	-	-	-	-	-	-	-
Transactions with related parties:												
Servicios y Estudios para la Navegación Aérea y la Seguridad Aeronáutica, S.A.U. (SENASA)	32	-	-	-	-	-	-	-	-	-	-	-
State Meteorological Agency (AEMET)	6	-	-	-	-	-	-	-	-	-	-	(1,220)
Ingeniería de Sistemas para la Defensa de España, S.A. (ISDEFE)	-	-	-	-	-	-	-	-	-	(289)	-	(183)
Ingeniería y Economía del Transporte, S.A. (INECO)	-	-	-	-	-	-	-	-	-	(543)	-	(440)
Other related parties	2,530	-	-	-	-	(192)	-	-	(26)	(2,186)	(3)	(980)
	2,934	1,567	377,934	1,727	(3,110,718)	(745)	(525,286)	(10,433)	(26)	(3,020)	(3)	(25,555)

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Fiscal year 2021

	Receivables	Long-term loans	Short-term loans	Short-term loans (Taxes)	Other short-term financial assets	Long-term debts	Other non-current liabilities	Short-term debts (Taxes)	Other non-current liabilities	Fixed asset suppliers	Customer advances	Receivables
Note	13			22	10	15	10	15	10	15	16	16
Parent company:												
ENAIRE	95	-	-	-	-	(3,624,598)	(553)	(545,693)	(30,393)	-	-	(7,605)
Transactions with group and associated companies:												
Aena Desarrollo Internacional S.M.E., S.A. (ADI)	148	370,000	93	1,040	-	-	-	-	-	-	(3)	(92)
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (AIRM)	218	-	-	470	531	-	-	-	-	-	-	-
Aeropertos do Nordeste do Brasil, S.A. (ANB)	899	-	-	-	-	-	-	-	-	-	(24)	-
Transactions with related parties:												
Servicios y Estudios para la Navegación Aérea y la Seguridad Aeronáutica, S.A.U. (SENASA)	26	-	-	-	-	-	-	-	-	-	-	-
State Meteorological Agency (AEMET)	-	-	-	-	-	-	-	-	-	-	-	(1,199)
Ingeniería de Sistemas para la Defensa de España, S.A. (ISDEFE)	-	-	-	-	-	-	-	-	-	(390)	-	(271)
Ingeniería y Economía del Transporte, S.A. (INECO)	-	-	-	-	-	-	-	-	-	(763)	-	(276)
Other related parties	5	-	-	-	-	-	(198)	-	(27)	(2,311)	(3)	(1,076)
	1,391	370,000	93	1,510	531	(3,624,598)	(751)	(545,693)	(30,420)	(3,464)	(30)	(10,519)

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The breakdown of transactions made with group and related companies during the fiscal year 2022 is as follows (in thousands of euros):

	Notes	ENAIRE (Public Entity)	ADI	AIRM	ANB	SENASA	AEMET	ISDEFE	INECO	Other related parties
Revenue from services rendered		(933)	(476)	(980)	(669)	(34)	-	-	(5)	(4,631)
Services received		35	-	-	-	10	-	1,084	2,004	1,633
Supplies: Works performed by other companies	23,2	123,060	124	-	-	-	11,994	-	-	45
Acquisitions of fixed assets	6 7	156	22	2	-	-	-	2,329	778	4,772
Voluntary reserves		36	-	-	-	-	-	-	-	-
Other profit/(loss) – net		-	-	(2)	-	-	-	-	-	-
Finance (revenue)/expenses	23,6	37,047	(4,841)	-	-	-	-	-	-	-

The breakdown of transactions made with group and related companies during the fiscal year 2021 is as follows (in thousands of euros):

	Notes	ENAIRE (Public Entity)	ADI	AIRM	ANB	SENASA	AEMET	ISDEFE	INECO	Other related parties
Revenue from services rendered		(612)	(201)	(1,012)	(108)	(36)	-	-	-	(2,430)
Services received		19	-	-	-	3	-	1,353	3,064	4,182
Supplies: Works performed by other companies	23,1	119,219	1,028	-	-	-	11,664	-	-	-
Acquisitions of fixed assets	6 7	-	101	-	-	-	-	3,060	1,498	5,197
Voluntary reserves		20	-	-	-	-	-	-	-	-
Other profit/(loss) – net		-	-	-	-	-	-	-	-	3
Finance (revenue)/expenses	23,6	31,083	(3,751)	-	-	-	-	-	-	-

All related-party transactions are conducted at market values. Additionally, the transfer prices are properly supported, thus the Company administrators believe that there are no significant risks in this respect that could arise from any liabilities that may exist in the future.

12.1 Main contracts

Listed below are the agreements drawn up by the Company with its majority shareholder, public business entity “ENAIRE”, and the other group and related companies for the fiscal years 2022 and 2021:

12.1.1 ENAIRE

On 20 December 2016, the Board of Directors of Aena S.M.E., S.A. approved the ATM (Air Traffic Management) and CNS (Communication, Navigation, Surveillance) agreement, ‘Agreement to provide air navigation services between ENAIRE and Aena’, which was also approved by the Board of Directors of ENAIRE on 23 December 2016. This agreement extends through the 2017-21 period for a total amount of €662,367 thousand. Upon its expiration, a new agreement was signed, which entered into force on 1 January 2022 and ends on 31 December 2026.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

On 26 May 2020, the Aena Board of Directors approved an addendum to the 'Agreement to provide air navigation services between ENAIRE and Aena' which involved a reduction of the annual amount by €12 million in the total amounts of ATM and CNS aerodrome services distributed between May and December 2020. On 21 December 2021, the Board of Directors of Aena approved a new addendum to the 'Agreement for the provision of air navigation services between ENAIRE and Aena' which implied an additional reduction of €9.7 million motivated by the consideration of the ATS services effectively provided at Palma de Mallorca Airport in 2020 and 2021 and the reduction of the demand for air transport in 2021 caused by COVID-19.

On 31 December 2021, Aena signed a 5-year contract with ENAIRE for the provision of the in-flight verification service.

On 31 October 2017, Aena and ENAIRE signed a service provision agreement for the car parks of the Aena network, for the free use of the car park 15 days a year for ENAIRE employees. As a result of this agreement, the economic benefits between the parties during 2022 amounted to €95 thousand (2021: €53 thousand), recorded at market value, although the amount paid by ENAIRE amounted to €24 thousand (2021: €13 thousand).

12.1.2 Aena Desarrollo Internacional S.M.E., S.A.

On 1 October 2014 and with effect from 1 April 2012, Aena signed a contract with the subsidiary Aena Desarrollo Internacional S.M.E., S.A. for a period of 3 years and annual extensions unless expressly notified otherwise, in which the latter provided AENA with in-flight verification services, using its own aircraft and equipment. For the operation of the aircraft, ADI used a service order signed with the state-owned trading company Servicios y Estudios para la Navegación Aérea y la Seguridad Aeronáutica (SENASA). When the agreement with SENASA was not renewed, Aena tendered the contract for the in-flight verification services by means of an open procedure, including as part of the subject matter of the file, the necessary acquisition from ADI, by the successful bidder, of the aircraft with which the service is provided. The purchase price was set at €1,425 thousand, corresponding to the valuation carried out by an expert appraiser, and ENAIRE was awarded the contract as the lowest bidder. The benefit to ADI from this operation was €922 thousand. ENAIRE's purchase of the aircraft from ADI took place on 30 March 2022.

On 1 December 2017, with the purpose of efficiently and appropriately implementing the Group's policies for more efficient corporate management, Aena Desarrollo Internacional, S.M.E., S.A. contracted with Aena S.M.E., S.A. the provision of certain consulting and management support services, which are outlined in the agreement signed for this purpose. The duration period of the agreement is three years with up to a maximum of four annual extensions, as long as there is agreement between the parties. The price of the services rendered is set annually and is revised according to the volume of services rendered. In 2022, services rendered amounted to €472 thousand (2021: €199 thousand).

On 20 June 2019, and taking effect on this day, a credit line agreement was signed between Aena (crediting party) and Aena Desarrollo Internacional (credited party) for €400 million, of which €30 million were reimbursed before 31 December 2019, to finance the treasury needs of the capital contribution of the airports in Northeast Brazil. The duration is four years and may be extended for periods of two years up to a maximum of three extensions, provided that neither party requests the cancellation 15 days before the maturity date. This line of credit accrues interest referenced to the 1 month Euribor, plus a 1% differential. At the end of the fiscal years 2022 and 2021, no balance has been drawn from this line of credit.

For the purposes of reinforcing Aena Desarrollo Internacional's own funds, on 23 December 2021, the portion corresponding to the Principal Pending Amortisation of the aforementioned line of credit (€370,000 thousand) was converted into an equity loan under the terms of Article 20 of Royal Decree-Law 7/1996, of 7 June, on Urgent Fiscal and Development Measures and Deregulation of Economic Activity. It was expressly agreed that ADI might only amortise the Equity Loan if such amortisation in advance is offset by an increase of the same amount of its own funds and provided that it does not come from the updating in the value of assets. The principal will accrue variable interest of Euribor +100 basis points. The Equity Loan will mature on 23 December 2023, with automatic two-year extensions, if neither party requests its cancellation fifteen (15) days before the maturity date or the maturity date of each of the extensions (up to a maximum of two extensions).

Moreover, on 16 March 2018, and taking effect on this day, a credit line agreement was signed between and Aena Desarrollo Internacional (crediting party) and Aena (credited party) at a maximum limit of €100 million to finance general treasury needs. The duration was two years and it was extended for two more years, with its expiration being March 2022.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

12.1.3 Aena, Sociedad Concesionaria del Aeropuerto de la Región Internacional de Murcia S.M.E., S.A.

On 25 April 2018, an agreement was signed whereby Aena, Sociedad Concesionaria del Aeropuerto de la Región Internacional de Murcia S.M.E., S.A., hired Aena S.M.E., S.A. for the provision of consulting services and assistance in the planning, organisation, coordination and management of business activity areas, for a duration of three years from the date of signing.

On 26 April 2021, a new Agreement was signed with a duration of three years extendable up to a maximum of one year, highlighting the following services provided by Aena:

- General Management of Airports.
- General Sales and Real Estate Management.
- Management of the Office of the Chairman, Regulation and Public Policies.
- Economic-Financial Management.
- General Secretary of the Company.
- Organisation and Human Resources Management.
- Communications Management.
- Innovation, Sustainability and Customer Experience Management.
- Internal Audit Division.

In 2022 the services rendered derived from this agreement amounted to €980 thousand (2021: €977 thousand).

In order to strengthen AIRM's equity and provide it with the financial resources to enable it to perform its activity, on 10 February 2022 Aena granted a participating loan of €3,000 thousand under the terms of article 20 of Royal Decree-Law 7/1996, of 7 June, on Urgent Tax Measures and Measures for the Promotion and Liberalisation of Economic Activity. The principal will accrue variable interest at Euribor plus a spread of 1%, provided that in any of the fiscal years up to the maturity date, AIRM obtains an EBITDA for the last 12 months ended and audited as of the Interest payment date that is higher than the variable interest accrued on the Principal.

The Equity Loan will expire on 15 December 2023, with two-year extensions (up to a maximum of two extensions).

Moreover, on 10 February 2022, Aena granted a credit line of €12,000 thousand to AIRM at a variable interest rate of Euribor plus a spread of 1%. The credit line expires on 15 December 2023, with two-year extensions (up to a maximum of two extensions).

12.1.4 Aeroportos do Nordeste do Brasil S.A. (ANB)

On 1 September 2020, an agreement was signed whereby Aeroportos do Nordeste do Brasil S.A. hired Aena S.M.E., S.A. and Aena Desarrollo Internacional S.M.E., S.A. for the provision of consulting services and assistance in the planning, organisation, coordination and management of business activity areas. The agreement has a duration of two years from its signing with up to a maximum of four annual extensions of one year in duration each, agreeing to a suspension of billing and collection during 2021 and 2022 due to the pandemic.

In 2022, the services rendered derived from this agreement amounted to €592 thousand (2021: €105 thousand).

12.1.5 INECO

There is a cooperation agreement with Ingeniería y Economía del Transporte, S.A. (INECO) to draw up and revise projects, supervise construction and provide technical monitoring assistance, engineering for certification, maintenance and operation of facilities and airport processes, planning, airport and environmental development, commercial airport development and

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

logistics designs and studies in terminal buildings to improve operating efficiency and reduce costs even further. Its appendix of actions is renewed every year.

12.1.6 ISDEFE

Related company ISDEFE has been providing Aena with a series of services, which fall within the activities of its corporate purpose, among which are the following activities in accordance with the agreement signed in December 2016, and which replaced the one previously in force dated 8 November 2013, whose appendix of actions is being renewed on an annual basis:

- General coordination of Information and Communication Technologies, henceforth ICT.
- Definition of ICT systems and infrastructures.
- Lifecycle management of software.
- Office management of ICT projects.
- IT applications and infrastructure quality and tests.
- Integration of systems and support for operations.

12.1.7. AEMET

The State Meteorological Agency (AEMET), in its capacity as the meteorological authority of the state and as the supplier of certificate services, is the sole officially designated organisation in Spain to provide meteorological services for aeronautical activities. In order for more suppliers of this service to be designated, regulations must previously be developed. AEMET also provides meteorological services to the rest of Spanish airports that are not managed by Aena S.M.E., S.A.

Additionally, AEMET is the owner of facilities and basic equipment to manage the meteorological services for air navigation.

As a result of the need for these services, Aena and AEMET signed an Agreement regulating this rendering of services covering the period from 30 December 2014 to 29 December 2016, signing a new contract with entry into force on 30 December 2016 for a period of one year, counted from the previous date. It is extendable by mutual agreement of the parties year by year, up to a maximum of two additional years, and has been renewed for the 2020–24 period for a total amount of €60.2 million.

Aena, since 2014, has paid for the services provided by AEMET at an initial payment of €7,500 thousand for the March–November period of 2014. Monthly payments of €833 thousand have been paid since then until June 2020, the date from which the monthly payment increases to €953 thousand. As of July 2021, the monthly amount amounted to €991 thousand, reaching the amount of €1,008 thousand as of July 2022.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

13. Trade and other receivables

The balance of the heading 'Trade and other receivables' of the attached balance sheet at the end of the fiscal years 2022 and 2021 is broken down as follows:

	Notes	2022	2021 (**)
Customers, rendering of services		594,052	571,877
Customers, bad debt		119,071	106,573
Less: impairment provision		(148,532)	(136,903)
Customers, group and associated companies	12	367	1,360
Sundry debtors (*)		827	7,968
Staff costs		783	674
Current tax assets	22	9,087	-
Other loans with Public Administrations	22	25,352	33,390
		601,007	584,939

(*) The sundry debtors heading included, mainly, an outstanding balance amounting to €7,423 thousand related to the runway invasion incident at Josep Tarradellas Barcelona-El Prat Airport on 28 July 2006, which was fully provisioned. The Company has written off the balance in this fiscal year due to its non-collectability.

(**) Restated figures

On 5 March 2011, Act 1/2011, of 4 March, which amends Act 21/2003, of 7 July, on Air Security, was published in the Spanish Official State Gazette. This act allowed Aena S.M.E., S.A., or its subsidiaries, to use debt collection proceedings in order to manage, liquidate and collect payment of all outstanding airport charges, this being managed by the collection bodies of the State Tax Administration Agency.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

13.1 Concentration of credit risk

A significant part of the balances included under the heading "Customers, rendering of services" belong to the following companies:

	Thousands of euros		Thousands of euros
	2022		2021(*)
World Duty Free (DUFY)	173,626	World Duty Free (DUFY)	151,948
Áreas, S.A.	66,262	Áreas, S.A.	58,992
Vueling Airlines	54,054	Vueling Airlines	43,538
Iberia, Líneas Aéreas de España, S.A.	32,824	Air Europa Líneas Aéreas, S.A.	18,926
Select Service Partner, S.A.	20,749	Eurodivisas S.A.	17,948
Sinapsis Trading	16,837	Select Service Partner, S.A.	17,573
AB Servicios Selecta España S.A.	15,147	Sinapsis Trading	16,934
Pansfood S.A	12,872	Iberia, Líneas Aéreas de España, S.A.	16,281
Air Nostrum	9,561	UTE Sistemas -Exterior Plus	14,492
Eurodivisas S.A.	8,970	Sistemas e Imagen Publicitaria, SLU	13,190
Bull Wrapping Global, S.L.	8,937	Pansfood S.A.	12,737
Whsmith Spain S.L.	7,008	AB Servicios Selecta España S.A.	12,501
UTE New Business Media Ceco	6,940	UTE Exact Change 2	12,206
UTE Eurodivisas travel tax free	6,931	Maxelga 93 S.L.	9,560
Lagardere Travel Retail, S.A.	6,105	Air Nostrum	8,070
Priority Pass LTD	5,510	UTE New Business Media Ceco	6,396
Exterior Plus S.L.-Sistemas	4,934	Airfoods Restauración y Catering, S.L.	5,809
Sistemas e Imagen Publicitaria, SLU	4,461	Bull Wrapping Global, S.L.	5,716
Others	132,324	Lagardere Travel Retail, S.A.	5,452
		Others *	123,608
	594.052		571,877

(*) Restated figures

13.2 Value impairment corrections arising from credit risk

The Company has analysed all exposure to credit risk individually. The result of this analysis at the end of the fiscal year shows that credit risk is almost entirely attenuated, by 82.37%, thanks to the credit guarantees and improvements the Company has at its disposal.

In cases in which an impairment loss is considered to have been incurred, the impairment has been estimated based on the best available information with respect to the recoverable amount.

The activity of the provisions account for commercial operations during the fiscal years 2022 and 2021 has been the following:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Thousands of euros	
	2022	2021
Opening balance	136,903	131,400
Allowance for impairment due to commercial	21,724	12,406
Reversal of impairment due to commercial	(2,674)	(6,903)
Other movements	(7,421)	-
	148,532	136,903

In addition to the variation of €19,050 thousand (2021: €5,503 thousand) in the provision for impairment from commercial operations, during the fiscal year 2022, losses amounting to €200 thousand (2021: €174 thousand) have been recorded under the heading 'Losses, impairment and change in provisions for operations' of the profit and loss account, due to definitive write-off carried out by the Spanish Tax Agency of debts sent to legal proceedings for collection.

13.3 Credit modifications or restructurings

Considering the current extraordinary circumstances that are the result of the fall in air traffic derived from the pandemic, the Company has deferred the invoices for Aeronautical and Handling Agent customers. All deferments were paid within the established deadlines without incident.

During the fiscal year, the Company has collected financial assets convertible into cash as a result of enforcing bonds and bank guarantees that guaranteed collection for a book value of €7,977 thousand. (2021: €15,636 thousand)

13.4 Other information

At 31 December 2022 and 2021, there are no balances to be collected in a currency other than the euro.

14. Short-term financial investments

The balance of the accounts under the heading 'Short-term financial investments' at the end of the fiscal years 2022 and 2021 is as follows:

		Thousands of euros	
		2022	2021
Loans to companies		53	16
Derivatives	Note 15.5	31,514	-
Short-term bonds and deposits		4,272	1,560
		35,839	1,576

15. Financial debt

The Company's loans and credits are formalised at 80% at fixed interest rates (see Note 5), and the remaining percentage is formalised at variable rates generally referenced to the Euribor (2021: 59% at fixed/reviewable fixed interest rates and the remaining percentage formalised at variable rates generally referenced to the Euribor). The average rate of this debt during 2022 was 1.04% (2021: 0.992%) (Note 5).

15.1 Debts with group and associated companies

Due to the non-monetary contribution described in Note 1, the Company and its sole shareholder at that time signed a financing agreement whereby the debts corresponding to the branch of activity contributed in the capital increase described in said Note 3 were transferred from the public business entity "Aeropuertos Españoles y Navegación Aérea" to the Company Aena S.M.E., S.A. In this agreement between both parties, the initial debt and the future cancellation conditions of this debt were recognised, as well as the procedure to settle the interest and repayment of the debt. It also specified that the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea' is the borrower as regards the lending financial institutions. However, it also recognised that Aena S.M.E., S.A. was obligated to pay the percentage of the active balance of the debt of the public entity Aena attributable to the airport line of business at the time of contribution of any payments that the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea' is required to pay to the financial institutions, in accordance with the financial conditions and the other terms and conditions provided in the Financing Agreements. The average rate of this debt during 2022 was 1.40% (2021: 1.38%).

Moreover, in the Council of Ministers' meeting of 11 July 2014, the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea' was authorised to initiate the sale process for the share capital of Aena S.M.E., S.A. and to dispose up to 49% of its capital.

On 29 July 2014, in the context of offering the Company's share capital to private investors, and in order to ensure that the process was compatible with the financing agreements (long and short-term borrowings) and the hedging agreements signed with all the financial institutions, the state-owned enterprise 'ENAIRES', Aena S.M.E., S.A. and the respective financial institutions agreed to a novation amending, but not extinguishing, the corresponding financial agreements. This novation amends the contract signed on 1 July 2011, through which all the assets, rights, debts and obligations of the state-owned enterprise 'ENAIRES' that are associated with the development of airport and commercial activities, and other state services related to airport management were contributed to Aena S.M.E., S.A. This contribution, which included the activities and services associated with air traffic services, amounts to €11,672,857 thousand.

By virtue of this novation, the Parties agreed to amend certain aspects of the debt acknowledgement agreements with merely novation effects, and under no circumstances extinguishing effects, for the purposes of stipulating inter-alia: i) the updated amount of the acknowledged debt, ii) the regulation of the payment by the state-owned enterprise 'ENAIRES' and Aena S.M.E., S.A. of the amounts due under the financing agreements, iii) the co-creditors' exercise of powers based on these financing agreements, iv) Aena S.M.E., S.A.'s obligation to comply with the same financial ratios, as outlined in the financial agreement novations, v) the commitment to constitute a future pledge on the credit rights (the amount corresponding to one year of debt service payable under the financing agreements) by the Company in favour of the state-owned enterprise 'ENAIRES' in the event of breach of its obligations under the debt acknowledgement agreement or loss of the majority share capital of Aena S.M.E., S.A. by the state-owned enterprise 'ENAIRES'.

In the debt novation process, the parties expressly agreed that, notwithstanding their status as co-debtors and their joint liability for complying with the obligations provided in the financing agreements, the payments that must be made for any item based on these financing agreements shall be made by the state-owned enterprise 'ENAIRES'. This accordingly maintains the contractual relationship between Aena S.M.E., S.A. and the state-owned enterprise 'ENAIRES' through the debt acknowledgement agreement.

Notwithstanding the joint liability and principal that Aena S.M.E., S.A. and the state-owned enterprise 'ENAIRES' accept with the financial institutions under the financing agreements, the payments made by Aena S.M.E., S.A. will proportionally lower its payment obligations to the state-owned enterprise 'ENAIRES' that arise from the earlier contribution.

In any event, the failure of Aena S.M.E., S.A. to pay its obligations arising from the debt acknowledgement agreement will not release the state-owned enterprise 'ENAIRES' from fulfilling its payment commitments by virtue of the provisions in the financing agreements.

These novations did not alter the financial terms of the loan transactions granted at the time to the state-owned enterprise 'ENAIRES', nor those outlined in the mirror loans signed with Aena S.M.E., S.A. (among others: principal amortisation, maturity dates, interest rate regime, repayment terms, etc.).

For all these reasons, the amendments agreed to in the financing agreements with banks and the state-owned enterprise 'ENAIRES' did not change the accounting treatment of the Company's financial debt with the Ultimate parent company, the state-owned enterprise 'ENAIRES'.

The main clauses that were amended are summarised below:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- The joint capacity of the lenders, the state-owned enterprise ‘ENAIRES’ and Aena S.M.E., S.A., which are jointly and severally obligated to each other before the bank. This relates to the obligation to repay the loan amount drawn down by either party and to pay the interest, commissions, costs, expenses and any other amount payable by either of them directly to the bank pursuant to the contracts. The banks expressly recognise that the payment effectively received for any item by any of the lenders in accordance with the contractual stipulations will have full release effects for that item and amount.
- The elimination of the clauses that imposed limitations on the transfer of Aena S.M.E., S.A. shares and the sale of a share percentage greater than 49%.
- The obligation to comply with certain financial ratios based on the Aena Group consolidated annual accounts, which shall be certified by the delivery of a certificate accrediting compliance with these ratios on a semi-annual and annual basis, with the following limits:

Ratio	2022	2023	2024 and subsequent
Net financial debt/EBITDA	7.00x	7.00x	7.00x
Less than or equal to:			
EBITDA/Finance expenses	3.00x	3.00x	3.00x
Greater than or equal to:			

At the end of the current fiscal year, the Company complies with the aforementioned ratios (see Note 5.2.3).

- With regard to the possibility of granting charges and liens, a more favourable framework is established compared to what had been provided in the initial financing agreements. Certain real collateral on international assets may now be granted in international financing transactions without recourse to Aena S.M.E., S.A. or the state-owned enterprise ‘ENAIRES’, as opposed to the prohibition existing in many of the initial contracts which often hindered commercial expansion.
- Unification of the clauses that restrict the disposal of assets: Aena S.M.E., S.A. will directly or indirectly retain the ownership of all the airport assets and will not dispose of them in a single transaction or series of transactions, whether or not these transactions are related, with certain exceptions relating to airport assets located outside Spain.
- Certain clauses were unified in order to clarify the events in which the financing agreements may be subject to early termination, as a result of payment defaults arising from the commercial relationships of Aena S.M.E., S.A.

The financing agreements include the following ground for early termination, stated in ordinary market terms:

- Breach of any payment obligations arising from each financing agreement.
- Breach of payment obligations arising from other financing agreements.
- Breach of any payment obligation arising from usual commercial relationships in the ordinary course of business of Aena S.M.E., S.A., unless it has judicially or extrajudicially opposed the corresponding claim for payment arising from this breach, or has filed or is going to file corresponding legal actions that Aena S.M.E., S.A. is entitled to file provided that it has not received an unfavourable decision against it.
- General embargoes on the assets of Aena S.M.E., S.A. and/or ENAIRES.
- The creation by ENAIRES and/or by the Companies and entities of the ENAIRES group (with the exception of Aena S.M.E., S.A. and the Companies in its group, which are governed by the limitation indicated in the following point) of any real right, charge, lien or privilege over any present or future assets or rights.
- The creation by Aena S.M.E., S.A. and the Companies in its group of any real right, charge, lien or privilege over any assets or rights existing in its balance sheet, with the exception of any real right, charge, lien or privilege created over assets located outside Spain (included in this exception are shares or participations in companies located in Spain as long as all their operating assets are located outside Spain), exclusively as collateral for financing or other obligations without recourse to Aena S.M.E., S.A. that are contracted by subsidiaries and/or other companies in the Aena group.

Annual Report for the fiscal year ended 31 December 2022*(Amounts in thousands of euros unless otherwise stated)*

- Unless the bank has given its written authorisation: Aena will directly and indirectly maintain the ownership of all its airport assets and will not dispose of them, in either a single transaction or series of related or unrelated transactions, for disposals up to a joint aggregate amount during the entire lifetime of the contract that does not exceed 20% of Aena’s consolidated assets. The value of both the consolidated assets and transferred assets will be determined at all times by reference to the values accounted in Aena’s consolidated statement of financial position corresponding as of 31 December of the last fiscal year prior to the time of signing the asset transfer contract. There is an exception exclusively relating to airport assets located outside Spain that are directly or indirectly owned by Aena. For the purposes of this clause, ‘Airport Assets’ means any assets that are part of the airport activity included in Aena’s consolidated property, plant and equipment.
- The change in the risk weighting of ENAIRE or the loans or credits granted through financing agreements.

Only the occurrence of these grounds for early termination may ultimately authorise the financial institutions, in accordance with the specific terms and conditions of their respective agreements, to declare early termination of their respective financing agreements. This is without prejudice to the need for good faith and the essential nature of the cited grounds.

In the event of a breach by Aena S.M.E., S.A. of its obligations under the debt acknowledgement agreement:

- Aena S.M.E., S.A. agrees to create a first-ranking pledge agreement on certain credit rights (amount corresponding to one year of debt service accrued under the financing agreements) in favour of ENAIRE (this obligation also arises in the event of loss of control of Aena S.M.E., S.A. by ENAIRE).
- The amounts unpaid by Aena S.M.E., S.A. will accrue late payment interest.
- In the event of ENAIRE having to pay any amount to the financial institutions that should have been paid by Aena S.M.E., S.A. according to the debt acknowledgement agreement, ENAIRE will be subrogated the creditor rights and guarantees with Aena S.M.E., S.A. and the debt recognised in the debt acknowledgement agreement will be automatically increased by the amount paid by ENAIRE.
- Likewise, in the case of early maturity of one or several financing contracts and a claim for the effective payment of any amount, as a result of the breach of an obligation by Aena S.M.E., S.A. under the financing contracts, Aena S.M.E., S.A. must pay ENAIRE a penalty equivalent to 3% of the total overdue principal of the respective breached financing agreement. This provision shall also be applied in the event of the party in breach being ENAIRE, in which case it must pay the aforementioned penalty to Aena S.M.E., S.A.

The breakdown of the “**Financial debt where the Company acts as joint creditor with ENAIRE**” (hereinafter referred to as “Co-borrower debt”) with financial institutions on 31 December 2022 is the following (in thousands of euros):

Financial institutions	Amount
Entity 1	2,172,691
Entity 2	1,048,645
Entity 3	379,600
TOTAL Co-borrower	3,600,936

The €3,600,936 thousand that Aena S.M.E., S.A. owes to the public entity ENAIRE as of 31 December 2022 (2021: €4,132,407 thousand), corresponds to the debt arising from the contribution of the airport activity after the spin-off (note 1). In addition to this amount, Aena S.M.E., S.A. owes the public entity ENAIRE in relation to other loans of €25,740 thousand (2021: €30,105 thousand). The maturity schedules for both items at end of the fiscal year is detailed further on.

Regarding the causes for declaring early maturity, Aena, as the holder of the financing agreements, has not breached any of the conditions on early maturity, so this does not affect the Company’s balance sheet at 31 December 2022 and 31 December 2021.

The repayment schedule for the principal of the short and long-term debt with ENAIRE for financing airports (Note 10) at the end of the fiscal years 2022 and 2021 is as follows:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Repayments Maturity	Thousands of euros 2022
2023	514,364
2024	765,707
2025	396,710
2026	376,402
2027	345,492
Subsequent	1,228,001
Total	3,626,676

Repayments Maturity	Thousands of euros 2021
2022	535,836
2023	514,364
2024	765,707
2025	396,710
2026	376,402
Subsequent	1,573,493
Total	4,162,512

() The instalments shown in the details of the repayment schedule do not include the amount of commissions for both the fiscal year 2022 and 2021.*

The breakdown of the “Long-term debts with group and associated companies” and “Short-term debts with group and associated companies” headings of the balance sheet liabilities as of 31 December 2022 and 2021 is shown below:

	Note	Thousands of euros					
		2022			2021		
		Long-term	Short-term	Total	Long-term	Short-term	Total
Debts with group and associated companies	12						
Debts with ENAIRE		3,112,312	514,364	3,626,676	3,626,676	535,836	4,162,512
Debt from commissions		(1,594)	(231)	(1,825)	(2,078)	(272)	(2,350)
Interest accrued		-	11,153	11,153	-	10,129	10,129
Debt due to tax effect		-	10,433	10,433	-	-	-
Fixed asset supplier		-	2	2	-	-	-
Total		3,110,718	535,721	3,646,439	3,624,598	545,693	4,170,291

As of 31 December 2022 and 2021, long and short-term debts are denominated in euros.

The variations in the loan from ENAIRE balance which occurred in the fiscal year 2022 primarily relate to the principal amortisation of €535,836 thousand, as previously indicated. The reconciliation between the opening and closing balances of the Financial debt with ENAIRE component of the balance sheet is as follows:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Cash flows						31 December 2022
	31 December 2021	Financing activities Collections	Financing activities Payments	Operating activities Interest payments	Transfers from short to long term	Accrual of interest and commission fees	
Non-current							
Loan to Aena S.M.E., S.A. from ENAIRE	3,626,676	-	-	-	(514,364)	-	3,112,312
Adjustment of the loan balance from ENAIRE using the effective cost	(2,078)	-	-	-	484	-	(1,594)
Subtotal Aena S.M.E., S.A. long-term debt with ENAIRE	3,624,598	-	-	-	(513,880)	-	3,110,718
Current							
Loan from ENAIRE	535,836	-	(535,836)	-	514,364	-	514,364
Adjustment of the loan balance from ENAIRE using the effective cost	(272)	-	-	-	(484)	525	(231)
Interest accrued on loans from ENAIRE	10,129	-	-	(35,498)	-	36,522	11,153
Subtotal of Aena S.M.E., S.A. short-term debt with ENAIRE	545,693	-	(535,836)	(35,498)	513,880	37,047	525,286
Total	4,170,291	-	(535,836)	(35,498)	-	37,047	3,636,004

The variations in the balance of the loan from ENAIRE, which took place during the fiscal year 2021, primarily correspond to the repayment of the principal for the amount of €546,349 thousand. The reconciliation between the opening and closing balances of the Financial debt with the parent company component of the balance sheet is as follows:

	Cash flow						31 December 2021
	31 December 2020	Financing activities Collections	Financing activities Payments	Operating activities Interest payments	Transfers from short to long term	Accrued interest	
Non-current							
Loan to Aena S.M.E., S.A. from ENAIRE	4,162,512	-	-	-	(535,836)	-	3,626,676
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(2,630)	-	-	-	552	-	(2,078)
Subtotal Aena S.M.E., S.A. long-term debt with ENAIRE	4,159,882	-	-	-	(535,284)	-	3,624,598
Current							
Loan from ENAIRE	546,349	-	(546,349)	-	535,836	-	535,836
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(316)	596	-	-	(552)	-	(272)
Interest accrued on loans from ENAIRE	11,656	-	-	(32,014)	-	30,487	10,129
Subtotal of Aena S.M.E., S.A. short-term debt with ENAIRE	557,689	596	(546,349)	(32,014)	535,284	30,487	545,693
Total	4,717,571	596	(546,349)	(32,014)	-	30,487	4,170,291

The book values and fair values of non-current debts with ENAIRE are as follows:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Note	Book value		Fair value	
		31 December		31 December	
		2022	2021	2022	2021
Debt with ENAIRE		3,110,718	3,624,598	2,945,693	3,617,722
Total	12	3,110,718	3,624,598	2,945,693	3,617,722

The fair value of current external resources does not differ significantly from their book value, as the impact of applying the discount is not significant. Fair values for debt with a term greater than one year are based on cash flows discounted at risk-free rates (OIS curve) plus a spread equal to the five-year Aena CDS modelled by Bloomberg (106 bps) (2021: at risk-free rates (OIS curve) plus a spread equal to the five-year Aena CDS modelled by Bloomberg (116bps)).

15.2 Debts with credit institutions

The Aena S.M.E., S.A. long-term debts with credit institutions balance amounts to €3,300,000 thousand as of 31 December 2022 (31 December 2021: €3,295,630 thousand) and its breakdown is the following:

- The breakdown of the outstanding long-term loan amounts is:

Financial institution	31/12/2022		31/12/2021	
	Balance	Average Rate	Balance	Average Rate
Entity 1	490,000	0.69	475,630	0.26
Entity 2	400,000	0.63	425,000	0.52
Entity 3	230,000	0.32	290,000	0.32
Entity 4	300,000	0.65	300,000	0.65
Entity 5	250,000	0.48	250,000	0.37
Entity 6	280,000	0.44	280,000	0.31
Entity 7	300,000	0.88	300,000	0.29
Entity 8	-	-	75,000	0.56
Entity 9	150,000	-	-	-
Entity 10	300,000	0.85	300,000	0.01
Entity 11	100,000	0.56	100,000	0.01
Entity 12	500,000	0.84	500,000	-
TOTAL	3,300,000	0.63	3,295,630	0.39

- As of 31 December 2022, the amount of commissions associated with these loans, which are accounted for at their lower value and pending allocation to the results, amounts to €1,952 thousand (2021: €2,896 thousand) (see Note 10).

Of the previous amount, the balances corresponding to Entity 1, 3 and 4 are subject to the same covenants established for the loan with ENAIRE. As of 31 December 2022, the Company complies with these ratios.

- As of 31 December 2022, the amounts of long-term loans with a determined or determinable maturity, classified by year of maturity, are as follows (in thousands of euros):

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	2024	2025	2026	2027	2028 and subsequent	Total
Entity 1	-	-	26,667	26,667	436,666	490,000
Entity 2	-	400,000	-	-	-	400,000
Entity 3	60,000	110,000	60,000	-	-	230,000
Entity 4	-	-	-	-	300,000	300,000
Entity 5	250,000	-	-	-	-	250,000
Entity 6	20,000	120,000	20,000	120,000	-	280,000
Entity 7	100,000	-	200,000	-	-	300,000
Entity 8	-	150,000	-	-	-	150,000
Entity 9	300,000	-	-	-	-	300,000
Entity 10	-	-	100,000	-	-	100,000
Entity 11	500,000	-	-	-	-	500,000
TOTAL	1,230,000	780,000	406,667	146,667	736,666	3,300,000

Aena S.M.E., S.A. short-term debts with credit institutions balance as of 31 December 2022 amount to €88,548 thousand (31 December 2021: €633,737 thousand), of which €8,548 thousand corresponds to outstanding accrued interest (31 December 2021: €3,737 thousand from outstanding accrued interest), with the breakdown being as follows:

- The breakdown of the outstanding short-term loan amounts as of 31 December 2022 is:

Financial institution	2022	2021
Entity 1	-	225,000
Entity 2	-	200,000
Entity 3	20,000	20,000
Entity 4	-	75,000
Entity 5	-	50,000
Entity 6	60,000	60,000
Interest accrued	8,548	3,737
TOTAL	88,548	633,737

- As of 31 December 2022, the amount of commissions associated with these loans, which are accounted for at their lower value and pending allocation to the results, amounts to €1,066 thousand (2021: €830 thousand) (see Note 10).

15.3 Credit facilities

1. The Sustainable Syndicated Line of Credit (ESG-linked RCF) for an amount of €800 million has the following breakdown by entities:

BANKING ENTITY	AMOUNT (thousands of euros)
Entity 1	190,000
Entity 2	160,000
Entity 3	100,000
Entity 4	100,000
Entity 5	100,000
Entity 6	100,000
Entity 7	50,000
TOTAL	800,000

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

This line matures in December 2025. There is no drawn balance as of 31 December 2022 or 2021. The interest rate is variable, with an initial spread (0.275% annual) over the Euribor at 1/3/6 months.

The initial spread is reviewed annually based on the following two variables:

- Moody's and/or Fitch's credit assessment of Aena.
- The evolution of Aena's sustainability parameters in environmental, social and good governance issues (ESG 'Environmental, Social and Governance' rating) assessed by the ESG rating provider selected by Aena (Sustainalytics), is such that if the score increases or decreases by five or more points with respect to the initial score, the resulting applicable margin will be reduced by 0.025% in the first case and will increase in the second.

2. On 27 July 2022, a new Sustainable Syndicated Credit Line (ESG-linked RCF) was signed for the amount of €650 million, with the following breakdown by entities:

BANKING ENTITY	AMOUNT (thousands of euros)
Entity 1	143,000
Entity 2	143,000
Entity 3	143,000
Entity 4	70,000
Entity 5	70,000
Entity 6	40,500
Entity 7	40,500
TOTAL	650,000

The maturity of this line is 27 July 2024 with the possibility of a further one-year extension. There is no drawn balance as of 31 December 2022. The interest rate is variable, with an initial spread (0.4% annual) over the Euribor at 1/3/6 months.

The initial spread is reviewed annually depending on the evolution of Aena's sustainability parameters in environmental, social and good governance issues (ESG 'Environmental, Social and Governance' rating) assessed by the ESG rating provider selected by Aena (MSCI), is such that if the score increases or decreases by 5% with respect to the initial score, the resulting applicable margin will be reduced by 0.025% in the first case and will increase in the second.

3. As referred to in Note 5, the Company also has €654,500 thousand of financing available (not drawn down) corresponding to EIB and ICO loans. The maturities of the loans are detailed below:

Organisation	Amount (millions of euros)	Maturity
EIB	110	Maximum 20 years since disbursement
EIB	200	Maximum 20 years since disbursement
EIB	95	Maximum 20 years since disbursement
ICO	250	October 2031
Total	655	

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

15.4 Marketable securities

On 30 October 2019, Aena S.M.E., S.A. registered a Promissory Note Programme (Euro Commercial Paper) with the CNMV, with a maximum balance of €900,000 thousand in the Bolsas y Mercados Españoles (BME) Fixed Income Market. With this instrument, Aena can flexibly place promissory notes with minimum unit nominal amounts of €500 thousand and maturities between 3 and 364 days. This programme matured on 30 October 2020.

On 24 November 2020, the Company registered a Promissory Note Programme (Euro Commercial Paper) with the CNMV, with the same maximum balance (€900,000 thousand) in the BME Fixed Income Market and under the same conditions as the previous one. This programme expired on 24 November 2021.

On 27 December 2021, Aena S.M.E., S.A. published another Promissory Note Programme (Euro Commercial Paper) under the new Securities Market Act 5/2021, approved on 12 April 2021. The programme has been admitted for trading and listing for a maximum amount of €900,000 thousand for the AIAF fixed income market (integrated into the BME group) and under the same conditions as the previous Programme.

On 21 December 2022, Aena S.M.E., S.A. published a new Promissory Note Programme (Euro Commercial Paper) under the new Securities Market Act 5/2021, approved on 12 April 2021. The programme has been admitted for trading and listing for a maximum amount of €900,000 thousand for the AIAF fixed income market (integrated into the BME group) and in those corresponding to the previous Programme.

Under both programmes, only €55 million of paper was issued in 2020.

15.5 Cash flow hedges

The breakdown of the fair value of derivative financial instruments as of 31 December 2022 and 31 December 2021 is shown in the following table:

	31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	99,184	-	-	73,558
Spanish electricity swap - cash flow hedges	-	1,162	-	-
Total	99,184	1,162	-	73,558
Current portion	31,514	1,162	-	27,607
Non-current portion	67,670	-	-	45,951

The total fair value of a hedging derivative is classified as a non-current asset or liability if the remaining validity of the hedged item is more than 12 months and as a current asset or liability if the remaining validity of the hedged item is less than 12 months.

During the periods ended 31 December 2022 and 31 December 2021, the hedging derivatives are 100% effective and meet all the requirements needed to apply hedge accounting, such that there is no ineffectiveness recorded in the profit and loss account.

The fair value of the interest swaps has been obtained by updating the net expected cash flows during the contractual period, using the discount factors obtained from the zero-coupon curve at each valuation time. In order to calculate the variable cash flows, the forward rates or implied rates obtained from the zero-coupon interest rates existing on the market at the time of the valuation of the interest swap are used. The fair value thus obtained is adjusted for credit risk, understanding credit risk as both the counterparty credit risk and own credit risk, as necessary. In order to quantify the credit risk of a financial agent, there are three commonly accepted methodologies in the market. These methodologies are applied in the following order of priority:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

- Whenever there is a Credit Default Swap (CDS) quoted on the market, the credit risk is quantified based on its share price.
- Whenever there are debt issues accepted for listing in the different financial markets, the quantification of credit risk can be obtained as the differential between the internal rate of return (yield) of the bonds and the risk-free rate.
- If it is not possible to quantify the risk by following the two previous methodologies, the use of comparables is generally accepted, i.e. taking as a reference companies or bonds of companies from the same sector as the one being analyse.

Aena S.M.E., S.A. derivatives

As explained in Note 5.2.1, on 10 June 2015, Aena signed a hedging transaction from variable interest rate to fixed with financial institutions with a credit rating equal to or better than BBB (Standard & Poor's), in order to avoid the risk of fluctuation in interest rates on various credits, for a notional amount of €4,196 million.

Their main characteristics are as follows:

	Classification	Rate	Contracted amount (thousands of euros)	Pending notional amount 31/12/2022	Pending notional amount 31/12/2021	Agreement date	Derivative start date	Maturity	Hedge designation date
Interest rate swap	Cash flow hedge	Fixed interest rate swap at 0.144% against variable interest rate (Eur6M)	300,000	-	-	27/06/2015	29/06/2015	15/12/2020	27/06/2015
Interest rate swap	Cash flow hedge	Fixed interest rate swap at 1.1735% against variable interest rate (Eur6M)	854,100	474,500	521,950	15/06/2015	15/06/2015	15/12/2026	15/06/2015
Interest rate swap	Cash flow hedge	Fixed interest rate swap at 0.9384% against variable interest rate (Eur3M)	3,041,833	1,194,579	1,373,956	15/06/2015	15/06/2015	15/12/2026	15/06/2015
TOTAL			4,195,933	1,669,079	1,895,906				

The balance recognised in the equity hedging reserve for interest rate swaps and electricity swaps at 31 December 2022 will be transferred to the income statement when the hedged items affect profit or loss, as finance expense and operating expenses, respectively. During the fiscal year 2022, €20,927 thousand were allocated to the profit and loss account as finance expenses for the settlement of hedging instruments (in 2021: €31,491 thousand), without any amount having been transferred for the energy derivatives contracted in 2022.

The breakdown of energy price derivatives that were considered as cash flow hedges for accounting purposes as of 31 December 2022 is as follows:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Classification	Rate	Amount Contracted (MWh)	Pending notional amount 31/12/2022	Agreement date	Derivative start date	Maturity	Hedge designation date
Electricity swap	Cash flow hedge	Swap on a fixed-price non-financial underlying asset	8	-	08/11/2022	01/12/2022	31/12/2022	11/08/2022
Electricity swap	Cash flow hedge	Swap on a fixed-price non-financial underlying asset	24	24	11/08/2022	01/01/2023	31/03/2023	11/08/2022

The amounts of the notional principal of the outstanding electrical power agreements as at 31 December 2022 amount to 23,749 MWh.

The market value is determined for the structures contracted to obtain the fair value of the electric power swaps, subsequently adjusted for the credit risk. For the calculation of the market value, the Company uses a generally accepted valuation method (discounted net cash flows), in which the price contracted in the derivative is compared to the future price of electric power, for each of the consumption volumes contracted in each term. For the credit risk adjustment, a technique has been applied based on the calculation, through simulations, of the total expected exposure (which incorporates both the current exposure and the potential exposure) adjusted by the likelihood of default over time and by the severity (or potential loss) assigned to the Company.

The fair value of these derivatives amounts to assets of €99,184 thousand and liabilities of €1,162 thousand as of 31 December 2022 (31 December 2021: liabilities of €73,558 thousand), and its breakdown between the current and non-current part is as follows:

Fair value recorded in 'Non-current assets' as of 31 December 2022 (in thousands of euros)	Fair value recorded in 'Current assets' as of 31 December 2022 (in thousands of euros)	Fair value recorded in 'Non-current liabilities' as of 31 December 2022 (in thousands of euros)	Fair value recorded in 'Current liabilities' as of 31 December 2022 (in thousands of euros)
67,670	31,514	-	1,162
Fair value recorded in 'Non-current assets' as of 31 December 2021 (in thousands of euros)	Fair value recorded in 'Current assets' as of 31 December 2021 (in thousands of euros)	Fair value recorded in 'Non-current liabilities' as of 31 December 2021 (in thousands of euros)	Fair value recorded in 'Current liabilities' as of 31 December 2021 (in thousands of euros)
-	-	45,951	27,607

16. Trade and other payables

The breakdown of credit balances for commercial operations is as follows:

	Notes	Thousands of euros	
		2022	2021
Trade and other payables			
Suppliers, group and associated companies	12	22,732	7,697
Sundry creditors		178,365	161,731
Staff costs		34,518	27,674
Other debts with Public Administrations	22.1	30,251	21,003
Customer advances		58,089	41,490
Total		323,955	259,595

Information on the average payment period to suppliers is as follows:

	Days	
	2022	2021
Average payment period to suppliers	34	37
Ratio of paid transactions	35	40
Ratio of outstanding transactions	17	22

These parameters were calculated in accordance with Art. 5 of the Resolution dated 29 January 2016, published by the Accounting and Auditing Institute, on the information to be included in the annual accounts report in relation to the average payment period to suppliers in commercial transactions, as follows:

- Average payment period to suppliers = $(\text{Ratio of paid operations} \times \text{total value of payments made} + \text{Ratio of outstanding payment operations} \times \text{total amount outstanding payments}) / (\text{Total amount of payments made} + \text{total amount of outstanding payments})$.
- Ratio of paid transactions = $\Sigma (\text{number of payment days} \times \text{amount of paid transactions}) / \text{Total amount of payments made}$.

Number of payment days means the calendar days that have elapsed since the date the calculation begins until the actual payment of the transaction.

- Ratio of outstanding transactions = $\Sigma (\text{Days payable outstanding} \times \text{amount of outstanding transactions}) / \text{Total amount of outstanding payments}$.

Days payable outstanding means the calendar days that have elapsed since the date the calculation begins until the last day of the period referred to in the annual accounts.

- For the calculation of both the number of payment days as well as the days payable outstanding, the company calculates the term as of the date of provision of the services. However, given the lack of reliable information on the time that this has taken place, the date of receipt of the invoice is used.

	Thousands of euros	
	Amount 2022	Amount 2021
Total payments made	1,260,580	1,643,151
Total outstanding payments	127,324	384,834

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The average payment period is calculated over the invoices received and formed outstanding payment corresponding to the suppliers who, due to their nature, are suppliers of goods and services, in such a way that only the data relating to the 'Sundry creditors' item of the 'Trade and other payables' section are considered.

On 29 September 2022, the new Act 18/2022, of 28 September, on the creation and growth of companies, was published in the Official State Gazette. This new regulation establishes new transparency requirements linked to the deferral of payments to suppliers, imposing, on listed and unlisted trading companies that do not present abridged annual accounts, an additional requirement consisting of a breakdown in the notes to the annual accounts of new information, specifically the monetary volume and number of invoices paid in a period shorter than the maximum established in the regulations on defaults, and the percentage that they represent of the total number of invoices and of the total monetary payments to their suppliers.

In this regard, the details of the monetary volume and the number of invoices paid in a period shorter than the maximum established for the fiscal years 2022 and 2021 are as follows:

	Thousands of euros	%	Number of invoices	%
31 December 2022	1,392,208	99.5%	35,448	98.7%
31 December 2021	1,027,605	98.7%	33,148	96.8%

In the fiscal years 2022 and 2021, the average payment terms adhered to the terms set out by Act 15/2010. In those exceptional cases where a payment has been made outside of the maximum legal term, this is due mainly to reasons not attributable to the Company: invoices not received on time, expired Spanish Tax Agency (AEAT) certificates, lack of documentary evidence of supplier bank accounts, among others.

17. Inventories

The balance of the "Inventories" heading at the end of the fiscal years 2022 and 2021 is broken down into the following items:

	Note	Thousands of euros	
		2022	2021
Spare parts		5,597	5,309
Greenhouse effect emission allowances	27	176	205
		5,773	5,514

The inventories balance mainly includes materials and spare parts used by the Company in airport operations.

18. Cash and cash equivalents

The breakdown of the 'Cash and cash equivalents' section is as follows:

	Thousands of euros	
	2022	2021
Cash and bank deposits	435,404	783,069
Other cash equivalents	1,000,000	600,000
	1,435,404	1,383,069

At 31 December 2022 and 2021, there are no cash and cash equivalents balances that are unavailable for use.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

19. Net equity

19.1 Share capital

The Company was created on 31 May 2011 with an initial capital of €61,000 (€1,000 per 61 shares) provided in full by the public business entity ENAIRE. On 6 June 2011, the ENAIRE Shareholders' Meeting approved a capital increase with the non-monetary contribution of the branch of airport activity, where the following was agreed:

- To reduce the nominal value per share by splitting the 61 shares, at €10 per share, in such a way that there would be a total of 6,100 shares.
- To increase the share capital to €1,500,000 thousand, through the contribution of €1,499,939 thousand (149,993,900 shares issued at €10 each). These shares are issued with a premium of €1,100,868 thousand. Therefore, the capital and the share premium would amount to €2,600,807 thousand.

On 23 January 2015, the Council of Ministers approved the sale of 49% of Aena via an Initial Public Offer, registering the IPO prospectus with the CNMV on 23 January 2015. Trading in Aena S.M.E., S.A. shares opened on the Continuous Market, in the four Spanish stock exchanges, on 11 February 2015.

The listing of the Company on the stock exchange, as explained above, via the IPO of 49% of Aena S.M.E., S.A.'s capital, meant that the ENAIRE entity's shareholding in Aena S.M.E., S.A. fell to 51%, compared to its previous 100%.

On 31 December 2022 and 2021, the share capital of Aena S.M.E., S.A. was represented by 150,000,000 ordinary shares with a par value of €10 each, which have been fully paid. These shares have equal voting and economic rights. On 31 December 2022, its share price on the Stock Exchange amounted to €117.3.

As of 31 December 2022 and 2021, there are also no capital increases in progress or authorisations to operate in own shares.

According to the information available at 31 December 2022 and 2021, the stakes exceeding 3% are as follows:

ENAIRE	51.00%
HOHN, CHRISTOPHER ANTHONY	6.575%
THE CHILDREN'S INVESTMENT MASTER FUND	3.607%
BLACKROCK INC.	3.071%
VERITAS ASSET MANAGEMENT LLP	3.024%

19.2 Reserves

19.2.1 Share premium

The consolidated text of the Corporate Enterprises Act expressly allows the use of the share premium balance to expand the share capital and does not establish any specific restriction regarding the drawing down of this balance.

This reserve is freely available provided that, as a result of its distribution, the Company's equity value is not less than the share capital figure.

As of 31 December 2022 and 2021, the Company's Share Premium amounts to €1,100,868 thousand.

19.2.2 Capitalisation reserve

The Capitalisation Reserve amounting to €164,176 thousand (2021: €164,176 thousand) comes from the approval of the Company's distribution of profits for the fiscal years ended 31 December 2015. This capitalisation reserve has been endowed

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

in accordance with articles 25 and 62 of the Corporate Tax Act, which establishes that the reserve must be endowed with the amount stipulated in order to benefit from the reduction in the tax base of the tax group for the fiscal year. As defined in said article, the right to a reduction in the tax base of the tax group is set at 10% of the tax group's increase in equity. This sum may never exceed 10% of the positive tax base of the tax group corresponding to the tax year prior to the reduction and integration referred to in section 12 of article 11 of the Act and the compensation of negative tax bases. However, in the event of an insufficient tax base of the tax group for applying the reduction, the pending amounts may be applied in the tax years ending in the two years immediately following the end of the tax year in which the right to the reduction was generated, together with the reduction that may correspond in that year and at the indicated limit.

The Reserve is restricted and conditional upon maintaining the equity increase of the tax group for a period of five years from the end of the tax year to which the reduction corresponds, except for the existence of accounting losses. Once this five-year period has elapsed, and the established condition has been met, the reserve provided to cover the reduction applied in the Corporate Tax declaration for the fiscal year ended 31 December 2015 for €42,406 thousand, became available from 1 January 2021.

In the fiscal year 2021, the reclassification of voluntary reserves to capitalisation reserves was carried out, for an amount of €4,299 thousand, as described in Note 3. Likewise, for the fiscal year 2022, the reserves endowed for the fiscal year 2016 in Aena amounting to €28,160 thousand, recorded at year-end under the heading of capitalisation reserves, will no longer be unavailable.

19.2.3 Legal reserve

The legal reserve must be allocated in accordance with article 274 of the Corporate Enterprises Act. This article requires that, in any event, a figure equal to 10% of the profits for the fiscal year be earmarked for the legal reserve, until its amount reaches at least 20% of the share capital.

The legal reserve, as long as it does not exceed the amount indicated above, may only be used to offset losses if no other reserves are available for this purpose.

At the end of the fiscal year 2022, the legal reserve amounts to €300,000 thousand (31 December 2021: €300,000 thousand), equalling the minimum legal limit established in accordance with article 274 of the Corporate Enterprises Act.

19.2.4 Other Reserves

As of the end of the fiscal years 2022 and 2021, fully available voluntary reserves are included in this heading provided that, as a result of their distribution, the value of the Company's equity is not lower than the share capital.

19.3 Adjustments due to changes in value

The movement produced in the fiscal years 2022 and 2021 in this reserve as a result of the value adjustments of the derivatives designated as cash flow hedges (see Note 15) is as follows:

	2022			
	Opening balance	Fair Value Variations	Postings to results	Balance 31/12/2022
Cash flow hedges				
Aena interest rate swaps	73,557	(150,653)	(20,927)	(98,023)
Tax effect	(18,389)	37,663	5,232	24,506
Total	55,168	(112,990)	(15,695)	(73,517)

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	2021			
	Opening balance	Fair Value Variations	Postings to results	Balance 31/12/2021
Cash flow hedges				
Aena interest rate swaps	128,479	(23,431)	(31,491)	73,557
Tax effect	(32,120)	5,858	7,873	(18,389)
Total	96,359	(17,573)	(23,618)	55,168

The breakdown of the fiscal years in which this reserve is expected to affect the profit and loss account is included in Note 10, under the "Derivatives" section of the Analysis by maturity.

19.4 Grants, donations and legacies received

The breakdown and movement of this heading as of 31 December 2022 and 2021 is as follows:

	2022			
	Opening balance	Additions	Postings to results	Balance 31/12/2022
Capital grants from official European bodies				
Amount	425,381	4,806	(34,466)	395,721
Tax effect	(106,346)	(1,202)	8,617	(98,931)
Net	319,035	3,604	(25,849)	296,790

	2021			
	Opening balance	Additions	Postings to results	Balance 31/12/2021
Capital grants from official European bodies				
Amount	460,622	284	(35,525)	425,381
Tax effect	(115,156)	(71)	8,881	(106,346)
Net	345,466	213	(26,644)	319,035

The additions for the fiscal year 2022 correspond to greenhouse gas emission rights of free allocation corresponding to Josep Tarradellas Barcelona-El Prat Airport and the collection received from the Regional Government of Castile and León for a plot of land at Burgos Airport.

The additions for the fiscal year 2021 correspond to greenhouse gas emission rights of free allocation corresponding to Josep Tarradellas Barcelona-El Prat Airport.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

19.4.1 Proceeds from grants

The breakdown of the gross grants that were earned in the fiscal years 2022 and 2021 is as follows, in thousands of euros:

	Thousands of euros	
	2022	2021
Burgos Airport Land Grant	4,685	-
Menorca Airport wastewater treatment plant	192	192
Total ERDF Funds Received	4,877	192

At the end of the fiscal years 2022 and 2021, the Company believes that all the conditions needed to receive and enjoy the grants listed above have been met.

20. Accruals

20.1 Liability accruals

The breakdown of liability accruals is as follows:

	2022	2021
Bonds	3,094	3,844
Other accruals	4,454	5,102
Total adjustments for accrual	7,548	8,946
Current	447	209
Non-current	7,101	8,737

Long-term accruals include early reversals of rights to constructed assets. The long-term accrual account, initially recorded by the amount received (€278,933 thousand) is subject to annual updates against finance expenses. These finance expenses amounted to €98 thousand in 2022 (2021: €106 thousand). The outstanding balance to be allocated to results at the end of the fiscal year amounts to €4,454 thousand (2021: €4,892 thousand).

20.2 Asset accruals

	2022	2021 (*)
Other accruals	6,007	5,580
Total adjustments for accrual	6,007	5,580
Current	6,007	5,580
Non-current	-	-

(*) Restated figures

Prepaid expenses for insurance premiums amounting to €5,945 thousand (2021: €5,522 thousand) and prepaid expenses for prepaid cards amounting to €59 thousand (2021: €58 thousand) are mainly recorded under this current assets heading.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

21. Provisions

The movement in the fiscal years 2022 and 2021 in the accounts included under this heading has been as follows:

	2022						
	Provision for Work Commitments	Expropriations and interest on late payment	Responsibilities	Taxes	Environmental actions	Other operating provisions	Total
Opening balance	9,358	5,972	14,531	5,659	104,510	7,682	147,712
Allocations	623	-	6,638	472	4,231	41,805	53,769
Discount additions	48	-	-	-	866	-	914
Reversals/Excesses	(2,713)	(317)	(6,164)	(1,857)	(36,769)	(47)	(47,867)
Applications	(609)	-	(1,034)	1,154	(10,267)	(17,838)	(28,594)
Closing balance	6,707	5,655	13,971	5,428	62,571	31,602	125,934
Short-term portion	-	1,092	10,958	2,154	9,591	31,152	54,947
Long-term portion	6,707	4,563	3,013	3,274	52,980	450	70,987
	2021						
	Provision for Work Commitments	Expropriations and interest on late payment	Responsibilities	Taxes	Environmental actions	Other operating provisions	Total
Opening balance	9,671	7,658	17,804	8,153	71,240	6,929	121,455
Allocations	405	1	5,525	35	49,022	60,805	115,793
Discount additions	15	-	-	-	-	-	15
Reversals/Excesses	-	(1,687)	(8,355)	(2,091)	(8,210)	(1,768)	(22,111)
Applications	(733)	-	(443)	(438)	(7,542)	(58,284)	(67,440)
Closing balance	9,358	5,972	14,531	5,659	104,510	7,682	147,712
Short-term portion	-	1,409	12,819	2,501	11,269	7,682	35,680
Long-term portion	9,358	4,563	1,712	3,158	93,241	-	112,032

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

21.1 Provision for work commitments

The movement of the Provision for work commitments accounts during the 2022 and 2021 fiscal years, in thousands of euros, has been as follows:

	2022		
	Provision for length of service awards	Provision for early retirement awards	Total provision for work commitments
Opening balance on 1 January 2022	8,579	779	9,358
Allocations	586	37	623
Actuarial gains and losses	(2,370)	(343)	(2,713)
Discount increase	44	4	48
(Applications)/Rebates	(573)	(36)	(609)
Closing balance on 31 December 2022	6,266	441	6,707
	2021		
	Provision for length of service awards	Provision for early retirement awards	Total provision for work commitments
Opening balance on 1 January 2021	8,882	789	9,671
Allocations	625	39	664
Actuarial gains and losses	(265)	6	(259)
Discount increase	14	1	15
(Applications)/Rebates	(677)	(56)	(733)
Closing balance on 31 December 2021	8,579	779	9,358

21.1.1 Provision for length of service awards

At 31 December 2022, the balance of the liability recognised in the balance sheet for this provision is €6,266 thousand (2021: €8,579 thousand). The allocation for the fiscal year 2022 amounted to €630 thousand (2021: €639 thousand), of which €44 thousand corresponds to the financial cost (2021: €14 thousand). Actuarial gains of €2,370 thousand (2021: actuarial gains of €265 thousand) in this fiscal year have been recorded as a provision surplus.

21.1.2 Provision for early retirement awards

At 31 December 2022, the balance of the liability recognised in the balance sheet is €441 thousand (2021: €779 thousand), which corresponds to the difference between the present value of the obligation accrued as of 31 December 2022 of €441 thousand (2021: €779 thousand) and the fair value of the plan assets of €0 thousand (2021: €0 thousand). Net additions for the fiscal year corresponded to the normal service cost for the year of €37 thousand (2021: €39 thousand), separate finance cost of €4 thousand (2021: €1 thousand). Actuarial gains of €343 thousand, applications of €36 thousand and return on plan assets of €0 thousand (2021: actuarial losses of €6 thousand, applications of €56 thousand and return on plan assets of €0 thousand).

21.1.3 Other work commitments

The agreement stipulates a pension plan as post-employment compensation for workers. For this benefit, the Company has made defined contributions to the fund during the fiscal years prior to 2013. However, for the 2017, 2016, 2015, 2014 and

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

2013 fiscal years, the Company has not made these contributions due to the suppression established in Act 3/2017, of 27 June, Act 48/2015, of 29 October, Act 36/2014, of 26 December, Act 22/2013, of 23 December, and RDL 17/2012, of 27 December, respectively. These acts establish that public companies cannot make contributions to employee pension plans or collective insurance contracts that include retirement contingency coverage.

For the 2018, 2019, 2020, 2021 and 2022 fiscal years, extraordinary contributions were made to the Pension Plan based on the application of the last paragraph of art. 18.2 of the 2019 State General Budget Act (LPGE [Ley de Presupuestos Generales del Estado]), art. 3.2 of RD-Law 24/2019, and the final paragraph of article 3 Two of Royal Decree-Law 2/2020, for the amounts of €494,000, €650,000, €2,444 thousand, €1,965 thousand and €1,977 thousand, respectively.

21.2 Expropriations and default interest

The provision for expropriations and interest on late payment records the best estimate of the amount relating to the difference between the prices paid for the expropriation of land required for the expansion of airports and the estimates of the prices that the Company would have to pay, considering that it is likely that certain legal claims in progress regarding some of the prices paid will be successful for the claimants. When estimating the amount of the differences affecting these prices, the Company has taken into account the default interest using the prevailing legal cash interest rate for each year as the basis of calculation.

As of 31 December 2022, there are provisions that mainly correspond to disputes related to expropriations of land, notably at Vigo Airport. All these proceedings gave rise to a provision amounting to €5,655 thousand, of which €4,713 thousand correspond to price differences, for which the balancing entry was a higher value for land, and €942 thousand of accrued default interest as of 31 December 2022, for which the balancing entry was interest expense for expropriation delays (2021: €5,972 thousand, of which €4,956 thousand corresponded to price differences, and €1,016 thousand of accrued default interest as of 31 December 2021, the balancing entry for which was interest expense for expropriation delays).

The reversals made during the fiscal year 2022 are mainly a consequence of resolutions favourable to the interests of Aena, notably the reversal of the provision for La Palma Airport. Of the €317 thousand reversed, €244 thousand was credited at the value of the fixed assets against which it was provided at the time, while the rest, for the amount of €73 thousand, was credited to the results for the period (at the time it was paid against the expense for interest on expropriations delays) (2021: €1,405 thousand reversed was credited at the value of the fixed asset against which it was provided at the time, while the rest, for the amount of €282 thousand, was credited to the results for the period).

The finance income from interest for expropriations as of 31 December 2022, once the aforementioned reversals were taken into account, has amounted to €73 thousand (31 December 2021: €282 thousand) (see Note 21.6).

21.3 Provision for responsibilities

This heading mainly records provisions made based on the best estimates available to the Company's management to cover risks relating litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. As of 31 December 2022 and 2021, the balances of the Provision mainly correspond to unfavourable rulings in claims made by lessees, as well as to labour and other claims made by contractors.

During the fiscal year 2022, the endowments made by the Company, totalling €6,638 thousand, corresponded mainly to claims for interest on delays for €2,686 thousand, claims made by airline companies for an amount of €1,175 thousand and labour claims amounting to €2,676 thousand.

During the fiscal year 2021, the endowments made by the Company, totalling €5,525 thousand, corresponded mainly to claims for interest on delays for €762 thousand, claims made by airline companies for an amount of €900 thousand and labour claims amounting to €3,447 thousand.

During the fiscal year 2022, reversals, for a total amount of €6,164 thousand, were made by the resolution favourable to the Company of labour litigation for an amount of €3,042 thousand, and other risks, highlighting those corresponding to claims made by airlines, which amounted to €2,449 thousand. The reversals have been credited to the profit and loss account, under the heading "Staff provisions" or "Provision surpluses", depending on their nature.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

During the fiscal year 2021, reversals, for a total amount of €8,355 thousand, were made by the resolution favourable to the Company of labour litigation and other risks, highlighting those corresponding to commercial claims that amounted to €5,523 thousand. The reversals have been credited to the profit and loss account, mainly under the heading 'Excess of provisions'.

The Company's directors do not consider that, from the set of responsibilities underway, additional liabilities may arise that would significantly affect these annual accounts.

21.4 Taxes

This section mainly records provisions allocated with respect to appeals filed by the Company due to its disagreement with the proposed settlements received from the Tax Authorities regarding certain local taxes associated with airport assets and for which final decisions have yet to be made, of which the expectation is that an outflow of cash is likely, the definitive amounts and the definitive settlement of which are uncertain on the date that these annual accounts were prepared.

The amount of the reversals, fully credited to the profit and loss account under the "Provision surpluses" heading, is mainly related to favourable resolutions in settlements that were in dispute or prescriptions of these local tax settlements in favour of the Company.

21.5 Provisions for environmental actions

Within this heading, provisions amounting to €60,500 thousand (2021: €102,365 thousand) were recognised in relation to the projected obligations for carrying out sound insulation and soundproofing works in residential areas to comply with the prevailing regulations on noise generated by airport infrastructures.

In addition, an environmental provision of €1,400 thousand (2021: €1,400 thousand) is recognised in relation to the additional measures contemplated in the Resolution of 9 April 2015, of the Secretary of State for the Environment. This resolution amends the ninth condition of the Environmental Impact Declaration for the Adolfo Suárez Madrid-Barajas Airport, of 30 November 2001, and makes provision for actions on the Jarama River. The 2022 provision also includes the greenhouse gas emission allowances acquired by the Company for its consumption, for an amount of €671 thousand (2021: €745 thousand). This corresponds to the best estimate of the allowances consumed during 2022, based on the emissions actually produced during 2021 (see Note 27).

In the fiscal year ended 31 December 2022, €4,923 thousand have been allocated to the provision for environmental actions for the updating of acoustic footprints of certain insulation plans, of which €866 thousand correspond to the financial cost. For the calculation of the provision, an average unit cost of €7,560/house was used (except for the Adolfo Suárez Madrid-Barajas airport, for which a cost of €23,323/house was estimated due to the type of houses and buildings pending insulation at this airport, and for seven other airports, for which the estimated average amount was €4,949/house). The balancing entry for these provisions is included under 'Property, plant and equipment'.

In the fiscal year ended on 31 December 2021, €48,570 thousand was allocated for the inclusion of three new sound insulation plans for Vitoria Airport, Tenerife Sur Airport and César Manrique-Lanzarote Airport. In the case of the Vitoria Airport, the sound insulation plan is required under the Resolution of 21 January 2021, of the General Directorate of Quality and Environmental Evaluation, by which an environmental impact report of the project 'Vitoria Airport Operational Changes' is formulated. In the case of Tenerife Sur Airport and César Manrique-Lanzarote Airport, the sound insulation plan is part of the action plan for acoustic easements approved by Royal Decree 92/2021, of 9 February, and Royal Decree 783/2021, of 31 August. For the calculation of the provision, an average unit cost of €11,484/house was used (except for the Adolfo Suárez Madrid-Barajas airport, for which a cost of €26,839 was estimated due to the type of houses and buildings pending insulation at this airport, and for eight other airports, for which the estimated average amount was €5,200/house).

The reversal that occurred during the fiscal year 2022, amounting to €36,769 thousand, is fundamentally related to a decrease in the average estimated insulation cost amount per house, at each of the airports, with respect to 2021. In this regard, the average amounts have been set at €7,560/house (except for the case of Adolfo Suárez Madrid-Barajas Airport, for which a cost of €23,323/house was estimated due to the type of the homes and buildings to be insulated at this airport, and for seven other airports, whose estimated average amount is €4,949/house), which in 2021 were €11,484/house, €26,839/house and €5,200/house, respectively. This reversal was made against the value of the fixed asset for which the provision was originally

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

made. In any case, this reduction is due solely to the scope of the actions that have had to be carried out, given that the prices applied remain unchanged as they are subject to the Framework Agreement approved in 2016.

The reversal that occurred during the fiscal year 2021, amounting to €8,210 thousand, is fundamentally related to a decrease in the average estimated insulation cost amount per house for four airports of the network, which dropped from €8,943/house to €5,200/house.

The environmental assessment legislation (currently Act 21/2013) requires that certain Aena S.M.E., S.A. projects are submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 metres), and are finalised by the formulation of the corresponding environmental impact statements by the Ministry for Environmental Transition. Such statements contain the obligation to develop and execute Sound Insulation Plans (SIP).

In terms of noise, Act 5/2010, of 17 March, amending Act 48/1960, of 21 July, on Air Navigation, stipulates the adoption of action plans, including any corrective measures, when acoustic easements are established to achieve acoustic quality objectives in relation to building exteriors, flight paths, number of flights and associated environmental impacts at airports with more than 50,000 flights/year.

The Company will post the corresponding provisions at the time when the obligation arises to insulate homes, that is, either when a new acoustic footprint is approved that centres on acoustic insulation issues, an easement and its action plan taking effect (via Royal Decree), or through the approval of a new Environmental Impact Statement as a result of the environmental evaluation of projects that require it. These published standards are the ones that must be considered when making provisions, regardless of if the insulating actions on affected buildings take place after they are made, which leads to a time difference between the provision and the execution of the works. The Company's administrators do not expect there to be any significant liabilities or additional contingencies for this reason.

21.6 Other provisions

This section mainly records the provision for discounts applicable to landing and passenger-departure airport charges, accrued by airlines operating during certain days of the week at airports located in the Canary Islands. Also, the General State Budgets Act for the fiscal year 2016 established incentives in the public service benefits for passenger traffic, for growth in passenger numbers on the routes operated in the Aena network.

The impact of COVID-19 on airport activity meant that these incentives were no longer in effect and so, in order to contribute to the reactivation of air traffic in Spain, for the winter season of 2021, the Board of Directors approved the extraordinary incentive of recovery of operations applicable between November 2021 and March 2022, in which the average monthly landing charge of operations exceeding the threshold of 75% was reimbursed, in reference to the operations carried out in the same months of the 2019 season, by the recovery percentage corresponding to each airline.

For 2022, the Board of Directors approved the Extraordinary commercial incentive for flights to the island of La Palma. The incentive would consist of a 100% refund of the infrastructure use charge (passenger) on all flights that take place from 1 January 2022 to 31 December 2022 which originate at La Palma Airport and whose destination is in the Spanish mainland, the Balearic Islands or an international destination.

For the 2022 summer season, the Board of Directors approved the commercial incentive for increased passenger traffic. This incentive will be effective from 1 April to 31 October 2022. The incentive refunds the average charge applied to outbound commercial passengers carried by the company, provided that the number of outbound passengers carried by the company exceeds the thresholds defined by geographical areas. The seating schedule at the end of the season must have equalled or exceeded the 'scheduled seating threshold' at EOS (End Of Season) with respect to the HBD (Historic Baseline Date).

For the summer 2022 and winter 2022 season, the Board of Directors also approved the incentive for regular commercial helicopter operations originating at Ceuta Heliport and Algeciras Heliport. Airlines will be entitled to a maintenance incentive for passengers transported on routes operated from Algeciras Heliport and Ceuta Heliport. The incentive will be calculated at an amount equivalent to 50% of the average amount of the public provision per outbound passenger and safety of the company on the route, and will be applied to the total number of commercial passengers departing from the route in question, provided that at least 75% of outbound passengers transported in the previous similar season is maintained on the route. The company must maintain at least 75% of the passengers registered in the previous similar season at the corresponding heliport.

For the 2022 winter season, the Board of Directors approved an extension of the incentive in force for the 2022 summer season, which will apply between 1 November 2022 and 31 March 2023. Companies that meet the required conditions on seat scheduling and occupancy factor will be able to benefit from a refund on their average passenger fare.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The overall effect of all the traffic incentives amounted to a provision of €41,308 thousand during the fiscal year 2022 (a net amount originating from the reversal of €46 thousand of provisions from previous years) compared with €59,037 thousand corresponding to the same period in 2021 (a net amount originating from the reversal of €1,768 thousand of provisions from previous years). The 2021 figures reflect the adjustment recorded in that fiscal year of the provision for growth incentives because, as a result of the drastic decrease in passenger traffic caused by the pandemic, many airlines have stopped meeting the necessary requirements to accrue them.

The applications received amount to €17,838 thousand against this provision of incentives to airlines during the fiscal year 2022 (2021: €58,284 thousand).

At 31 December 2022, the sum of the amount provisioned for all these items amounted to a balance of €31,152 thousand (2021: €7,682 thousand). Also included in this heading is a provision for the dismantling of the car park under construction in the vicinity of the Plovera building in Madrid, amounting to €450 thousand. The car park will revert to the City Council at the end of the lease period and is expected to be operational in 2023.

22. Public Administrations and fiscal situation

22.1 Balances with Public Administrations

The composition of the debit and credit balances with Public Administrations is as follows:

Income tax receivable	Note	Thousands of euros			
		2022		2021 (*)	
		Current	Non-current	Current	Non-current
Deferred tax assets	22,3	-	186,902	-	308,272
Current tax assets	22,2	9,087	-	-	-
VAT receivable		24,583	-	32,425	-
Canary Islands General Indirect Tax (IGIC [Impuesto General Indirecto Canario]) receivable		3	-	4	-
Income tax receivable for grants awarded	7,5	769	-	961	-
Other items		(3)	-	-	-
		34,439	186,902	33,390	308,272

() Restated figures*

The heading 'Income tax receivable for grants awarded' contains, as of 31 December 2022, an amount of €769 thousand related to a grant for the construction of a wastewater treatment plant at a network airport. At the end of the fiscal year 2021, there was a debit balance of €961 thousand related to this grant. During the fiscal year 2022, the Company collected €192 thousand from this grant (see Note 19.4).

Income tax payable	Note	Thousands of euros			
		2022		2021	
		Current	Non-current	Current	Non-current
Deferred tax liabilities	22,3	-	104,306	-	111,722
Personal income tax (IRPF [Impuesto sobre la renta de las personas físicas]) payable		11,025	-	7,773	-
General Indirect Canary Islands Tax (IGIC) payable		1,087	-	-	-
Social Security payable		17,971	-	13,106	-
Other taxes payable		52	-	1	-
VAT payable		116	-	123	-
		30,251	104,306	21,003	111,722

22.2 Reconciliation of the profit/(loss) and tax base

The reconciliation between profit/(loss) and the taxable Corporate Tax base in the fiscal year 2022 is as follows:

	Thousands of euros					
	2022					
	Profit and loss account			Revenue and expenses allocated directly to equity		
Balance of revenue and expenses for the fiscal year	864,861					
	Increases	Decreases	Total	Increases	Decreases	Total
Corporate Tax	245,528		245,528			
Profit/(loss) before tax	1,110,389					
Permanent differences	2,314	(14,095)	(11,781)			
Temporary differences:						
- Amortisation	42,821	(67,946)	(25,125)			
- Impairment losses	21,071	(2,039)	19,032			
- Pension plans	2,775	(4,953)	(2,178)			
- Provisions	153	(486)	(333)			
- Provision for impairment of fixed assets	11	(90)	(79)			
- Hedging derivatives				171,580		171,580
- Grants, donations and legacies received				4,806	(34,466)	(29,660)
- Others				343	-	343
	66,831	(75,514)	(8,683)	176,729	(34,466)	142,263
Offsetting of negative tax bases			(115,605)			
Tax base (taxable income)	974,321					
Total tax liability	243,580					
Deductions	(76,274)					
Tax liability	167,306					
Withholdings and payments on account	(165,317)					
Tax liability receivable	1,989					

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Thousands of euros 2021 (*)					
	Profit and loss account			Revenue and expenses allocated directly to equity		
Balance of revenue and expenses for the fiscal year	(458,133)					
	Increases	Decreases	Total	Increases	Decreases	Total
Corporate Tax		(196,938)	(196,938)			
Profit/(loss) before tax			(655,071)			
Permanent differences	1,557	(6,894)	(5,337)			
Temporary differences:						
- Amortisation	42,574	(68,970)	(26,396)	-	-	-
- Impairment losses	10,237	(1,323)	8,914	-	-	-
- Pension plans	2,395	(3,124)	(729)	-	-	-
- Provisions		(109)	(109)	-	-	-
- Provision for impairment of fixed assets	15	(24)	(9)	-	-	-
- Hedging derivatives	-	-	-	28,830	(83,751)	(54,921)
- Grants, donations and legacies received	-	-	-	284	(35,525)	(35,241)
- Others	-	-	-	6	-	6
	55,221	(73,550)	(18,329)	29,120	(119,276)	(90,156)
Offsetting of negative tax bases						
Tax base (taxable income)			(678,737)			
Total tax liability			-			(22,539)
Deductions			-			-
Tax liability			-			-
Withholdings and payments on account			-			-
Tax liability receivable			-			-

() Restated figures*

Under the consolidated Corporate Tax return regime, there is one contribution to be paid to the Treasury for the amount of €9 million (2021: there were no dues to be collected or contributions to be paid to the Treasury).

The main permanent differences of the fiscal year 2022 correspond to non-deductible expenses and to the reversal of the impairment provided for in the fiscal year 2020 related to the investment in its subsidiary Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.M.E. In 2021, meanwhile, there were also provisions due to the impairment of the financial investment in this subsidiary.

As for the main temporary differences for the fiscal year 2022, these concern:

- Impairment of trade receivables.
- Differences between book and tax depreciation.

In 2021, temporary differences were mainly generated by the impairment or impairment reversal of the fixed assets of said Company SCAIRM, the difference between the fiscal and accounting amortisation, the endowment to the provision of insolvencies, and provisions of risks and staff costs.

In addition, as a result of the change in accounting policy discussed in Note 2.8, the Company has recorded a lower accounting revenue from commercial leases in 2021 in the amount of €584,215 thousand and in 2020 in the amount of €48,196 thousand. Pursuant to the provisions of article 11 of the Corporation Tax Act, the lower accounting revenue corresponding to fiscal years 2020 and 2021 must be allocated for tax purposes to those fiscal years, calling for the rectification of the tax returns corresponding to those years in order to recognise the corresponding expenses and the resulting higher negative taxable bases in each of them to the amount of €158,103 thousand. This amount corresponds to the tax credit that has arisen as a consequence of the adjustment due to the restatement of 2020 for the amount of €12,049 thousand, and to that of 2021 for the amount of €146,054 thousand (Note 22.3).

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The amount of the impact of the application of the new accounting policy has resulted in the increase of the losses for the fiscal year 2021, amounting to €438.2 million and of the losses for the fiscal year 2020 amounting to €36.1 million.

The general Corporate Tax rate for the fiscal year 2022 is 25%, the same as in 2021.

The Income tax heading of the attached profit and loss account consists of:

	Note	Thousands of euros	
		2022	2021 (*)
(-) Expense/(+) Revenue			
Current tax		(243,580)	-
Deferred tax		(2,171)	141,472
Credits to offset losses during the fiscal year		(28,901)	23,631
Tax deductions recorded	22,3	29,620	30,652
Others		(496)	1,183
		(245,528)	196,938

(*) Restated figures

The 'Others' item corresponds mainly to the regularisation between the estimate made at the close of the fiscal year and the presentation of corporate tax in the following year.

The breakdown by company of the credits and debits between group companies as a result of the tax effect generated by the consolidated taxation regime is as follows:

	Thousands of euros			
	2022		2021	
	Current	Non-current	Current	Non-current
Aena Desarrollo Internacional S.M.E., S.A.	-	(10,004)	-	2,638
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E.	-	(429)	-	470
	-	(10,433)	-	3,108

22.3 Deferred taxes

The breakdown of deferred taxes as of 31 December 2022 and 2021 is as follows:

	Note	Thousands of euros	
		2022	2021 (*)
Deferred tax assets:			
- Temporary differences	22.1	186,902	308,272
		186,902	308,272
Deferred tax liabilities:			
- Temporary differences	22.1	(104,306)	(111,722)
		(104,306)	(111,722)
Deferred taxes		82,596	196,550

(*) Restated figures

The breakdown of deferred tax assets and liabilities whose term of realisation or reversal is greater than 12 months is as follows:

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

	Thousands of euros	
	2022	2021 (*)
Deferred tax assets:		
- Temporary differences	100,912	235,127
	100,912	235,127
Deferred tax liabilities:		
- Temporary differences	(96,890)	(111,854)
	(96,890)	(111,854)
	4,022	123,273

(*) Restated figures

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The movement in deferred tax assets and liabilities during the fiscal years 2022 and 2021 has been as follows:

	Deferred tax assets										
	Amortisation (**)	Impairment losses	Pension plans	Impairment of fixed assets	Responsibility provisions	Hedging derivatives	Increased value of stakes	Credits due to Negative Taxable Base (*)	Deductions pending application	Others	Total
Opening balance	46,970	10,788	1,035	185	5,018	18,389	(920)	186,514	40,235	58	308,272
Charge (credit) to profit and loss account	(13,285)	4,758	(570)	(20)	(58)	-	-	-	29,621	-	20,446
Charge (credit) to equity	-	-	(86)	-	-	(42,895)	-	-	-	-	(42,981)
Tax consolidated group companies	-	-	-	-	-	-	-	-	-	-	-
Use of credits in fiscal years	-	-	-	-	-	-	-	(28,901)	(69,270)	-	(98,171)
Others (***)	72	(713)	-	-	(6)	-	-	577	(586)	(8)	(664)
Balance at 31 December 2022	33,757	14,833	379	165	4,954	(24,506)	(920)	158,190	-	50	186,902

	Deferred tax assets										
	Amortisation (**)	Impairment losses	Pension plans	Impairment of fixed assets	Responsibility provisions	Hedging derivatives	Increased value of stakes	Credits due to Negative Taxable Base (*)	Deductions pending application	Others	Total
Opening balance	53,608	9,161	2,343	195	5,045	32,120	(920)	18,512	8,018	58	128,140
Charge (credit) to profit and loss account	(6,599)	2,229	(182)	(2)	(27)	-	-	168,002	32,217	-	195,638
Charge (credit) to equity	-	-	1	-	-	(13,731)	-	-	-	-	(13,730)
Tax consolidated group companies	-	-	-	-	-	-	-	-	-	-	-
Use of credits in fiscal years	-	-	-	-	-	-	-	-	-	-	-
Others (***)	(39)	(602)	(1,127)	(8)	-	-	-	-	-	-	(1,776)
Balance at 31 December 2021	46,970	10,788	1,035	185	5,018	18,389	(920)	186,514	40,235	58	308,272

(*) Restated figures.

(**) The heading 'Amortisation' includes €4,668 thousand (2021: €11,671 thousand) of the outstanding balance of the credit initially recognised for the amount of €21,928 thousand, once the €7,003 thousand used during 2022 (2021: €0 thousand) had been considered (see deductions table).

(***) The heading 'Others' mainly includes the effects of differences in the corporate tax expense accounted for at the close of each fiscal year, and the expense recorded with the definitive tax return to the AEAT.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

As indicated in Note 22.2, as a result of the change of accounting criteria that has taken place in the 2022 fiscal year and applied retrospectively (Note 2.8) in the restated figures of tax credits for negative taxable bases that are pending to be offset, those corresponding to the tax credit that has arisen as a result of the adjustment due to the restatement of 2020 for the amount of €12,049 thousand and that of 2021 for the amount of €146,054 thousand, have been recognised.

	Thousands of euros		
	Grants	Increased value of stakes	Total
Deferred tax liabilities			
Opening balance	(106,345)	(5,377)	(111,722)
Charge (credit) to equity	7,416	-	7,416
Balance at 31 December 2022	(98,929)	(5,377)	(104,306)
Deferred tax liabilities			
Opening balance	(115,155)	(5,377)	(120,532)
Charge (credit) to equity	8,810	-	8,810
Balance at 31 December 2021	(106,345)	(5,377)	(111,722)

22.3.1 Fiscal years pending verification and inspection actions

Aena S.M.E., S.A. is subject to a consolidated tax return in Spain. The tax group as of 31 December 2022 is made up of three companies. Aena S.M.E., S.A. as the parent company and Aena Internacional S.M.E., S.A. and Sociedad Concesionaria del Aeropuerto Internacional de Murcia S.M.E., S.A. as subsidiaries.

The tax consolidation regime applies indefinitely to the extent that the requirements demanded for that purpose by the regulations that govern it continue to be met, or the application thereof is not expressly waived.

As established by current legislation, taxes may not be considered to be definitively settled until the relevant returns have been inspected by the tax authorities or until four years have elapsed since filing. In this regard, the companies comprising the Aena Tax Group have the fiscal year 2018 and subsequent years open for the tax inspection; in the case of Sociedad Concesionaria del Aeropuerto Internacional de Murcia S.M.E., S.A., the first fiscal year open for tax inspection is 2018, the year of its incorporation into the group. However, at the end of the fiscal year 2022, no Group company has any tax inspection procedure open.

The directors of Aena consider that the tax settlements have been properly carried out and, therefore, even if discrepancies were to arise in the interpretation of current legislation as a result of the tax treatment given to the transactions, any resulting liabilities, if any, would not have a material effect on the accompanying consolidated annual accounts.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

22.3.2 Tax deductions

In the fiscal years 2022 and 2021, the following deductions have been applied in the Corporate Tax settlement:

Tax deductions for the fiscal year 2022						
	Year generated (1)	Amount pending at 31/12/2021	Amount recognised in 2022	Amount applied	Amount pending at 31/12/2022	Year matured (2)
Deductions in the Canary Islands for investments in fixed assets (2)	2020	7,035	-	7,035	-	2035
	2021	28,877	-	28,877	-	2036
	2022	-	29,579	29,579	-	2037
Deduction for investments in R&D&I (2)	2020	412	-	412	-	2038
	2021	1,745	(885)	860	-	2039
	2022	-	21	21	-	2040
Deduction for donations (2)	2020	970	-	970	-	2030
	2021	29	299	328	-	2031
	2022	-	21	21	-	2032
Deduction for double international taxation	2020	689	-	689	-	-
	2021	478	-	478	-	-
Subtotal		40,235	29,035	69,270	-	
30% deduction in amortisation (3)		4,668	2,335	7,003	-	
Total		44,903	31,370	76,273	-	

Tax deductions for the 2021 fiscal year						
	Year generated (1)	Amount pending at 31/12/2020	Amount recognised in 2021	Amount applied	Amount pending at 31/12/2021	Year matured (2)
Deductions in the Canary Islands for investments in fixed assets (2)	2020	7,191	(156)	-	7,035	2035
	2021	-	28,877	-	28,877	2036
Deduction for investments in R&D&I (2)	2020	135	277	-	412	2038
	2021	-	1,745	-	1,745	2039
Deduction for donations (2)	2020	3	967	-	970	2030
	2021	-	29	-	29	2031
Deduction for double international taxation	2020	689	-	-	689	-
	2021	-	478	-	478	-
Subtotal		8,018	32,217	-	40,235	
30% deduction in amortisation (3)		2,335	2,333	-	4,668	
Total		10,353	34,550	-	44,903	

(1) The year of generation responds to the period in which the assets or personnel who qualified for the generation thereof were associated with the branch of airport activity.

(2) Deduction in the Canary Islands for investments in fixed assets: RD Law 15/2014, Fourth Transitional Provision, establishes a period of use of 15 years; Deduction for R&D&I in art. 39 of Act 27/2014, on Corporate Tax, establishes a period of use of 18 years. Deduction for donations: Act 49/2002, on the tax system of non-profit entities and tax incentives for sponsorship, establishes in its article 20 that the amounts corresponding to the non-deducted tax period may be applied in the settlements of tax periods ending in the immediate and successive 10 years.

(3) Deduction with recoverability of 30% in amortisation adjustment: Corporate Tax Act: Transitional Provision Thirty-Seven does not establish a limit on its use. The €2,335 thousand of this deduction, recognised and applied to taxation in 2019, does not reduce the expense for tax in that period given that it was recognised in 2015. They include €2 thousand corresponding to ADI, as Aena S.M.E., S.A. is the head of the tax group.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

23. Revenue and expenses

23.1 Distribution of the net turnover

The Company's activity is carried out geographically within Spain, having obtained the following revenue in the fiscal years 2022 and 2021, which are detailed below:

Thousands of euros	2022			2021 (*)		
	Contractual revenue	Formalised discounts (Note 4.5.2)	Total	Contractual revenue	Formalised discounts (Note 4.5.2)	Total
Airport services	3,598,080	(17,445)	3,580,635	2,139,685	(693,865)	1,482,413
Aeronautical services	2,367,379	-	2,367,379	1,283,395	-	1,283,395
Aeronautics - Airport Charges	2,293,529	-	2,293,529	1,232,864	-	1,232,864
Landing/Air Transit Service/Meteorological Service	598,456	-	598,456	340,294	-	340,294
Parking facilities	43,497	-	43,497	61,152	-	61,152
Passengers	952,365	-	952,365	512,052	-	512,052
Boarding airbridges	77,114	-	77,114	59,247	-	59,247
Security	338,845	-	338,845	179,346	-	179,346
Handling charges	93,821	-	93,821	59,715	-	59,715
Fuel	25,291	-	25,291	15,842	-	15,842
Catering	8,456	-	8,456	5,216	-	5,216
Recovery of COVID-19 costs, Act 2/2021	155,684	-	155,684	-	-	-
Other aeronautical services (1)	73,850	-	73,850	50,531	-	50,531
Commercial services	1,230,701	(17,445)	1,213,256	856,290	(693,865)	199,018
Leases	34,557	-	34,557	31,290	(2,550)	28,740
Specialty shops	90,617	-	90,617	1,214	(41,947)	(37,795)
Duty-Free Shops	332,928	-	332,928	278,135	(413,456)	(108,754)
<i>Food and beverage</i>	243,622	119	243,741	194,515	(210,488)	(8,910)
Car rental	148,390	(51)	148,339	129,472	-	129,472
Car parks	146,423	-	146,423	76,036	-	76,036
Advertising	23,868	(16,837)	7,031	22,122	(4,261)	17,861
VIP services (2)	82,792	(127)	82,665	29,771	(675)	29,096
Other commercial revenue (3)	127,504	(549)	126,955	93,735	(20,488)	73,272
Real estate services	86,423	-	86,423	74,217	(5,872)	68,345
Leases	17,141	-	17,141	15,017	(281)	14,736
Land	27,536	-	27,536	21,123	(1,470)	19,653
Warehouses and hangars	6,546	-	6,546	8,361	(897)	7,464
Cargo logistics centres	21,555	-	21,555	20,218	(2,644)	17,574
Real Estate Operations	13,645	-	13,645	9,498	(580)	8,918
Total Net Turnover – Airport Services	3,684,503	(17,445)	3,667,058	2,213,902	(699,737)	1,550,758

(*) Restated figures

(1) Includes Counters, 400 Hz usage, Fire Service, Left Luggage and Other Revenue.

(2) Includes VIP lounge rental, VIP packages, other lounges, fast-track and fast-lane.

(3) Includes commercial operations (banking services, vending machines, telecommunications, baggage laminating machines, etc.), commercial supplies, use of lounges, and filming and recordings.

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

In the fiscal year 2021, despite the recovery in air traffic, there was a decrease in airport revenues as a result of the impact of discounts on commercial rents, mainly due to the seventh final provision (DF7). In 2022, the recovery in traffic continues to consolidate, which has been reflected in a 136.5% increase in aeronautical revenues compared to the previous fiscal year.

During the fiscal year 2022, the development of the recovery of traffic, the increase in spending per passenger and the progressive opening of premises that remained closed during the pandemic have led to the commercial activity of the period approaching pre-pandemic levels. Commercial revenue continues to be impacted by the reductions in MAG that have led to the entry into force of DF7 (Note 5.1).

During the fiscal year 2022, variable payments have been recorded within operating lease revenue for the amount of €1,201 million (2021: €601 million).

23.2 Supplies

The breakdown of the heading “Supplies” for the fiscal years 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Purchases of other supplies	231	1,102
Works performed by other companies	161,492	156,901
Total	161,723	158,003

The works performed by other companies correspond mainly to communications, navigation and surveillance (CNS), air traffic management (ATM) and aeronautical information services (AIS) provided by ENAIRE under the agreements signed with this entity (Note 12), which amount to €123,060 thousand (2021: €119,219 thousand). This heading also includes the expenses derived from the agreement signed with the Spanish Meteorological Agency (AEMET) for the provision of meteorological services to the airport network managed by Aena (Note 12) for the amount of €11,994 thousand (2021: €11,664 thousand), and the services provided by the Ministry of Defence derived from the agreement signed with it (Note 4.21), amounting to €8,664 thousand (2021: €5,082 thousand).

23.3 Staff costs

The staff costs in the fiscal years 2022 and 2021 are broken down as follows:

	Thousands of euros	
	2022	2021
Wages, and salaries and compensation	325,150	296,008
Social Security paid by the company and other social expenses	128,403	118,266
Contributions to work commitments	1,977	1,965
Provision surplus for compensation and other benefits	(9,579)	(6,301)
Others	622	400
Total	446,573	410,338

The staff costs in 2022 are similar to those of 2021, and are mainly the result of the provision for the salary review for the year 2022 provided for in Act 22/2021, of 28 December, of General State Budgets for 2022, which sets an increase of 2%, an additional increase of 1.5% approved in the Resolution dated 24 October 2022, and its impact on social security (2021: increase of 0.9%), as well as performance-related variable remuneration, and in the opposite direction, of the increase in the surplus of the provision for remunerations and the decrease in the contribution to employment commitments.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

23.4 External services

The breakdown of this heading in the fiscal years 2022 and 2021 was as follows:

	Thousands of euros	
	2022	2021
Leases and royalties	5,485	4,839
Repairs and maintenance	267,407	213,454
Independent professional services	46,875	41,558
Insurance premiums	13,126	12,634
Bank services	2,210	930
Advertising and public relations	6,577	1,540
Utilities	283,213	131,673
Security and surveillance services	183,912	128,438
Other services	165,718	99,655
Total	974,523	634,721

The 'Repairs and maintenance' section mainly includes repairs of airport infrastructures, maintenance of the SATE system (automatic baggage handling system) and cleaning of the buildings and passenger terminals. Utilities relate mainly to lighting, water and telephone costs. 'Other services' relate mainly to car park management services, the cost of services to assist passengers with reduced mobility and public information services.

The increase in spending is mainly motivated by the significant increase in the price of electricity in the Spanish airport network, included in the supply item that in 2022 amounted to €266.7 million compared to the €121.5 million euros recorded in 2021.

In addition, operating expenses have been increased by the increase in fixed structural costs resulting from the opening of terminals at airports as a result of the gradual increase in traffic during the fiscal year 2022, the same as in fiscal year 2021.

23.5 Taxes

The balance in Taxes primarily corresponds to the amounts paid in local taxes, mainly property tax (IBI) and Economic Activity Tax (IAE).

23.6 Financial results

The financial results obtained in the fiscal years 2022 and 2021 have been the following:

	Notes	Thousands of euros	
		2022	2021
Finance income		15,976	9,666
From marketable securities and other financial instruments			
- From group and associated companies	12	5,208	7,914
- From interest on expropriations	21	-	282
- From third parties		8,715	494
Capitalisation of finance expenses	6 7	2,053	976
Finance expenses		(88,588)	(79,260)
- For debts with group and associated companies	12	(37,047)	(31,083)
- For debts with third parties		(29,694)	(16,671)
- Derivatives	15 19,3	(20,927)	(31,491)
- From interest on expropriations	21	-	-
- For the updating of provisions		(920)	(15)
Exchange differences		(6)	(12)
Impairment and net gain or loss on disposals of financial instruments		9,386	6,806
Impairment of stakes in Group companies	11	9,386	6,806
FINANCIAL RESULTS		(63,232)	(62,800)

In this chapter, the main variations in the fiscal year 2022 compared to 2021 are the following:

- With regard to finance income, there was a decrease in income from marketable securities of group companies (-€2,706 thousand) due to the decrease in average debt, while there was an increase in this item due to interest received on term deposits (€8,221 thousand) as a result of the increase in interest rates.
- The increase in "Finance expenses for debts to group companies" and "Finance expenses for debts to third parties" is the result of an increase in interest rates.
- The decrease of €10.6 million under the heading "Derivatives" is due to the increase in interest rates. (Note 15 and Note 19.3)
- In the fiscal year 2022, the reversal due to impairment of the stake in the group company Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.A. has been recorded for the amount of €9.4 million (Note 11).

23.7 Provision surpluses

Of the total amount of €4,942 thousand (2021: €9,427 thousand) included in the 'Provision surpluses' heading of the 2022 profit and loss account, €2,259 thousand correspond to favourable resolutions in settlements of local taxes that were in dispute (2021: €3,693 thousand) and €2,683 thousand corresponds to provision surpluses for liabilities of different natures (commercial contracts, court rulings that modify the amount of the dispute, etc.) (2021: €5,734 thousand).

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

24. Other information

24.1 Employee information

The number of Aena S.M.E., S.A. employees, at the end of the fiscal years 2022 and 2021, by category and gender, was as follows:

Job category	31 December 2022			31 December 2021		
	Men	Women	Total	Men	Women	Total
Senior Management	5	6	11	6	5	11
Executives and graduates	1,125	931	2,056	1,060	871	1,931
Coordinators	871	375	1,246	837	367	1,204
Technicians	2,876	1,447	4,323	2,825	1,383	4,208
Support staff	206	246	452	204	229	433
Total	5,083	3,005	8,088	4,932	2,855	7,787

The above figures include 752 temporary employees, at the end of the fiscal year 2022 (2021: 640).

The average number of Aena S.M.E., S.A. employees, during the fiscal years 2022 and 2021, by category and gender, was as follows:

Job category	Year 2022			Year 2021		
	Men	Women	Total	Men	Women	Total
Senior Management	5	6	11	6	5	11
Executives and graduates	1,096	899	1,995	1,037	853	1,890
Coordinators	857	370	1,227	838	330	1,168
Technicians	2,850	1,427	4,277	2,824	1,383	4,207
Support staff	205	236	441	200	225	425
Total	5,013	2,938	7,951	4,905	2,796	7,701

The above figures include, on average, 634 temporary employees (2021: 526).

As of 31 December 2022, Aena S.M.E., S.A. had 115 employees with disabilities (2021: 108).

24.2 Remuneration of directors and Senior Management

Remuneration received during the fiscal years 2022 and 2021 by Directors and Senior Management of the Company, classified by type, was as follows (in thousands of euros):

Type	Year 2022			Year 2021		
	Senior Management	Board of Directors	Total	Senior Management	Board of Directors	Total
Salaries	1,515	-	1,515	1,469	-	1,469
Allowances	24	128	152	11	120	131
Pension plans	10	-	10	10	-	10
Insurance premiums	7	-	7	7	-	7
Total	1,556	128	1,684	1,497	120	1,617

The Board of Directors of AENA S.M.E., S.A. was made up of 15 members (9 men and 6 women) at 31 December 2022 (2021: 11 men and 4 women).

The figure for Senior Management Salaries includes €333 thousand (2021: €327 thousand) corresponding to the salaries and wages of the Chairman-CEO and the Managing Director of Airports, who are also members of the Board of Directors.

The compensation received during the fiscal year 2022 corresponds to the compensation received by Aena S.M.E., S.A. for ten senior management positions and by the Chairman-CEO. In addition, the Directors and Senior Management have not

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

been granted advances or credits, nor have obligations been assumed on their behalf as collateral, nor have civil liability insurance premiums been paid for damages caused by acts or omissions in exercising the position.

24.3 Transactions unrelated to ordinary traffic or in non-market conditions carried out by the Company's Directors

During the fiscal years 2022 and 2021, the Directors did not carry out transactions with the Group nor with Group companies outside of the ordinary course of business or under conditions other than market conditions.

24.4 Shareholdings and positions held and activities carried out by members of the Board of Directors in other similar companies

During the fiscal years 2022 and 2021, the members of the Board of Directors had not held any ownership interests in the share capital of Companies that directly engage in activities that are identical, similar or complementary in nature to the corporate purpose of the Company. In addition, no activities that are the same, similar or complementary to the activities constituting the Company's corporate purpose have been carried out or are currently being carried out.

As of 31 December 2022 and 2021, there are no members of the Board of Directors that hold directorship or executive positions at other Group companies, with the following exceptions:

- Mr Maurici Lucena Betriu is Chairman of the Board of Directors of Aena International Development, S.M.E., S.A.
- Mr Javier Marín San Andrés is the CEO of Aena, Desarrollo Internacional, S.M.E., S.A. and Chairman of the Board of Directors of Aeroportos do Nordeste do Brasil S.A. (ANB) and of Bloco Do Onze Aeroportos do Brasil (BOAB).
- Mr Juan Carlos Alfonso Rubio, who until 3 May 2022 was Secretary of the Board of Directors of Aena S.M.E., S.A., is Director of Aeroportos do Nordeste do Brasil S.A. (ANB).
- The Deputy Secretary of the Board of Directors, Mr Pablo Hernández-Lahoz Ortiz, is Secretary of the Board of Directors of Aena Desarrollo Internacional, S.M.E., S.A.

None of the persons associated with the members of the Board of Directors hold any stake whatsoever in the share capital of Companies, and hold no position and fulfil no duties within any Company with the same, similar or supplementary corporate purpose as the Company.

In order to avoid situations of conflict with the interests of the Company, during the fiscal year, directors who have held positions on the Board of Directors have complied with the obligations set out in article 228 of the Consolidated Text of the Corporate Enterprises Act. Similarly, they and those related to them, have refrained from engaging in any conflict of interest situations mentioned in article 229 of that Act, except where the relevant authorisation has been granted.

25. Audit fees

The company that audits the annual accounts, KPMG Auditores, S.L., has charged professional fees and expenses during the fiscal years ended on 31 December 2022 and 31 December 2021, according to the following details:

	Thousands of euros	
	2022	2021
Audit services	215	215
Other verification services required by current legislation	44	44
Other services	77	77
Total	336	336

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Other verification services required by current legislation and other services correspond to assurance services on regulatory compliance, and services of procedures agreed on financial information provided by KPMG Auditores, S.L. to AENA S.M.E. S.A. during the fiscal years ended 31 December 2022 and 31 December 2021. No tax services have been performed during the fiscal years ended 31 December 2022 and 31 December 2021.

The amounts included in the above table include all the fees for services rendered during the fiscal years 2022 and 2021, regardless of when they were invoiced.

With regard to the data expressed in the 2021 Annual Accounts, there has been a reclassification of €17 thousand between audit services and other verification services required by current legislation, corresponding to the limited review works of the consolidated interim financial statements.

26. Guarantees, commitments and other sureties

The bank guarantees provided to various Institutions as of 31 December 2022 amounted to €17,647 thousand (31 December 2021: €18,946 thousand).

Most of these guarantees were presented as a requirement of state public authorities or Autonomous Communities at the time the administrative request for the installation of Photovoltaic Solar Plants (PVSP) in several network airports was submitted. The sureties guarantee Aena's obligations for access to the electrical power grid.

The Company's directors do not expect them to generate significant liabilities.

27. Environmental commitments

The Company's management, faithful to its commitment to preserve the environment and to the quality of life around it, has been making investments in this area, which allow it to minimise the environmental impact of its actions, and protect and improve the environment.

As of 31 December 2022, property, plant and equipment included environmental investments totalling €567.1 million, with accumulated depreciation of €305.7 million (2021: investments of €594.9 million and depreciation of €289.7 million).

Investments of an environmental nature made during the fiscal year 2022, which include the items incorporated into the Company's equity in order to be used for the duration of their activity, whose main purpose is to minimise the environmental impact, and protect and improve the environment, including control, prevention, reduction or elimination of future pollution from the entity's operations, have risen to €19,814 thousand (2021: €59,467 thousand), according to the following breakdown:

	Thousands of euros	
	2022	2021
Palma de Mallorca	5,673	659
Adolfo Suárez Madrid-	2,537	8,322
Alicante-Elche Airport	2,513	3,732
Ibiza Airport	2,208	648
Tenerife Sur Airport	693	23,203
Menorca Airport	475	37
A Coruña Airport	450	31
Gran Canaria Airport	437	373
César Manrique-	428	11,887
Málaga-Costa del Sol	425	630
Jerez Airport	343	51
Valencia Airport	340	1,247
Bilbao Airport	333	2,618
Other airports	2,959	6,029
Total	19,814	59,467

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

The profit and loss accounts of the fiscal years 2022 and 2021 include the following environmental expenses, broken down by category:

	Thousands of euros	
	2022	2021
Repairs and maintenance	9,184	10,310
Independent professional services	2,717	2,605
Other environmental services	3,164	2,409
Total	15,065	15,324

The environmental provisions and contingencies are outlined in Note 21. Environmental evaluation legislation (currently Act 21/2013), requires that certain AENA S.M.E., S.A. projects be submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 metres) and be finalised by the issuing of the corresponding environmental impact statements (EIS) by the Ministry for Environmental Transition, which contain the obligation to develop and execute Sound Insulation Plans (SIP).

As of 31 December 2022, a total of 27,574 houses and buildings have been soundproofed in application of the Sound Insulation Plans (2021: 25,711 houses). This highlights 12,922 houses in the surroundings of the Adolfo Suárez Madrid-Barajas airport (2021: 12,919 houses), 3,180 at Alicante-Elche Airport (2021: 2,998 houses), 3,953 houses at Valencia Airport (2021: 2,758 houses), 1,681 at Bilbao Airport (2021: 1,580), 1,099 at Tenerife Norte-Ciudad de La Laguna Airport (2021: 1,093 houses), 1,176 at Palma de Mallorca Airport (2021: 1,031) and 814 at Málaga-Costa del Sol Airport (2021: 814 houses).

Likewise, in accordance with the resolutions of the Ministry for Environmental Transition for which environmental impact statements are formulated for the Company’s airports, the preventative, corrective and compensatory measures cited in the preventative environmental impact studies and in the aforementioned Environmental Impact Statements are being carried out, thus fulfilling a series of conditions primarily with the protection of the hydrological and hydrogeological system; soil protection and conservation; air quality protection; acoustic protection; protection of the flora, fauna and natural habitats; protection of the cultural heritage, service restoration and livestock trails, location of cliffs, loan zones, landfills and auxiliary facilities.

27.1 Information on greenhouse gas emission allowances

Until January 2021, Aena had eight airports affected by the regulations of the Business with Rights of Emissions Regulation, which were the following: Barcelona-El Prat Josep Tarradellas Airport, Palma de Mallorca Airport, Alicante-Elche Airport, Valencia Airport, Málaga-Costa del Sol Airport, Fuerteventura Airport, Gran Canaria Airport and Tenerife Sur Airport. As of 1 January 2021, the exclusion of the Regime for the airports of Alicante-Elche Airport, Valencia Airport, Málaga-Costa del Sol Airport, Fuerteventura Airport, Gran Canaria Airport and Tenerife Sur Airport entered into force, for complying with the conditions of the law to obtain it. Therefore, these airports are only required to prepare the Annual Emissions Report and submit it for verification, to demonstrate to the competent bodies that they continue to be low emissions facilities, and that, therefore, they continue to comply with the requirements of the exclusion granted. Therefore, in 2022 (with assignment, purchase and delivery of rights in 2022) there are only two airports in the network under the Business with Rights of Emissions Regime: Josep Tarradellas Barcelona-El Prat Airport and Palma de Mallorca Airport. And in the same way as in previous years, before 31 March 2023, the assignment of rights corresponding to fiscal year 2022 will be received. Some of the exclusion resolutions granted include an annual commitment to reduce emissions for the next five years, wherefore airports that exceed the maximum annual emissions set in such commitments must deliver the excess emissions in the form of emission rights/EUA. Specifically, the airports that have the reduction commitment included in their exclusion resolution are: Alicante-Elche Airport, Valencia Airport, Málaga-Costa del Sol Airport, Fuerteventura Airport, Gran Canaria Airport and Tenerife Sur Airport, of which after the 2021 calculation and verification (carried out in February 2022) it was found that both Fuerteventura and Tenerife Sur had exceeded the maximum emissions set by the competent bodies for the fiscal year 2022: Tenerife Sur Airport by 10 TCO₂ and Fuerteventura Airport by 1 TCO₂. As a result, the necessary allowances for the four centres (Josep Tarradellas Barcelona-El Prat Airport, Palma de Mallorca Airport, Fuerteventura Airport and Tenerife Sur Airport) were purchased in the purchase of emission allowances in 2022.

As regards the types of rights assigned, all airports are assigned rights to issue the US type that must be acquired in the auction market. In addition, the Josep Tarradellas Barcelona-El Prat Airport was granted the free assignment, so that in 2022 it received 1,532 free rights (2021: 2,408 free rights).

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

At the end of the fiscal year 2022, inventories (Note 17) are recorded for the amount of €176 thousand corresponding to 2,178 greenhouse gas emission rights, acquired or received free of charge by Aena for consumption. Likewise, a provision of 5,594 rights has been provided, valued at €671 thousand, which corresponds to the best estimate of the rights consumed during 2022, and which amount to 7,772 rights. For this, it is estimated that the verified emission values of 2022 (to be verified in February 2023) are an average among the emission data in those airports of what was issued in 2020 and 2021, which would mean a total of 7,772 Tonnes of CO₂. In addition, the currently available balance is discounted in the accounts of both centres and, finally, the price of the one tonne of CO₂ is estimated at the time of purchase (before 30 April 2023) at €120 per tonne of CO₂. For the estimation of the price per tonne, it has been taken into account that the prices fluctuate and in addition to being a speculative market, it depends on factors such as the price of gas or electricity, the macroeconomic situation of the main issuing countries or the reduction policies, among other factors. Thus, its estimation is very complex, but the upward trend is very marked and consequently at 30 January 2023 the price is €88.69 per tonne.

27.2 Environmental sustainability

The various European and national initiatives make it essential to build the recovery of the air transportation sector, due to the COVID-19 pandemic, taking into account the pillar of environmental sustainability. This area of sustainability is therefore a strategic axis in the DORA 2022–2026. In this regard, this document sets the conditions for the sustainable development of the Aena airport network by establishing environmental standards that are articulated through six indicators. Through these indicators, specific aspects of the environmental performance of the network's airports can be quantified. The six indicators that define environmental standards are identified below:

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

Indicator	Target level					Airports of Aena where it applies	
	2022	2023	2024	2025	2026		
ENV-01	Absolute emissions of CO2	-60%	-61%	-62%	-72%	-82%	
<i>Compared to 2019</i>							
ENV-02	Energy efficiency	N/A ¹⁵	N/A ¹⁵	0.0%	-1.6%	-2.3%	
<i>Compared to 2019</i>							
ENV-03	Zero carbon	-60%	-69%	-70%	-80%	-100%	
<i>Compared to 2019</i>							
ENV-04	Water consumed	99%	98%	97%	96%	95%	
<i>Compared to 2021</i>							
ENV-05	Noise levels	Average of the differences (Ld and Le) <1 dB and of the differences (Ln) < 1 dB Maximum value of the differences (Ld and Le) <1 dB and of the differences (Ln) < 2 dB <i>Compared to the previous year</i>				Airports with a system for monitoring noise and flight paths	
ENV-06	Non-hazardous waste collected	101%	102%	103%	104%	105%	Aena airport network
<i>Compared to 2021</i>							

The DORA II establishes relevant investments as those that, without having been considered strategic, are related to air navigation, the endowment of capacity in infrastructure, energy efficiency and savings, the promotion of the use of renewable energies and efforts in terms of innovation.

28. Contingencies

28.1 Contingent liabilities

At the end of the 2022 and 2021 fiscal years, the Company maintains claims and legal disputes against it, as a natural consequence of the normal course of its business, which the Management considers possible obligations and, therefore, considers with the support of its lawyers that an outflow of resources is not likely to occur.

28.1.1 Commercial activities

- With regard to the main litigations at 31 December 2022, it is worth noting first the claim filed by CEMUSA, Corporación Europea de Mobiliario Urbano, S.A. (fully owned by JCDECAUX EUROPE HOLDING) in which the amount of €55 million is claimed from Aena based on the clause 'rebus sic stantibus', with this claim not being related to COVID-19. This clause is invoked to support the claim of annulment of the contract, alleging that due to the 2008 crisis there was a fundamental change in the circumstances that motivated the contract and that it therefore prevents its compliance. On 21 June 2022, the trial hearing was held and, by means of a judgement dated 16 September 2022, the Madrid Court of First Instance No. 50 dismissed the claim in its entirety and ordered the plaintiff to pay the costs. This judgement is not final and CEMUSA has filed an appeal against it. The risk is considered remote.
- Secondly, and as a consequence of the health crisis caused by COVID-19, legislators have been adopting temporary measures of an extraordinary nature to prevent and contain the virus and mitigate its health, social and economic impact throughout Spain. These included temporary restrictions to free movement and containment measures in areas of education, employment, business, leisure and places of worship.

Faced with these facts and as a consequence thereof, some lessees filed claims based on the legal doctrine of 'clausula rebus sic stantibus' requesting that the Courts consider the need to adopt an injunctive relief with the purpose of ensuring that Aena refrains from invoicing the rents agreed in the contracts and, at the same time, suspend their right to execute the guarantees available in the event of any non-payment, among other requests. All the foregoing is put forth with the consequent ordinary claim.

From the commencement date of the legal dispute to the close of the period, 82 claims have been notified and 26 judgements have been handed down: 22 partially upholding the complainants' claims, 2 fully upholding the complainants' claims and 2 dismissing the complainants' claims. In addition, injunctive relief orders have been issued in 59 proceedings, out of which 12 contain a partial ruling, 28 are unfavourable to Aena and 19 reject the measures requested, being favourable to Aena's interests.

On 3 October 2021, the Seventh Final Provision (DF7) of Act 13/2021, of 1 October, which amends Act 16/1987, of 30 July, on the Ordinance of Land Transport in matters of infractions related to the lease of vehicles with a driver and to fight against arrears of payment in the field of road transport of cargo. The standard contains a regulation whereby business premise lease or assignment agreements are automatically and retroactively modified in the airports managed by Aena in order to rebalance the current agreements.

DF7 is, therefore, a standard applicable to a large part of the lease agreements that are the subject of the different judicial proceedings that are being processed, since these are intended for that same modification of the agreements in application of the 'clausula rebus sic stantibus'. Therefore, DF7 must necessarily be considered by the different judicial bodies when ruling on the aforementioned judicial dispute. However, Aena, after consulting with renowned legal professionals, believes that DF7 is unconstitutional and should therefore not be applied by judges and courts to resolve legal disputes.

As Aena has no standing to file an appeal for unconstitutionality against DF7, it may only assert its unconstitutionality through the corresponding questions of unconstitutionality issued within the framework of the judicial proceedings in which its application has been decisive for the ruling. Raising an issue of unconstitutionality is not a right of the party that raises it, but a power of the judge or court. In this case, raising this issue, given the impact of DF7 on ongoing cases, due to the revenues Aena has failed to receive, would be clearly justified.

As a result of the foregoing and with respect to the litigation in progress, Aena is requesting that the judicial body, prior to issuing a ruling on the matter under discussion, raise a question of unconstitutionality under Art. 35 Organic Law of the Constitutional Court. Until 31 December 2022, it has been requested that the issue be raised in 56 proceedings. However, in

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

the resolutions that have been notified in this regard up to this date, no judicial body has yet raised the issue of unconstitutionality to the Constitutional Court, although the request may be raised again in subsequent applications.

If the judicial body agreed to what has been requested, it will suspend the ruling on the proceeding and will raise a question of unconstitutionality to the Constitutional Court. Once an issue of unconstitutionality has been raised in any of the pending judicial proceedings, it would be reasonable for the rest of the courts and tribunals to raise new issues or for the issues not to be ruled upon until the Constitutional Court has decided on the constitutionality of the law.

Of the 26 judgements referred to above, 22 of them have been issued after the entry into force of DF7 and 20 recognise the application of this provision essentially on the understanding that, with its entry into force, the need to resolve whether there has been a change of circumstances in the contract that could lead to a ruling on the claim in order to rebalance the economic conditions of the contract has been rendered ineffective. In the two judgements that do not apply DF7, one makes a comparison to the regulation by narrowing the rent adjustment to 2020 and 2021 and the other does not expressly rule on this issue (lease intended for currency exchange activity) and adjusts the rent at an affordability rate of 12%. In addition, 9 lower courts have issued filing orders considering that the alleged contractual balance pursued by the plaintiff is reached after the entry into force of DF7, satisfying its claims and terminating the proceedings due to a sudden lack of purpose of the claim. All these rulings have been appealed by Aena.

Of the judgements that have been appealed, four have been resolved:

- Judgement dated 2 May 2022 of the Provincial Court of Palma, which maintains the provisions in the application (partial estimation of the lawsuit). Aena has filed an appeal for annulment with the Supreme Court against this judgement.
- Judgement dated 19 May 2022 of the Provincial Court of Madrid (ZEA RETAIL), which upholds the appeal of Aena by declaring that the application of the ‘clausula rebus sic stantibus’ to contracts that have already terminated is not possible. This judgement is final.
- Judgement dated 29 July 2022 of the Provincial Court of A Coruña (AIRFOODS), which dismisses the appeal filed by Aena and upholds the court ruling. The Court considers that the judge of first instance reaches the same resolution as the DF7. Aena has filed an appeal for cassation with the Supreme Court against this judgement.
- Judgement of 2 December 2022 issued by the Provincial Court of Palma de Mallorca (Sect. 4). The court ruling was issued in July 2021, prior to the entry into force of the DF7. The Provincial Court dismissed Aena’s appeal and partially upheld AIRFOODS’ appeal, in the sense that it agreed that the contracts entered into between the parties must be adapted to the provisions of DF7. Aena has filed an appeal for cassation with the Supreme Court against this judgement.

At the date of preparation of these annual accounts, the Company estimates that the judgments estimating the tenants' claims could amount to a maximum of between 30 and 40 million euros.

28.1.2 Other contingencies

On 3 February 2022, the National Commission on Financial Markets and Competition (CNMC) notified Aena that it had initiated dispute proceedings at the request of IATA Spain and Ryanair DAC against the decision of Aena’s Board of Directors of 21 December 2021 setting the airport charges for 2022.

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

On 18 May 2022, the CNMC notified Aena of the summons to appear before the National High Court in relation to the judicial review proceedings number 8/960/2022, brought by Ryanair DAC against the Resolution of 24 March 2022.

On 13 and 14 June 2022, IATA Spain and Aena appeared in the aforementioned proceedings.

Likewise, on 17 and 18 May 2022, the CNMC notified Aena of the summons to appear before the National High Court in relation to the judicial review proceedings number PO 8/770/2022, PO 8/787/2022 and PO 8/786/2022 brought by Ryanair DAC, Lufthansa and Emirates, respectively.

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

Annual Report for the fiscal year ended 31 December 2022

(Amounts in thousands of euros unless otherwise stated)

These appeals are lodged against the CNMC's Resolution on the supervision of airport charges applicable by Aena in the fiscal year 2022 dated 17 February 2022.

On 30 May 2022, Aena proceeded to appear in the three proceedings.

As of the date of preparation of these annual accounts, proceedings 8/960/2022 and 8/770/2022 are pending resolution by the National High Court. The Management of the Company considers that the resolution of these procedures would not have a significant impact on the Group's consolidated financial statements.

As for proceedings PO 8/787/2022 and PO 8/786/2022, both have lapsed as the respective claims have not been filed by the aforementioned companies.

28.2 Contingent assets

28.2.1 Appeals against the CNMC Resolutions of 11 December 2019.

On 7 February 2020, Aena filed two contentious-administrative appeals against two CNMC Decisions before the Contentious-Administrative Chamber of the National High Court. Both Decisions are dated 11 December 2019.

1. PO 121/2020: This appeal was filed against the Oversight Decision of the airport charges applicable by Aena S.M.E., S.A. in fiscal year 2019. The purpose of this Decision is to oversee the transparency and consultation procedure in relation to the updating of airport charges for 2019. Aena's resources are focused on the calculation of the K parameter of the IMAAJ—and, in particular, the determination of the traffic estimate or Q_t —and on the competition that has been impugned by the CNMC to determine a different traffic estimate or forecast, and based on its own sources, which appears in the DORA.

On 24 June 2022, the Eighth Section of the Chamber for the Judicial Review of Administrative Decisions of the National High Court handed down a judgement, notified on 27 July, dismissing the judicial review appeal filed by Aena.

This judgement has not been appealed in cassation.

2. PO 119/2020: This appeal was filed against the Decision of the accumulated disputes presented by ALA, IATA, ACETA and Norwegian against the Resolution of the Board of Directors of Aena S.M.E., S.A. dated 30 July 2019 in which the airport charges for the fiscal year 2019 are set. The purpose of the appeal is similar to that presented within the framework of PO 121/2020, that is, to challenge the scope of the CNMC's competence. Aena considers that the Commission, in this Decision, goes too far by applying different traffic estimates.

On 21 February 2022, the Eighth Section of the Contentious-Administrative Chamber of the National Court issued a judgement, notified on 28 March, dismissing the contentious administrative appeal filed by Aena.

This judgement has not been appealed in cassation.

28.2.2 Request for the modification of DORA 2017–2021

On 8 March 2021, Aena requested that the Directorate-General of Civil Aviation (hereinafter DGAC) modify DORA 2017–2021 to recognise the economic imbalance provided for in Article 27 of Act 18/2014, of 15 October, considering the concurrence of the exceptional circumstances referred to in that regulation. The COVID-19 pandemic is an exceptional and unpredictable event and has caused an air traffic reduction of more than 10%, as established in the aforementioned article.

Through the resolution of 16 December 2021, the DGAC agreed not to initiate the procedure to modify the DORA as it did not consider all the exceptional circumstances referred to in Article 27 to be present and it had not observed elements in the DORA that could be modified to obtain the requested compensation. In view of this denial, Aena filed an appeal, which was also dismissed by the General Secretariat of Transport and Mobility on 23 March 2022.

Aena considers that all of the requirements provided for in the aforementioned Article 27 for the modification of the Airport Regulation Document (DORA) and the concession of the economic rebalancing provided for in said regulation are met. Therefore, proceedings have been initiated and are still pending before the Madrid High Court of Justice.

This amendment request is also in line with the measures adopted by the regulators of various European countries in which the economic imbalance suffered by airport managers in connection with this health crisis has been recognised.

29. Subsequent events

From 31 December to the date the Annual Accounts were prepared, the following relevant events have occurred:

- On 27 February, the Board of Directors approved the award of the tender for the renovation of the food and beverage offer at Adolfo Suárez Madrid-Barajas Airport.

The results of the tender show a 32% increase in the 2023 awarded MAG over the 2019 MAG from previous contracts. In addition, the average variable rent percentage has increased from 31.2% in 2019 to 32.2% in 2023.

The new offer will take up about 20,000 m² of leased space.

- A new incentive program has been approved for the upcoming summer and winter seasons for passenger traffic recovery.
- In accordance with the tender specifications, BOAB must be constituted with a minimum share capital of R\$1,639,249,656, and once the concession contract is signed, BOAB must make the payment of the economic bid to ANAC for an amount of R\$2,450 million, adjusted to the HICP (Note 11.2.2.c). In order to meet these payments, the following Intragroup financing operations have been signed:
 - On 28 November 2022, an Intragroup Loan was signed between Aena and ADI for an amount of €307,515,981.28, which was paid up on 26 January 2023.
 - On 20 January 2023, an Intragroup Loan was signed between Aena and ADI for an amount of €458,742,061.11, which was paid up on 3 February 2023.
 - On 20 January 2023, an Intragroup Loan was signed between ADI and BOAB for an amount of R\$2,450,000,000, which was paid up on 6 February 2023.

- On 24 February 2023, Aena S.M.E., S.A. received a notification from the National Markets and Competition Commission (CNMC) informing that Ryanair had filed an appeal for a judicial review of the administrative decision with the National High Court against the CNMC's decision of 15 December 2022 in which the CNMC ruled on the dispute brought by Ryanair itself, together with ALA and IATA against the proposed update to the airport charges for 2023.

At the time of preparing the annual accounts, the Company is not aware of the content of the appeal. However, given that it concerns the airport charges approved by the CNMC for 2023, the Directors consider that under no circumstances would it affect these annual accounts for the financial year 2022.

Management Report

Aena S.M.E., S.A.

2022

1. Key highlights

Aena S.M.E., S.A. (hereinafter, Aena) has recorded a traffic volume of 242.8 million passengers in 2022, representing year-on-year growth of 102.9% and a recovery of 88.6% of the traffic volume of the same period of 2019.

The traffic scenarios for the Spanish airport network for 2023 have been revised upwards, with a recovery in passenger traffic between 94% and 104% compared to 2019. The central scenario is estimated to be the most likely, with a recovery of 99% compared to 2019.

As explained in note 2.8 Changes in accounting policies of the annual accounts for the fiscal year 2022, Aena has changed the accounting policy applied in recording the impact of the reductions in minimum annual guaranteed rents (hereinafter, MAG), whether these are a consequence of the 7th Final Provision of Act 13/2021 (hereinafter, DF7), of court decisions or of agreements reached with the lessees. In the 2021 annual accounts, prepared in the fiscal year 2022, Aena opted to account for the impact of these reductions as a lease incentive, which led to deferring these incentives over the remaining life of the affected lease agreements.

However, subsequent to the preparation of the annual accounts for the fiscal year 2021, the IFRS Interpretations Committee (IFRIC) issued an agenda decision on lessor forgiveness of lease payments. In this regard, Aena has changed the accounting policy applied to MAG reductions in its consolidated accounts. The new accounting treatment means that the accounting impact of such reductions is recorded in full at the time they occur (previously they were distributed on a straight-line basis over the remaining life of the affected lease agreements).

As explained in note 2.8 Changes in accounting policies in Aena's annual accounts for the fiscal year 2022, Aena's management has considered that although the individual financial information prepared in accordance with the General Accounting Plan in the previous year is still correct, the principle of accounting harmonisation must prevail in order to reflect an equivalent financial and equity situation in the individual and consolidated annual accounts. As a consequence, the management has opted for a voluntary change in the accounting policy applied for the recording of rent reductions, i.e. treating them as a negative contingent rent forming part of the operating result in their individual accounts.

The application of this change of accounting policy retroactively has led to the restatement of the consolidated annual accounts for the fiscal year 2021, which are presented for comparative purposes.

The effect of the accounting policy change has resulted in the increase of the losses for the fiscal year 2021, amounting to €438.2 million and of the losses for the fiscal year 2020 amounting to €36.1 million. Taken together, this represents an impact of €474.3 million in the equity of Aena as at 31 December 2021.

The effect of the restatement of the income statement of Aena is shown below:

	31/12/2021	Adjustment	31/12/2021 RESTATED
(thousands of euros)			
Net turnover	2,134,973	(584,215)	1,550,758
OPERATING PROFIT/(LOSS)	(8,056)	(584,215)	(592,271)
PROFIT/(LOSS) BEFORE TAX	(70,856)	(584,215)	(655,071)
Income tax	50,884	146,054	196,938
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(19,972)	(438,161)	(458,133)
PROFIT/(LOSS) FOR THE YEAR	(19,972)	(438,161)	(458,133)

The change in accounting policy results in an amount of revenue for 2022 that is €308.7 million higher than the amount that would have been recorded following the previous policy and the net profit improves by €231.5 million.

The restatement has had no effect on the cash flow generation.

The revenue of Aena stood at €3,723.8 million. A year-on-year increase of 131.0% and of €2,112.1 million has been achieved compared to the restated figure for 2021 (€1,611.7 million).

The revenue from aeronautical activity increased to €2,367.4 million (a year-on-year increase of 84.5% and €1,084.0 million), and commercial revenue stood at €1,213.3 million (a year-on-year increase of 509.6% and €1,014.2 million compared to the restated figure of revenue for 2021).

The recovery of traffic, the increase in spending per passenger and the progressive opening of premises that remained closed during the pandemic have boosted the commercial activity in 2022 to pre-pandemic levels. Thus, fixed revenue and variable revenue invoiced and collected in the period have already exceeded 2019 figures (+2.6%) and have gone from €4.25 in 2019 to €4.93 in 2022 on a per passenger basis.

The recovery of revenue from duty-free, food and beverage, car rental and VIP service lines is noteworthy. Duty-free shops highlight the increase in average spending by the British passenger, which has exceeded the 2019 level, as well as the effect on these passengers from the

application of the duty-free tax regime after Brexit, which entails higher percentages of variable rent. The recovery in the car rental line is mainly due to the increase in contract prices. In VIP services, the recovery in revenue reflects an improved penetration rate as well as higher prices.

Operating expenses (supplies, staff costs and other operating expenses) amounted to €1,763.1 million. They recorded a year-on-year growth of 29.3% (€399.8 million). Other operating expenses amounted to €1,154.8 million, a year-on-year increase of 45.3% (€359.9 million), reflecting the effect of increased activity and the operation of terminals and open airport spaces, among others, as well as the increase in the price of electricity. The expense of electricity accounted for €266.7 million, reflecting a year-on-year increase of €145.2 million (+119.5%). Excluding the impact of electricity, the year-on-year increase in other operating expenses was €214.6 million (+31.9%) and, compared to 2019, they increased by €15.9 million (+1.8%).

As a result of the collaboration with the health authorities and the remaining operational safety and hygiene measures adopted by Aena in response to the aftermath of the pandemic, the Company has incurred expenses to the amount of €60.4 million (€113.6 million in 2021). Royal Decree-Law 21/2020, of 9 June, establishes that within the framework of the DORA Aena will have the right to recover the costs it may have incurred for this item.

Profit before tax improved to €1,110.4 million (restated as a loss of €655.1 million at 31 December 2021) and the year ended with a net profit of €864.9 million (restated as a loss of €458.1 million at 31 December 2021).

The Board of Directors of Aena has agreed to propose to the Annual General Meeting the distribution of a gross dividend of €4.75 per share out of the 2022 profit.

With regard to net cash from operating activities, this has reached €1,696.3 million (€252.2 million at 31 December 2021, with no effect from the restatement), reflecting the recovery of traffic and commercial activity at the airports.

In relation to the investment programme, €555.8 million was paid (€653.6 million at 31 December 2021). The investment executed in 2022 reached €527.8 million. In 2021 the amount increased to €773.3 million due to the execution of projects halted in 2020 due to the pandemic.

Regarding the financial position, Aena's net financial debt-to-EBITDA ratio has reduced to 3.05x compared to 48.87x as restated at 31 December 2021 (9.96x at 31 December 2021 before the restatement).

At 31 December 2022, Aena has loans with an outstanding amount of €4,680.9 million that include the obligation to meet the following financial covenants:

- Net Financial Debt/EBITDA must be less than or equal to 7.0x
- EBITDA/Finance Expenses must be higher than or equal to 3.0x.

These covenants are reviewed every year in June and December, taking into account the EBITDA and finance expenses for the last 12 months and the net financial debt at the end of the period. As at 31 December 2022, the covenants required in the aforementioned loans were met.

Rating agencies Moody's and Fitch affirmed Aena's credit rating and changed their outlooks from negative to stable on 7 and 8 July, respectively. Moody's long-term rating is 'A3'. Fitch's long-term rating is 'A-' and its short-term rating is 'F2'.

Aena's share price fluctuated throughout the period, ranging from a minimum of €103.15 to a maximum of €154.65. It closed the fiscal year at €117.30, which represents a fall in the share price of 15.5% from 31 December 2021. In the same period, the IBEX 35 recorded a loss of 5.6%.

In relation to the Airport Regulation Document for the period 2022–26 (DORA II), on 17 February 2022, the National Commission on Markets and Competition (hereinafter, CNMC) issued its resolution on the supervision of Aena's airport charges for 2022. According to the aforementioned resolution, the charges approved by Aena's Board of Directors for 2022 are correct and applicable, which resulted in an adjusted annual maximum revenue per passenger (hereinafter, IMAAJ) of €9.95 per passenger and a variation in the charges of -3.17% compared to the 2021 IMAAJ.

On 24 November 2022, the CNMC issued its resolution on the supervision of the airport charges for 2023, setting the IMAAJ applicable to the airport charges of 2023 at €9.95 per passenger, which represents a variation in the charges of 0% compared to those of 2022.

Finally, it should be noted that on 16 November 2022, Aena presented its new Strategic Plan 2022–2026, focused on consolidating recovery, enhancing innovation and being an international benchmark in sustainability. The main highlights of the new Plan are as follows:

- Recovery of pre-pandemic traffic levels earlier than expected.
Aena expects to recover pre-pandemic traffic levels by 2024 (approximately 275 million passengers), earlier than initially anticipated, and estimates that the number of passengers in its network in Spain will be around 300 million at the end of the Strategic Plan period.
- Boosting the commercial business.

In the commercial business, Aena expects commercial revenue per passenger to increase by at least 12% by 2026 compared to 2019 (based on the expectation that inflation peaks during 2022–2023 to subsequently converge with central bank targets) and total revenue from this business is set to increase by more than 23%.

- Economic-financial objectives.

One of Aena's main economic-financial objectives for the Strategic Plan period will be the recovery of consolidated EBITDA of 2019 between 2024 and 2025.

The EBITDA margin in Spain is expected to follow a path of sustained improvement, which will place it above 55% in 2025. The positive financial performance over the coming years will enable a net financial debt/EBITDA ratio in Spain of around 2x by 2026 (lower than in 2019) which will further strengthen the Company's financial solvency.

- International: focused on consolidation of concession companies in Brazil and on pursuing opportunities selectively.

Internationally, Aena aims to incorporate assets representing an additional 5% of the EBITDA by 2026.

- Recovery of the dividend policy.

The benefits of the traffic recovery will be transferred to the shareholders, since Aena will propose at the Annual General Meeting to resume payment of dividends with a payout of 80% during the entire period of the Strategic Plan, excluding the effects of the DF7.

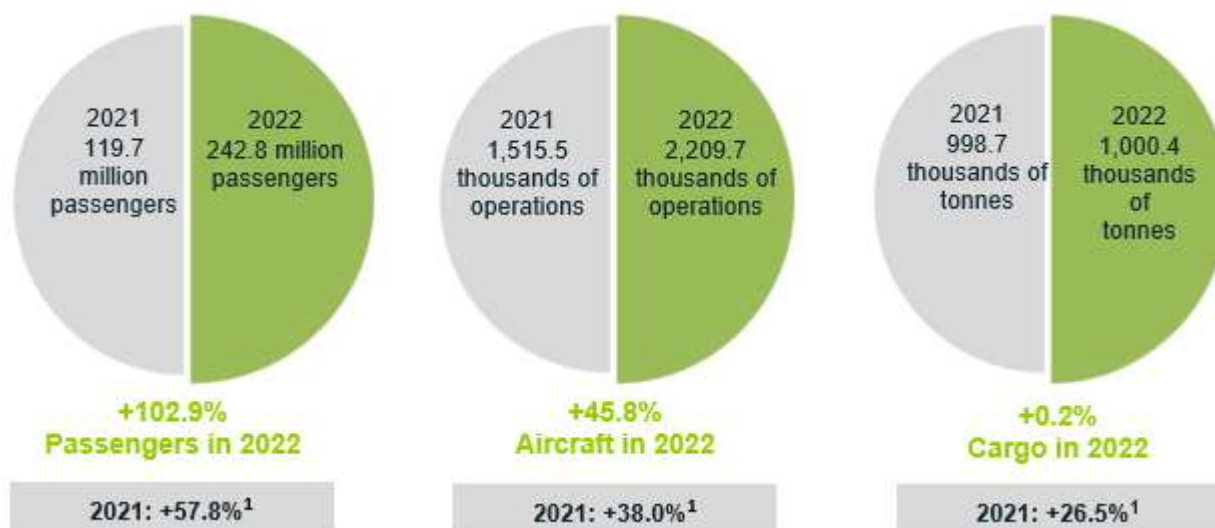
- Environmental sustainability—cross-divisional element of growth.

In its commitment to environmental sustainability, Aena maintains ambitious goals in decarbonisation, ahead of those of the sector: achieving carbon neutrality by 2026 and zero net emissions by 2040. The Photovoltaic Plan is one example of environmental sustainability, which is crucial to the future of the aviation sector. Another is that Aena has key projects underway in its Climate Action Plan (CAP).

Aena also extends the 'sustainability' to a broader scope, to that of the social context, with actions that continuously contribute to the creation of value, together with our employees and the communities in which their airports are based.

2. Activity figures

The number of passengers reached 242.8 million in 2022, representing a recovery of 88.6% of the volume of the same period of 2019.



⁽¹⁾ Year-on-year variation

Following the sixth wave of COVID-19 resulting from the Omicron variant, which had a significant impact at the end of 2021 and in the first months of 2022, the pent-up demand over the past two years has boosted air traffic since the start of the summer season.

This trend has been progressively reflected in traffic recovery levels and in recent months the number of passengers has come very close to the levels of 2019: in October 97.2% of pre-pandemic passenger traffic, in November 96.1% and in December 98.1%—the highest recovery percentage since the COVID-19 crisis began.

Among the network airports, passenger levels are most notable at airports that have a greater component of leisure traffic, especially in the Balearic and Canary Islands, where some airports have recovered levels close to pre-pandemic figures, even surpassing them.

However, the recovery remains sensitive to the emergence of new variants and other factors such as the development of macroeconomic conditions, the conflict in Ukraine or the rise in the price of fuel, which can affect the behaviour of air traffic.

Domestic traffic continues to show the greatest recovery. With 82.6 million passengers, 96.1% of the pre-pandemic volume has been recovered. International traffic recorded 160.3 million and a recovery of 85.1%.

With regard to aircraft operations, 93.9% of pre-pandemic operations has been recovered.

Cargo activity continues to evolve positively in 2022 and the period ended with a recovery of 93.5% compared to 2019.

For 2023, Aena has revised upwards the traffic estimation scenarios in Spain's airport network, with a recovery in passenger volume between 94% and 104% compared to 2019. The central scenario is estimated to be the most likely, with a recovery of 99% compared to 2019.

However, the recovery remains fragile due to the possible emergence of new COVID variants or waves and other factors such as the development of macroeconomic conditions, the conflict in Ukraine or the rise in the price of fuel.

The activity data by airports and airport groups for the year 2022 are detailed below:

Airports and Airport Groups	Passengers			Aircraft			Cargo		
	Millions	Year-on-year variation ⁽¹⁾	Share/Total	Thousands	Year-on-year variation ⁽¹⁾	Share/Total	Tonnes	Year-on-year variation ⁽¹⁾	Share/Total
AS Madrid-Barajas Airport	50.6	109.8%	20.9%	351.9	61.8%	15.9%	566,373	8.2%	56.6%
JT Barcelona-El Prat Airport	41.6	120.6%	17.1%	283.4	73.1%	12.8%	155,600	14.3%	15.6%
Palma de Mallorca Airport	28.6	97.1%	11.8%	220.7	56.3%	10.0%	7,592	12.4%	0.8%
Total Canary Islands Group	43.5	89.2%	17.9%	406.7	48.3%	18.4%	31,197	5.3%	3.1%
Total Group I	65.1	101.4%	26.8%	551.1	51.0%	24.9%	33,335	11.8%	3.3%
Total Group II	11.8	102.1%	4.9%	175.1	29.0%	7.9%	132,604	-33.8%	13.3%
Total Group III	1.7	61.3%	0.7%	220.9	1.2%	10.0%	73,656	1.5%	7.4%
TOTAL	242.8	102.9%	100.0%	2,209.7	45.8%	100.0%	1,000,356	0.2%	100.0%

Traffic data pending final closure, not subject to significant variations.

⁽¹⁾ Percentage variation calculated in passengers, aircraft and kg.

The data for 2019 and its comparison with 2022 are as follows:

Airports and Airport Groups	Passengers			Aircraft			Cargo		
	Millions	Variation 2022/19 ⁽¹⁾	Share/Total	Thousands	Variation 2022/19 ⁽¹⁾	Share/Total	Tonnes	Variation 2022/19 ⁽¹⁾	Share/Total
AS Madrid-Barajas Airport	61.7	-18.0%	22.5%	426.4	-17.5%	18.1%	560,039	1.1%	52.4%
JT Barcelona-El Prat Airport	52.7	-21.0%	19.2%	344.6	-17.8%	14.6%	176,798	-12.0%	16.5%
Palma de Mallorca Airport	29.7	-3.9%	10.8%	217.2	1.6%	9.2%	9,022	-15.8%	0.8%
Total Canary Islands Group	45.0	-3.5%	16.4%	410.7	-1.0%	17.5%	37,225	-16.2%	3.5%
Total Group I	70.5	-7.7%	25.7%	565.0	-2.5%	24.0%	35,251	-5.4%	3.3%
Total Group II	12.8	-7.6%	4.7%	183.3	-4.5%	7.8%	186,543	-28.9%	17.4%
Total Group III	1.8	-3.7%	0.6%	206.0	7.2%	8.8%	64,678	13.9%	6.0%
TOTAL	274.2	-11.4%	100.0%	2,353.1	-6.1%	100.0%	1,069,557	-6.5%	100.0%

Traffic data pending final results, not subject to significant changes.

⁽¹⁾ Variation percentages calculated in passengers, aircraft and kg

By geographical areas, 85.7% of European traffic was recovered, 88.6% in Latin America and 85.1% in North America compared to the pre-pandemic level:

Area	Passengers (millions)		Variation		Share	
	2022	2021	Passengers	%	2022	2021
Europe ⁽¹⁾	140.8	59.8	81.0	135.6%	58.0%	49.9%
Spain	82.6	52.3	30.3	58.1%	34.0%	43.7%
Latin America	7.4	3.3	4.1	126.6%	3.1%	2.7%
North America ⁽²⁾	5.8	1.7	4.0	231.6%	2.4%	1.5%
Africa	3.5	1.7	1.8	106.9%	1.4%	1.4%
Middle East	2.6	0.9	1.7	201.5%	1.1%	0.7%
Asia and Others	0.1	0.1	0.1	113.4%	0.1%	0.1%
TOTAL	242.8	119.7	123.2	102.9%	100.0%	100.0%

⁽¹⁾ Excludes Spain.

⁽²⁾ Includes USA, Canada and Mexico.

Area	Passengers (millions)		Variation		Share	
	2022	2019	Passengers	%	2022	2019
Europe ⁽¹⁾	140.8	164.2	-23.4	-14.3%	58.0%	59.9%
Spain	82.6	85.9	-3.3	-3.9%	34.0%	31.3%
Latin America	7.4	8.4	-1.0	-11.4%	3.1%	3.1%
North America ⁽²⁾	5.8	6.8	-1.0	-14.9%	2.4%	2.5%
Africa	3.5	3.9	-0.4	-9.8%	1.4%	1.4%
Middle East	2.6	3.6	-1.0	-27.4%	1.1%	1.3%
Asia and Others	0.1	1.4	-1.2	-89.9%	0.1%	0.5%
TOTAL	242.8	274.2	-31.3	-11.4%	100.0%	100.0%

(1) Excludes Spain.

(2) Includes USA, Canada and Mexico.

By country, the recovery reached 83.0% on the UK market and 82.1% on the German market compared to 2019. The Italian market recovered 87.5% and the French market recovered 93.9%. These markets together with the domestic market represent 70.2% of traffic for 2022.

Country	Passengers (millions)		Variation		Share	
	2022	2021	Passengers	%	2022	2021
Spain	82.6	52.3	30.3	58.1%	34.0%	43.7%
United Kingdom	36.5	9.7	26.8	275.7%	15.0%	8.1%
Germany	23.9	12.6	11.4	90.6%	9.9%	10.5%
Italy	14.2	6.0	8.3	138.1%	5.9%	5.0%
France	13.2	6.7	6.5	98.1%	5.4%	5.6%
Netherlands	8.4	4.6	3.8	82.0%	3.5%	3.9%
Switzerland	5.6	3.1	2.5	81.0%	2.3%	2.6%
Belgium	5.6	3.0	2.6	85.1%	2.3%	2.5%
Portugal	5.4	1.9	3.5	183.1%	2.2%	1.6%
Ireland	4.5	1.3	3.2	236.0%	1.9%	1.1%
Total top 10	200.0	101.2	98.8	97.7%	82.4%	84.5%

Country	Passengers (millions)		Variation		Share	
	2022	2019	Passengers	%	2022	2019
Spain	82.6	85.9	-3.3	-3.9%	34.0%	31.3%
United Kingdom	36.5	44.0	-7.5	-17.0%	15.0%	16.1%
Germany	23.9	29.1	-5.2	-17.9%	9.9%	10.6%
Italy	14.2	16.3	-2.0	-12.5%	5.9%	5.9%
France	13.2	14.0	-0.9	-6.1%	5.4%	5.1%
Netherlands	8.4	8.8	-0.4	-4.3%	3.5%	3.2%
Switzerland	5.6	6.4	-0.8	-12.0%	2.3%	2.3%
Belgium	5.6	6.2	-0.7	-10.5%	2.3%	2.3%
Portugal	5.4	5.7	-0.3	-4.6%	2.2%	2.1%
Ireland	4.5	4.6	-0.1	-1.7%	1.9%	1.7%
Total top 10	200.0	221.0	-21.0	-9.5%	82.4%	80.6%

As for the airlines, Ryanair recorded a 4.7% increase in traffic with respect to pre-pandemic volume, while the IAG Group with a volume of 72.3 million passengers reported a recovery of 91.6% and a share of 29.8%. Vueling recovered 94.4%, Air Europa 75.5% and easyJet 76.1%. The Binter Group, which operates domestic flights, and Jet2.com exceeded the number of passengers of 2019.

Low-cost airlines have recorded 147.3 million passengers and a 60.7% share, recovering 93.5% of pre-pandemic traffic.

Airline	Passengers (millions)		Year-on-year variation		Share	
	2022	2021	Passengers	%	2022	2021
Ryanair	51.7	23.3	28.4	122.1%	21.3%	19.5%
Vueling	40.3	22.3	18.1	81.2%	16.6%	18.6%
Iberia	17.9	9.8	8.1	82.9%	7.4%	8.2%
Air Europa	14.4	7.6	6.7	88.3%	5.9%	6.4%
EasyJet	13.4	4.8	8.5	175.8%	5.5%	4.1%
Iberia Express	10.4	5.9	4.5	76.2%	4.3%	4.9%
Binter Group	8.6	6.2	2.5	39.7%	3.5%	5.2%
Jet2.Com	8.2	1.9	6.3	328.4%	3.4%	1.6%
Air Nostrum	7.5	5.0	2.5	49.7%	3.1%	4.2%
Eurowings	6.4	2.9	3.5	121.8%	2.6%	2.4%
Total top 10	178.8	89.7	89.1	99.4%	73.6%	74.9%

Airline	Passengers (millions)		Year-on-year variation		Share	
	2022	2019	Passengers	%	2022	2019
Ryanair	51.7	49.4	2.3	4.7%	21.3%	18.0%
Vueling	40.3	42.7	-2.4	-5.6%	16.6%	15.6%
Iberia	17.9	20.7	-2.8	-13.4%	7.4%	7.5%
Air Europa	14.4	19.0	-4.7	-24.5%	5.9%	6.9%
EasyJet	13.4	17.6	-4.2	-23.9%	5.5%	6.4%
Iberia Express	10.4	10.3	0.1	0.5%	4.3%	3.8%
Binter Group	8.6	7.7	0.9	12.0%	3.5%	2.8%
Jet2.Com	8.2	8.0	0.2	2.6%	3.4%	2.9%
Air Nostrum	7.5	8.9	-1.4	-16.2%	3.1%	3.3%
Eurowings	6.4	5.6	0.8	14.4%	2.6%	2.1%
Total top 10	178.8	190.0	-11.2	-5.9%	73.6%	69.3%

⁽¹⁾ Aeronautical commercial incentive

In order to contribute to the reactivation of air traffic in Spain, Aena is offering incentives to airlines that exceed certain seat occupancy thresholds. These thresholds have been established by geographic areas:

- Short-haul routes and Latin America: When airlines operate with at least 85% of the scheduled seat capacity that was set on 31 January for short-haul routes and Latin America, they will obtain a 50% discount on the average passenger charge for all the passengers that exceed a load factor threshold of 80%.
- Long-haul routes (excluding Latin America): When airlines operate with at least 50% of the scheduled seat capacity that was set on 31 January for long-haul routes (excluding Latin America), they will obtain a 100% discount on the average passenger charge for all the passengers that exceed a load factor threshold of 70%.

This scheme of incentives was applied during the summer period of 2022 and was extended over winter season (between 30 October and 25 March 2023), with the aim of further boosting the flight occupancy factor.

With this measure, Aena continues to promote the reactivation of the Asian market and connections with North America and the Middle East, markets that have experienced a slower recovery.

3. Business areas

3.1 Airports Segment

3.1.1 Aeronautical

Airport Regulation Document 2017–2021 (DORA I)

Request for the modification of DORA 2017–2021

On 8 March 2021, Aena requested that the Directorate-General of Civil Aviation (hereinafter DGAC) modify DORA 2017–2021 to recognise the economic imbalance provided for in Article 27 of Act 18/2014, of 15 October, considering the concurrence of the exceptional circumstances referred to in that regulation. The COVID-19 pandemic is an exceptional and unpredictable event and has caused an air traffic reduction of more than 10%, as established in the aforementioned article.

Through the resolution of 16 December 2021, the DGAC agreed not to initiate the procedure to modify the DORA as it did not consider all the exceptional circumstances referred to in Article 27 to be present and it had not observed elements in the DORA that could be modified to obtain the requested compensation. In view of this denial, Aena filed an appeal, which was also dismissed by the General Secretariat of Transport and Mobility on 23 March 2022.

However, Aena considers that the exceptional circumstances provided for in the aforementioned Article 27 for the modification of the DORA and the concession of the economic rebalancing provided for in said regulation coincide. Therefore, the corresponding legal proceedings were initiated and are being substantiated at the High Court of Justice of Madrid.

This amendment request is also in line with the measures adopted by the regulators of various countries in which the economic imbalance suffered by airport managers in connection with this health crisis has been recognised.

Airport Regulation Document 2022–2026 (DORA II)

Regulated Asset Base

The average regulated asset base at the close of 2022 stood at €9,699.3 million¹.

2022 airport charges

On 17 February 2022, the CNMC issued its resolution on the monitoring of Aena's airport charges for 2022. According to the aforementioned resolution, the charges approved by Aena's Board of Directors for 2022 are correct and applicable, which resulted in an IMAAJ of €9.95 per passenger and a rate variation of -3.17% compared to the 2021 IMAAJ.

2023 airport charges

On 24 November 2022, the CNMC issued its resolution in monitoring airport charges for 2023, declaring that the IMAAJ applicable to the airport charges of 2023 is €9.95 per passenger, which represents a variation in the charges of 0% compared to those of 2022.

The variance of 0% of the 2023 IMAAJ compared to 2022 IMAAJ, set at €9.95 per passenger, is a consequence of the adjustments that the DORA establishes in relation to the incentive for the performance of quality levels, the implementation of investments, the traffic structure corresponding to the end of 2021, the effect of the P index (calculated in accordance with the methodology established in RD 162/2019 of 22 March and established in CNMC Resolution of 14 July 2022), as well as the recovery of part of the COVID-19 costs. The recovery of these costs corresponds to those recognised in the Resolution on the supervision of health and operational costs incurred by Aena as a result of the health crisis caused by COVID-19 in the period from October 2021 to March 2022, up to the limit that allows the effective charge variation in 2023 to be 0%. €45.6 million are applied to the 2023 charge, leaving an amount of €16.6 million, duly capitalised, to be applied in future fiscal years.

2022 and 2023 airport charge appeals

In relation to the 2022 airport charges, the airline Ryanair has filed two contentious-administrative appeals and drawn up the corresponding claims against (i) CNMC Resolution, of 17 February 2022, on the Supervision of Airport Charges applicable by AENA in the fiscal year 2022,

¹ Interim closing data (pending audit)

and (ii) CNMC Resolution, of 24 March 2022, dismissing the disputes filed by IATA and Ryanair against the resolution of Aena's Board of Directors, of 21 December 2021, in which the airport charges for 2022 are set and the updated airport charges approved by Aena for the fiscal year 2022 are declared applicable. Ryanair is essentially claiming for the COVID-19 costs not to be applied through the charges. At present, these legal proceedings are pending resolution by the National High Court.

With regard to the contentious-administrative appeals against the CNMC Resolution of 17 February 2022, on the Monitoring of Airport Charges applicable by AENA, which had been announced in the fiscal year 2022 by Emirates and Lufthansa, both proceedings have expired as the corresponding claims have not been filed by the aforementioned companies.

In relation to the airport charges for 2023, on 15 December 2022, the CNMC issued a decision on the accumulated conflicts presented by ALA, Ryanair and IATA against the Agreement of the Board of Directors of Aena dated 16 July 2022, in which the airport charges for the fiscal year 2023 are set. This CNMC Resolution concludes that the IMAAJ that must be applied to the 2023 charges is €9.95 per passenger, which represents a variation in charges of 0% compared to the 2022 charges.

Aeronautical activity

In terms of the development of aeronautical services at the network's airports, the following is worth noting:

In the field of cleaning service, a new contract has been awarded for Adolfo Suárez Madrid-Barajas Airport and Josep Tarradellas Barcelona-El Prat Airport in late November. The execution period is three years (plus the possibility of two annual extensions). The amount awarded for the 3 years of the contract amounts to €137.3 million, which is an increase of 2.8% compared to the previous contract. The new service has a strong commitment to digitisation, by implementing a new management tool developed by Aena, in addition to incentivising the use of autonomous machinery with the aim of increasing efficiency.

In the maintenance area, in December a new contract was initiated for the operation and maintenance service of the automatic baggage handling system (SATE [Sistema Automático de Tratamiento de Equipaje]) of Adolfo Suárez Madrid-Barajas Airport. The awarded contract amounts to €159.4 million for a 5-year execution period, which is an increase of 13.1% compared to the previous contract.

The new contract for the maintenance of aircraft assistance facilities and operation of walkways at the Adolfo Suárez Madrid-Barajas Airport was put out to tender in July. The contract has a period of 4 years (plus 1 possible annual extension) and an amount of €37.4 million (for the 4 years of the contract). The new service, which began in September, is committed to the improvement and modernisation of current equipment, introducing new technologies that allow for the optimisation of the walkway operating service, thereby maximising the customer experience.

With regard to the service of assistance for people with reduced mobility, within the initiatives to improve the passenger experience and increase their independence in airport facilities, Aena and Autism Spain have collaborated through an agreement to improve the cognitive accessibility of airports, especially considering the needs of people with an autism spectrum disorder. (See section 6.6.2 Infrastructures accessible to all, in Block B of the Consolidated Management Report).

In the field of ground support services, Aena bid to renew 41 licenses in July for the provision of these services to third parties in the ramp-handling category, at 43 airports and the two heliports of the network, for a period of seven years. This is the largest handling tender in the world. The date for submitting bids ended on 21 November 2022, and 168 bids have been received across the 21 locations where the bid contract is distributed. The awarded contract is planned for the second quarter of 2023. Among the main new features of the tender, Aena has introduced sustainability criteria, such as minimum percentages of sustainable fleets that must be met by the new ramp-handling agents (see section 2.1.5 Sustainability and the Value Chain, in the Block B of the Consolidated Management Report). In addition, the tender is committed to the digitisation of service data, as well as telemetry and equipment geolocation solutions.

In the field of physical security, work has continued in the activities of coordinating the future deployment of the 'EU Entry/Exit System' together with the Secretary of State for Security and the National Police. The European Commission postponed the entry into force of this system to November 2023 (date to be confirmed).

Aena has prepared the tender for the acquisition of the necessary automated equipment for all airports with an expected investment of €120 million over 2 years, as well as the tender for the passport control support service to the State Security Forces and Corps for a value of €14 million per year for a period of 3 years.

With regard to security equipment, Aena continues to implement equipment of the EDS Standard 3 in the inspection of hold baggage (explosives detection systems) in order to comply with regulatory requirements. 71.3% of the installation works for this equipment has been completed (equivalent to 179 pieces of equipment installed). In addition, a new contract has been tendered, for an amount of €130.8 million, to acquire the automatic explosive detection systems for cabin baggage (EDSCB) and install these in the security filters of the main airports of the network. The deployment of these will be carried out over the next five years.

The private security service has been awarded for the airports of Josep Tarradellas Barcelona-El Prat, Palma de Mallorca, Alicante-Elche, Ibiza, Menorca and Almería, providing continuity to the current service. The awarded contract amounts to €59.3 million, which is an increase of 13.0% compared to the previous contract. The contract term is one year (with the possibility of two annual extensions).

In operational systems, it is worth pointing out the implementation of the A-CDM (Airport Collaborative Decision Making) system at Alicante-Elche Airport. Together with this airport, the network in Spain now has 5 airports with A-CDM and makes progress in meeting the set decarbonisation objectives. (See section 2.2. Aena and the climate emergency, in Block B of the Consolidated Management Report). The A-

CDM system allows for information to be exchanged between all the agents involved in the operation of a flight to improve the overall efficiency of airport operations, reduce taxi times and therefore fuel consumption and emissions through the sharing of updated information of an operational nature.

Revenue by commercial activity²

Thousands of euros	2022	2021	Variation	% Variation
Aeronautics - Airport Charges	2,293,529	1,232,864	1,060,665	86.0%
Landing/Air Transit Service/Meteorological Service	598,456	340,294	258,162	75.9%
Parking facilities	43,497	61,152	-17,655	-28.9%
Passengers	952,365	512,052	440,313	86.0%
Boarding airbridges	77,114	59,247	17,867	30.2%
Security	338,845	179,346	159,499	88.9%
Handling charges	93,821	59,715	34,106	57.1%
Fuel	25,291	15,842	9,449	59.6%
Catering	8,456	5,216	3,240	62.1%
Recovery of COVID-19 costs, Act 2/2021	155,684	0	155,684	-
Other Airport Services (1)	73,850	50,531	23,319	46.1%
Aeronautical Services	2,367,379	1,283,395	1,083,984	84.5%

(1) Includes counters, use of 400 Hz, fire extinguishing services, left luggage and other revenue

Airport service revenue shows improved passenger traffic and the airlines' flight offers as of May.

In general, revenue from public airport charges reflect a variation of -3.17% in the charges. Until February 2022, the charge remained constant, and as of March, the new charges came into effect and there was a decrease of -10.99%. The effect from this reduced charge was -€238.6 million. From March, the recovery of COVID-19 expenses recorded during 2020 and until September 2021 began. This revenue is reflected in the 'Recovery of COVID-19 costs' line.

The commercial incentives have led to lower revenue of €38.6 million. In the same period of 2021, the effect of incentives implied a lower revenue of €58.8 million. This amount included the regularisation of provisions from previous years (-€0.5 million).

Rebates for connecting passengers amount to €56.7 million, compared with €30.4 million in the same period of 2021.

As a result of collaboration with the health authorities and the remaining operational safety and hygiene measures adopted by Aena in response to the aftermath of the COVID-19 pandemic, Aena has incurred expenses to the amount of €60.4 million (€113.6 million in 2021).

² Figures not affected by the change in accounting policy

3.1.2 Commercial activity

Revenue by commercial activity

Thousands of euros	2022	2021 ¹	Variation	% Variation
Duty-Free Shops	332,928	-108,754	441,682	406.1%
Food and beverage	243,741	-8,910	252,651	2,835.6%
Car rental	148,339	129,472	18,867	-14.6%
Car parks	146,423	76,036	70,387	-92.6%
Specialty shops	90,617	-37,795	128,412	-339.8%
VIP services (2)	82,665	29,096	53,569	184.1%
Leases	34,557	28,740	5,817	20.2%
Advertising	7,031	17,861	-10,830	-60.6%
Other commercial revenue (3)	126,955	73,272	53,683	73.3%
Commercial services	1,213,256	199,018	1,014,238	509.6%

(1) Restated figures.

(2) Includes VIP lounge rental, VIP packages, other lounges, fast-track and fast-lane.

(3) Includes commercial operations (banking services, baggage wrapping machines, telecommunications, vending machines, etc.), commercial supplies, use of rooms and filming and recordings.

Because of the agenda decision issued on October 20 by the IFRS Interpretations Committee (IFRIC) Aena has proceeded to a change in the accounting policy initially applied in the preparation of its financial information under the General Accounting Plan, restating the comparative figures for 2021 included in their annual accounts for the year 2022. (See note 2.8 of the Annual Accounts).

In accordance with the new accounting policy, Aena has applied the value impairment criterion of the RMGA reductions, whether these are a consequence of the DF7, judicial decisions or agreements reached with commercial operators and has adjusted the amount of these discounts, instead of deferring their attribution to results on a straight-line basis during the remaining life of the contracts, in accordance with the previous accounting criteria.

This change of policy has resulted in the following corrections:

- In the restated figure of commercial revenue for the fiscal year 2021, the impact of the application of the new accounting policy has resulted in a reduction of €584.2 million. This amount corresponds to discounts in rents that, according to the previous accounting policy, were allocated to the income statement on a straight-line basis as reduced revenue.
- The change in accounting policy introduced results in a figure of revenue for 2022 that is €308.7 million higher than the figure that would have been recorded following the previous policy.

The development of the recovery of traffic, the increase in spending per passenger and the progressive opening of premises that remained closed during the pandemic have boosted the commercial activity in 2022 to pre-pandemic levels.

A continuous improvement in sales and consequently in variable rent was observed throughout the year.

Duty-free shops highlight the increase in average spending by the British passenger, which has exceeded the 2019 level, as well as the effect that the application of the duty-free tax regime has had after Brexit, which entails higher percentages of variable rent.

In this line of activity, the good performance of this activity of the Balearic and Canary Islands airports stands out, both on the sales level and in terms of variable rent. Among airports in the Canary Islands, Tenerife Sur Airport and César Manrique-Lanzarote Airport especially stand out, with a higher percentage of British passengers.

In the food and beverage, car rental, VIP services and commercial operations activities, sales have exceeded the 2019 figures.

In food and beverage, sales increases at César Manrique-Lanzarote Airport (+12%), Palma de Mallorca Airport (+11%), Málaga-Costa del Sol Airport (+9%), Alicante-Elche Airport (+9%) and Gran Canaria Airport (+9%) stand out.

In the line of car rentals, sales have increased mainly due to the good passenger traffic performance at tourist airports and the increase in the price of contracts. This evolution is reflected at Palma de Mallorca Airport, Málaga-Costa del Sol Airport, Tenerife Sur Airport, Gran Canaria Airport, César Manrique-Lanzarote Airport and Ibiza Airport, which have had sales levels higher than in 2019.

In VIP services, the recovery in revenue reflects an improved penetration rate as well as higher prices.

The revenue from reimbursement of utilities (included in the heading 'Other commercial income') has increased significantly, due to the higher price of energy in the period, which has a direct impact on the recovery of this expense.

The other commercial lines show a better recovery than passenger traffic with the exception of specialty shop activity, due to the lower operating surface area compared to 2019. Advertising has been affected by a slower recovery in advertiser confidence.

Duty-free shops

The year has ended with all duty-free shops operating in the airport network in Spain.

Activity has continued on the path of recovery and 2022 sales have reached a 93.9% recovery of 2019 levels, driven primarily by increased UK passenger spending. In this regard, it is noteworthy that, after Brexit, the duty-free regime applies to UK passenger sales, which entails higher percentages of variable income.

By airports, the good performance of this activity on the islands (Balearic and Canary Islands) stands out, both on the sales level and in terms of variable income. Among airports in the Canary Islands, Tenerife Sur Airport and César Manrique-Lanzarote Airport especially stand out, which have a higher share of British passengers. Conversely, Adolfo Suárez Madrid-Barajas Airport and Josep Tarradellas Barcelona-El Prat Airport remain affected by the fall in Asian and Russian passengers, respectively, with average higher spending.

On 22 December, Aena published the bid for the world's largest duty-free shop tender in terms of volume of business. The expected turnover is €18,000 million and includes 86 duty-free sales outlets, plus a large number of additional premises dedicated to additional categories that, among all of them, will occupy an area of 66,000 m².

The tender doubles the number of commercial spaces (six versus the current three) to boost concurrency and promote competition among global operators.

In addition, the duration of the contract is extended from 7 to 12 years, with the possibility of three annual extensions.

The tender strategy also aims to maximise the value of this business line by: reaching more customers and boosting global sales; attracting the greatest number of international operators to opt for the different commercial spaces (establishing rules that avoid desert spaces in the awarded contract); diversifying the business (expanding product and service categories); adapting to changing trends that are occurring in both the type and model of passengers; and incorporating and empowering the development and deployment of new technologies and digitisation.

It is expected that the result of the tender will be published in July 2023, after being ratified by the Board of Directors of Aena.

Specialty shops

At the end of the year, approximately 80% of the premises were open.

The evolution of revenues from this line has been impacted by the lower operating area compared to 2019 (-25%), with the most affected being the airports of Adolfo Suárez Madrid-Barajas, Josep Tarradellas Barcelona-El Prat and the Canary Islands Group (with the highest weight in sales).

During 2022, contracts have continued to be put out for tender in order to recover the supply of specialty shops. Thus, since November 2021, 150 tenders have been invited, which include 219 premises and represent 50% of specialty shops at the airports in the network. The MAG rents from the awarding of these tenders represent an overall recovery of 105% of those from 2019 in 2023, and 120% in 2024.

Recent awarded contracts have added new brands to the commercial offerings of Aena, such as: Mr. Wonderful, Munich, Torrons Vicens, JD Sports, Rituals, Kausi, Balbisiana, Uno de 50, Brownie, Lola Casademunt and The Body Shop.

New specialty shop concepts have also been incorporated, including a cold food and beverage area.

Food and beverage

At the end of the year, almost all of the premises were open.

As health restrictions in commercial premises eased due to the improvement of the effects of the sixth wave of the COVID-19 health crisis in Spain, operators have been reopening their premises to meet the growing demand at Easter and the summer season.

In order to maintain the offer of food and beverage, contracts have continued to be tendered during 2022. Thus, since November 2021, 75 tenders have been published, including 128 premises and the installation of food and beverage vending machines. The MAG rents from the awarding of these tenders represent an overall recovery of 105% of those from 2019 in 2022, with 118% recovery in 2023 and 129% in 2024.

On 8 September, Aena published the tender for bids in the renewal of the food and beverage offer at the Adolfo Suárez Madrid-Barajas Airport in contracts valued at more than €1,500 million. The new spaces will occupy a total area close to 20,000 m², distributed across 55 premises in terminals T123, T4 and T4S, which will start to provide service from May 2023.

Car rental

Revenue from this activity is increasing compared to 2019, mainly due to the increase in the prices of contracts as well as the good passenger performance at tourist airports, mainly at Canary Islands airports. Sales of this activity have exceeded those of 2019.

In May, the Board of Directors of Aena approved the request for an extension of the contract signed by the operators of this activity for two years (until 31/10/2024), under the same economic conditions of the last year (2022). Of the 172 existing licences, 166 have been extended, representing 99.6% of fixed income. Moreover, a new licence to operate at Vigo Airport was awarded in April.

In relation to the services of vehicles with drivers (VTC) this year, activity has begun at the airports of Adolfo Suárez Madrid-Barajas, Jose Tarradellas Barcelona-El Prat, Málaga-Costa del Sol and Bilbao. These contracts have been signed with the company UBER.

Car parks

At the end of the year, the parking spaces of the 31 airports in the network that have this activity were operational.

There has been a change in trend since 2019 and revenue from operations with bookings has increased at almost all airports in the network. Conversely, revenue from operations without bookings has a worse recovery, mainly due to the loss of the business passenger. However, despite the growth in booking revenue, it has not offset the effect of the low share of recovery in business passengers.

At the end of November, the new Valet Parking service has been incorporated at Adolfo Suárez Madrid-Barajas Airport, which includes the collection, parking and delivery of the vehicle by foot to the terminal. Aena develops this new service under the Yay! trademark.

With regard to the parking management service (about 130,000 spaces), it is worth noting that since 1 March it has been subcontracted to the company UTE EAS formed by the companies Estacionamientos y Servicios S.A.U. (Eysa), Ace Parking Management Inc. and Setex Aparqui S.A. The contract has a duration of three years, with the possibility of two one-year extensions. The cost of the new award represents an increase of €6.6 million (+34%) compared to the previous contract for one annuity.

VIP services

At the end of the year, practically all the VIP lounges and all the restored services were operational.

Revenue has recovered by 105% compared to 2019.

The evolution in users of VIP lounges has been very positive. They have recovered by 94% compared to 2019 and turnover has recovered by 99% due to the increase in prices and the improvement in the penetration index.

The rest of the VIP services (fast-lane, fast-track and premium service) have also experienced a significant recovery compared to 2019. Revenue from the fast-lane and fast-track services increased by 67% compared to 2019 and has reached €9.5 million.

Advertising

Advertising activity has recovered slightly below passenger traffic levels in terms of sales.

Lessees have conducted attractive campaigns throughout the year, such as those that have used iconic screens at Adolfo Suárez Madrid-Barajas Airport, and have used new advertising media. On the other hand, the activity has been favoured by the recovery of traffic at tourist airports in the summer and Christmas seasons—periods traditionally active in seasonal campaigns—as well as by the incorporation of long-term campaigns and other advertising presentations.

Other commercial revenue

This heading includes various commercial activities offered at the network's airports, such as financial services, luggage wrapping machines, other vending machines and regulated services (pharmacies, tobacconists, lottery vendors, etc.).

Financial services represent 58% of the total income reflected in this heading and have recovered by 106% compared to 2019 revenue levels. During the year, the currency exchange contracts for the airports of Málaga-Costa del Sol and Alicante-Elche Miguel Hernández have been put out to tender.

Marketing and digital business

Marketing campaigns and new digital solutions aimed at driving business revenue and delivering a better customer shopping experience have been launched throughout 2022.

Marketing campaigns have focused on Aena-managed businesses, parking lots and VIP services, as well as conducting joint actions with commercial operators at airports or through Marketplaces.

In relation to parking lots, special focus has been placed on the communication and promotion of online bookings, prices and added-value services. In particular, a new Valet Parking service has been launched at Adolfo Suárez Madrid-Barajas Airport, which will then be rolled out to other airports.

The actions carried out in the VIP services business line have focused on the brand image, opening and launching of new services, as well as facilitating direct sales to the passenger through a new digital portal and the Aena app.

Actions have been resumed with commercial operators to communicate and signal the commercial offer at the airports, as well as new openings and seasonal marketing campaigns.

In addition, during 2022, new functionalities have been deployed in the app and in Aena's digital environments, aimed at facilitating direct communication with the passenger and the online purchase of its own and third-party services. In this line, the Food to Fly and Shop to Fly marketplaces have been consolidated with new airports and brands that make it easy to shop online before arrival at the airport.

Finally, it should be noted that the loyalty programme, Aena Club, has exceeded 1,800,000 members. To improve our customers' digital experience, a new portal has been implemented that allows them to access benefits for their members, control purchases or register new services.

3.2 Real estate services segment

Revenue by commercial activity

Thousands of euros	2022	2021 ¹	Variation	% Variation
Leases	17,141	14,736	2,405	16.3%
Land	27,536	19,653	7,883	40.1%
Warehouses and hangars	6,546	7,464	-918	-12.3%
Cargo logistics centres	21,555	17,574	3,981	22.7%
Real Estate Operations	13,645	8,918	4,727	53.0%
Real estate services	86,423	68,345	18,078	26.5%

(1) Restated figures.

The activity of the real estate services segment centres around the leasing or transfer of use of land (developed or undeveloped), office buildings, warehouses, hangars and cargo storage facilities to airlines, air cargo operators, handling agents and other airport service providers. These support activities and complementary services include the 24 service stations (15 landside and 9 airside) at 12 airports or the executive aviation terminals at 5 of the largest airports in the network.

With respect to revenue from the real estate segment, it is worth noting that despite the economic crisis caused by COVID-19, activity and revenue levels remain reasonably high, with occupancy rates slightly lower than those recorded in the pre-pandemic scenario.

The performance levels of air cargo activity has remained excellent. Revenue has grown by 20% compared to 2019. The volume of cargo reached 1,000,356 tonnes, which represents an increase of 0.2% year-on-year and a 93.5% recovery of the volume levels of 2019.

With regard to this activity, highlights include: the awarding of a new 28,638 m² plot of land for the construction of a new cargo terminal at Josep Tarradellas Barcelona-El Prat Airport, the completion in November of the construction of a new 3,711 m² cargo terminal at Zaragoza Airport and the leasing of warehouses at Josep Tarradellas Barcelona-El Prat Airport, Zaragoza Airport and Alicante-Elche Airport. In addition, a tender has been issued for the formalisation of surface rights to a plot of land for the construction of a warehouse at Tenerife Norte-Ciudad de La Laguna Airport.

With regard to the air cargo digitisation project, the development of the three applications included in the project was successfully completed in June and they are already being used by users.

In July, works began on a strategic action plan for air cargo.

Logistical development

At the end of 2021, Aena put out to tender the first area of logistics development at the Adolfo Suárez Madrid-Barajas Airport City (Area 1). Throughout 2022, the different phases of the process have been followed in accordance with the tender specifications. The result of this tender will be a joint venture company, in which Aena will have a 35% stake.

The joint venture company will hold the surface rights that Aena will establish for the land of Area 1 for a period of 75 years, and it will execute one of the most cutting-edge and innovative logistics parks developed to date.

Aena's contribution to this company will be in kind, with the contribution of the surface rights. The investor's contribution will be made in cash to finance all the project development costs foreseen in the bid and the additional payment to Aena will correspond to the excess value calculated by the successful bidder of Aena's contribution in the joint venture (the surface rights), for over 35% of the fixed percentage established in the tender documents.

This first area is included in the surface areas dedicated to logistical development and associated airport activities. It comprises 28 hectares of land to develop, 153,000 m² of buildable land and 4 hectares for green areas. The global project of the Adolfo Suárez Madrid-Barajas Airport City includes 323 hectares of land and 2.1 million m² of buildable land intended for logistics and aeronautical activities, offices, hotels and services.

As for the Josep Tarradellas Barcelona-El Prat Airport City, the necessary preparatory works and urban planning procedures are being carried out in order to launch the bid as soon as possible.

With regard to works at other airports where land and assets with high potential for the development of complementary airport activities are available, the work on the Master Real Estate Plan for Málaga-Costa del Sol Airport was completed in 2022 and the necessary technical work has been planned for 2023 to enable its implementation and future tendering. With regard to the projects at the other airports (Palma de Mallorca Airport, Valencia Airport and Sevilla Airport), the works at Valencia Airport has begun, and the following airports will be started sequentially throughout 2023.

4. Income Statement

Thousands of euros	2022	2021 ¹	Variation	% Variation
Ordinary revenue	3,667,058	1,550,758	2,116.300	136.5%
Other operating revenue	56,754	60,977	-4.223	-6.9%
Total revenue	3,723,812	1,611,735	2,112.077	131.0%
Supplies	-161,723	-158,003	3.720	2.4%
Staff costs	-446,573	-410,338	36.235	8.8%
Other operating expenses	-1,154,836	-794,965	359.871	45.3%
Depreciation and amortisation of fixed assets	-718,685	-715,550	3.135	0.4%
Impairment and net gain or loss on disposal of fixed assets	-11,892	-13,036	1.144	8.8%
Total expenses	-2,493,709	-2,091,892	401.817	19.2%
Operating profit/(loss) - net	1,173,621	-592,271	1,765.892	298.2%
Finance income	15,976	9,666	6.310	65.3%
Finance expenses	-88,588	-79,260	9.328	11.8%
Exchange differences	-6	-12	6	50.0%
Impairment and net gain or loss on disposals of financial instruments	9,386	6,806	2.580	37.9%
Financial results	-63,232	-62,800	432	0.7%
Profit/(loss) before tax	1,110,389	-655,071	1,765.460	269.5%
Income tax	-245,528	196,938	-442.466	-224.7%
Profit/(loss) for the year from continuing operations	864,861	-458,133	1,322.994	288.8%
Profit/(loss) for the fiscal year	864,861	-458,133	1,322.994	288.8%

(1) Restated figures.

The effect of the restatement described in section 3.1.2. Commercial activity, on the comparative figures in the income statement of Aena, was as follows:

	31/12/2021	Adjustment	31/12/2021 RESTATED
(thousands of euros)			
Net turnover	2,134,973	-584,215	1,550,758
OPERATING PROFIT/(LOSS)	-8,056	-584,215	-592,271
PROFIT/(LOSS) BEFORE TAX	-70,856	-584,215	-655,071
Income tax	50.88	146.054	196.938
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	-19,972	-438,161	-458,133
PROFIT/(LOSS) FOR THE YEAR	-19,972	-438,161	-458,133

Total revenue reflects an increase of €2,112.1 million (+131.0%) compared to the restated figure at 31 December 2021. The evolution of the different business segments are detailed in chapter 3. Areas of activity.

Operating expenses (supplies, staff costs and other operating expenses) amounted to €1,763.1 million and recorded a year-on-year increase of €399.8 million (+29.3%). This year-on-year variation reflects the effect of the increased activity and operational level of terminals and open airport spaces, as well as the rise in the price of electricity.

- Staff costs have grown by €36.2 million (+8.8%) mainly due to the salary review of 3.5% in 2022 and the progressive increase in the workforce that occurred throughout 2021.

- Other operating expenses have increased by €359.9 million (+45.3%). As shown in the table below, the main variation corresponds to the electricity expense (+€145.2 million), which has reached €266.7 million compared to €121.5 million in 2021, reflecting the impact from the upward trend in prices.

Excluding the impact of electricity, the year-on-year increase in other operating expenses was €214.6 million (+31.9%) and, compared to 2019, these have increased by €15.9 million (+1.8%).

Other expenses that have increased in 2022 are: maintenance (+€30.4 million), security (+€55.5 million), taxes (+€4.0 million), cleaning (+€26.8 million), services for persons with reduced mobility (+€24.0 million), professional services (+€5.3 million) and VIP lounge management expenses (+€14.7 million).

€m	Q1			Variation 2022/21		Variation 2022/19		Q2			Variation 2022/21		Variation 2022/19	
	2019	2021	2022	€	%	€	%	2019	2021	2022	€	%	€	%
Aena	328.6	274.3	368.6	94.3	34.4%	40.0	12.2%	202.8	139.9	245.8	105.9	75.7%	43.0	21.2%
Local taxes	147.1	151.0	154.2	3.2	2.1%	7.1	4.8%	0.5	0.3	0.6	0.3	100.0%	0.1	20.0%
Electricity	20.3	14.6	61.4	46.8	320.5%	41.1	202.5%	18.6	17.9	63.0	45.1	252.0%	44.4	238.7%
Maintenance	48.5	37.5	45.4	7.9	21.1%	-3.1	-6.4%	50.2	40.0	50.5	10.5	26.3%	0.3	0.6%
Security	42.2	25.1	38.5	13.4	53.4%	-3.7	-8.8%	47.1	28.2	46.4	18.2	64.5%	-0.7	-1.5%
Cleaning and baggage trolleys	15.4	9.3	14.5	5.2	55.9%	-0.9	-5.8%	18.7	10.6	18.1	7.5	70.8%	-0.6	-3.2%
PRM services	10.7	4.5	10.3	5.8	128.9%	-0.4	-3.7%	16.6	6.5	16.4	9.9	152.3%	-0.2	-1.2%
Professional services	11.2	9.9	9.9	0.0	0.0%	-1.3	-11.6%	15.8	10.5	10.9	0.4	3.8%	-4.9	-31.0%
VIP lounges	5.4	1.1	4.7	3.6	327.3%	-0.7	-13.0%	6.1	1.5	6.8	5.3	353.3%	0.7	11.5%
Other	27.8	21.4	29.8	8.4	39.3%	2.0	7.2%	29.2	24.3	33.2	8.9	36.6%	4.0	13.7%

€m	Q3			Variation 2022/21		Variation 2022/19		Q4			Variation 2022/21		Variation 2022/19	
	2019	2021	2022	€	%	€	%	2019	2021	2022	€	%	€	%
Aena	211.8	182.0	287.0	105.0	57.7%	75.2	35.5%	214.5	127.0	253.4	126.4	99.5%	38.9	18.1%
Local taxes	0.7	0.8	0.6	-0.2	-25.0%	-0.1	-14.3%	0.4	1.7	0.2	-1.5	-88.2%	-0.2	-50.0%
Electricity	25.5	37.6	94.6	57.0	151.6%	69.1	271.0%	21.2	11.6	47.7	36.1	311.2%	26.5	125.0%
Maintenance	48.8	42.4	49.2	6.8	16.0%	0.4	0.8%	54.5	40.8	53.5	12.7	31.1%	-1.0	-1.8%
Security	49.6	37.2	50.8	13.6	36.6%	1.2	2.4%	44.6	24.5	48.2	23.7	96.7%	3.6	8.1%
Cleaning and baggage trolleys	23.2	15.5	24.3	8.8	56.8%	1.1	4.7%	18.4	10.1	19.8	9.7	96.0%	1.4	7.6%
PRM services	18.0	10.9	17.6	6.7	61.5%	-0.4	-2.2%	15.8	4.7	11.4	6.7	142.6%	-4.4	-27.8%
Professional services	11.1	9.2	11.0	1.8	19.6%	-0.1	-0.9%	14.4	11.0	15.1	4.1	37.3%	0.7	4.9%
VIP lounges	6.8	4.1	7.6	3.5	85.4%	0.8	11.8%	6.3	1.5	7.0	5.5	366.7%	0.7	11.1%
Other	28.0	24.2	31.2	7.0	28.9%	3.2	11.4%	38.9	21.0	50.5	29.5	140.5%	11.6	29.8%

€m	2019	2021	2022	Variation 2022/21	Variation 2022/19		
Aena	957.8	795.0	1,154.8	359.9	45.3%	197.0	20.6%
Local taxes	148.7	151.6	155.6	4.0	2.6%	6.9	4.6%
Electricity	85.6	121.5	266.7	145.2	119.5%	181.1	211.6%
Maintenance	202.0	168.2	198.6	30.4	18.1%	-3.4	-1.7%
Security	183.6	128.4	183.9	55.5	43.2%	0.3	0.2%
Cleaning and baggage trolleys	75.7	49.9	76.7	26.8	53.7%	1.0	1.3%
PRM services	61.1	31.7	55.7	24.0	75.7%	-5.4	-8.8%
Professional services	52.5	41.6	46.9	5.3	12.7%	-5.6	-10.7%
VIP lounges	24.7	11.4	26.1	14.7	128.9%	1.4	5.7%
Other	123.9	90.6	144.8	54.2	59.8%	20.9	16.9%
Aena (excluding electricity)	872.2	673.5	888.1	214.6	31.9%	15.9	1.8%

As for income tax, an expense was recorded for the amount of €245.5 million, primarily based on the profit for the period, with an additional amount of €308.8 million due to the change in accounting policy used in relation to the commercial discounts applied to the MAG rents, as well as the application of deductions for the activation of investments in Canary Island airports.

The fiscal year closed with a net profit of €864.9 million, representing an increase of €1,323.0 million compared to the restated net result as of 31 December 2021.

5. Investments

Total investments paid in 2022 (property, plant and equipment, intangible assets and real estate investments) came to €555.8 million, reflecting a year-on-year decrease of €97.7 million. This amount includes €4.5 million of investments allocated for the improvement of infrastructure to adapt them to the COVID-19 preventative health measures.

The amount of investment executed by certification in the period stands at €527.8 million.

With regard to the actions completed during the period, the following are of note:

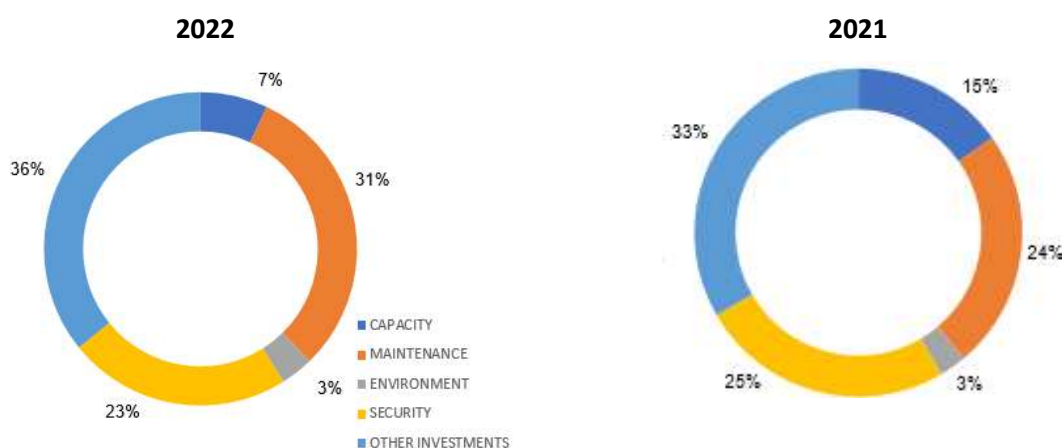
- Functional improvements to the terminal junction building at Tenerife Sur Airport.
- New bus terminal in terminal T4 of Adolfo Suárez Madrid-Barajas Airport.
- Construction of the new technical block building at Bilbao Airport.
- Works to the electrical system at Palma de Mallorca Airport.
- Replacement of air conditioning equipment at Palma de Mallorca Airport.
- Regeneration of the flooring on the flight track of Girona-Costa Brava Airport.
- Improvements to the terminal building at Sevilla Airport as per the functional design.

With regard to the ongoing investments, which will last for the next few months, it is worth mentioning:

- Remodelling of the processor building and module A in the terminal area at Palma de Mallorca Airport.
- Construction of a remote aircraft parking apron at the terminal building T4S at Adolfo Suárez Madrid-Barajas Airport.
- New power plant at Adolfo Suárez Madrid-Barajas Airport.
- Expansion of the P1 and car rental car parks at Ibiza Airport, and the construction of the express car park at departures.
- Adaptation of checked baggage inspection systems to the new standard 3 explosives detection systems at Adolfo Suárez Madrid-Barajas Airport, Josep Tarradellas Barcelona-El Prat Airport and Málaga-Costa del Sol Airport, among others.

It should be noted that the photovoltaic solar plant for self-consumption at César Manrique-Lanzarote Airport is complete. At Adolfo Suárez Madrid-Barajas Airport, work is underway on the 7.5 MW photovoltaic solar plant for self-consumption, while at Josep Tarradellas Barcelona-El Prat Airport the Plan for the implementation of recharging points is being carried out.

With regards to the operational areas, the distribution of the investment paid in 2022, as well as its comparison with the same period of the previous year, is shown below:



6. Balance Sheet

6.1 Net assets and capital structure

Thousands of euros	2022	2021 ¹	Variation	% Variation
Assets				
Non-current assets	13,118,592	13,404,391	-285,799	-2.1%
Current assets	2,085,757	1,982,812	102,945	5.2%
Total assets	15,204,349	15,387,203	-182,854	-1.2%
Equity and liabilities				
Equity	7,112,689	6,141,167	971,522	15.8%
Non-current liabilities	6,759,139	7,350,183	-591,044	-8.0%
Current liabilities	1,332,521	1,895,853	-563,332	-29.7%
Total equity and liabilities	15,204,349	15,387,203	-182,854	-1.2%

(1) Restated figures.

The restatement effect described in section 3.1.2 Commercial activity, on the comparative figures in the balance sheet, was as follows:

(thousands of euros)	31/12/2021	Adjustment	31/12/2021 RESTATED
NON-CURRENT ASSETS			
Deferred tax assets	150,169	158,103	308,272
Long-term accruals	314,553	-314,553	-
TOTAL NON-CURRENT ASSETS	13,560,841	-156,450	13,404,391
CURRENT ASSETS			
Trade and other receivables	587,881	-2,942	584,939
Trade receivables for sales and services rendered	544,489	-2,942	541,547
Short-term accruals	320,496	-314,916	5,580
TOTAL CURRENT ASSETS	2,300,670	-317,858	1,982,812
TOTAL ASSETS	15,861,511	-474,308	15,387,203
(thousands of euros)			
EQUITY AND LIABILITIES			
EQUITY			
Own funds	6,351,608	-474,308	5,877,300
Negative results from previous fiscal years	-5,290	-36,147	-41,437
Profit/(loss) for the fiscal year	-19,972	-438,161	-458,133
TOTAL EQUITY	6,615,475	-474,308	6,141,167
TOTAL LIABILITIES AND EQUITY	15,861,511	-474,308	15,387,203

Non-current assets have reduced by €285.8 million. This variation is mostly explained by the decrease in property, plant and equipment by €258.9 million due to the depreciation being higher than the certified investment in the period and the negative variation in fixed assets under construction. There has also been a decrease of €121.4 million in deferred tax assets at year-end due to the utilisation of tax credits

generated in fiscal years 2020 and 2021 for tax loss carry-forwards and deductions and the variation in the valuation of interest rate hedging derivatives at the end of the fiscal year, for which a deferred tax liability has been recorded.

Current assets have increased by €102.9 million due to the €34.3 million increase in Short-term financial investments derived from the valuation of hedging derivatives at year-end by €31.5 million, which has been favourable to the Company, and from the €52.3 million increase in Cash and cash equivalents. The balance of trade and other receivables has increased by €16 million.

Equity increased by €971.5 million, mainly due to the profit generated in the fiscal year 2022 amounting to €864.8 million and to the exchange rate adjustments recorded against equity as a result of the closing valuation of hedging derivatives, which led to an increase in reserves amounting to €128.7 million.

The reduction in 'Non-current liabilities' by €591.0 million is essentially due to the markdown of long-term debts with group and associated companies by €513.9 million resulting from the short-term reclassification of €514.4 million of the debt with parent company ENAIRE.

Current liabilities have decreased by €563.3 million as a result of the €637.2 million reduction in Short-term debts from debts with credit institutions.

Working capital—calculated as the difference between current assets and current liabilities, which is normally negative in the Company as a result of its operational and financing structure—stood at €753.2 million at the end of the period (€404.8 million at 31 December 2021) due to the changes in Current assets and liabilities referred to above.

6.2 Evolution of net financial debt

The accounted net financial debt of Aena stands at €5,791.2 million as of 31 December 2022.

The ratio of the accounted net financial debt to EBITDA of the Aena is as follows:

Thousands of euros	2022	2021 ¹	2021
Gross financial debt	7,226,566	8,314,636	8,314,636
Cash and cash equivalents	1,435,404	1,383,069	1,383,069
Net financial debt	5,791,162	6,931,567	6,931,567
Accounted net financial debt / EBITDA	3.05x	48.87x	9.96x

(1) Restated figures

Aena has taken out loans for a total outstanding amount at 31 December 2022 of €4,680.9 million. These loans include the obligation to meet the following covenants of financial ratios:

- Net Financial Debt/EBITDA must be less than or equal to 7.0x.
- EBITDA/Finance Expenses must be higher than or equal to 3.0x.

These ratios are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months, and the net financial debt at the end of the period. As at 31 December 2022, the covenants required in the aforementioned loans were met.

During 2022, Aena amortised long-term debt to the amount of €1,265.8 million, of which €615.8 million correspond to the payment schedule established under the agreement. The remaining €650 million corresponds to refinancing aimed at reducing financial costs.

In 2022, Aena has drawn down an extension of a loan for the amount of €20 million, another for the amount of €150 million allocated to the cancellation of loans for an equal amount in order to reduce the financial cost, and a further loan for the amount of €14.4 million.

At 31 December 2022, the cash balance has increased to €1,435.4 million (€1,383.1 million at 31 December 2021).

In addition, the Company has €654.5 million available (undrawn) financing relating to loans (€468.9 million at 31 December 2021) and €1,450.0 million available in syndicated and sustainable lines of credit (ESG-linked RCF), (€800.0 million at 31 December 2021).

Aena's available cash and credit facilities amounted to a total of €3,539.9 million at 31 December 2022 (€2,651.9 million at 31 December 2021). Additionally, Aena has the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, which are fully available at the close of the year (€900 million at 31 December 2021).

The average interest rate of the Aena's debt was 1.04% during the year 2022 (0.98% in 2021).

Rating agencies Moody's and Fitch have confirmed Aena's credit rating and raised their outlooks from negative to stable on 7 and 8 July, respectively. Moody's long-term rating is 'A3'. Fitch's long-term rating is 'A-' and its short-term rating is 'F2'.

6.3 Average payment period

The information on the average payment period of Aena is as follows:

Days	2022
Average payment period to suppliers	34
Ratio of paid transactions	35
Ratio of outstanding transactions	17

These parameters were calculated in accordance with Art. 5 of the Resolution dated 29 January 2016, published by the Accounting and Auditing Institute, on the information to be included in the annual accounts report in relation to the average payment period to suppliers in commercial transactions, as follows:

- Average payment period to suppliers = (Ratio of paid operations x total value of payments made + Ratio of outstanding payment operations x total amount outstanding payments) / (Total amount of payments made + total amount of outstanding payments).
- Ratio of paid transactions = Σ (number of payment days x amount of paid transactions) / Total amount of payments made. Number of payment days means the calendar days that have elapsed since the date the calculation begins until the actual payment of the transaction.
- Ratio of outstanding transactions = Σ (Days payable outstanding x amount of outstanding transactions) / Total amount of outstanding payments. Days payable outstanding means the calendar days that have elapsed since the date the calculation begins until the last day of the period referred to in the annual accounts.
- For the calculation of both the number of payment days as well as the days payable outstanding, the Company calculates the term as of the date of provision of the services. However, given the lack of reliable information on the time that this has taken place, the invoice receipt date is used.

This balance refers to suppliers that, given their nature, are suppliers of goods and services. Accordingly, it includes data related to 'Trade creditors' items in the statement of financial position.

Thousands of euros	2022
Total payments made	1,260,580
Total outstanding payments	127,324

In the 2022 fiscal year, the average payment terms adhered to the terms set out by Act 15/2010. In those exceptional cases where a payment has been made outside of the maximum legal term, this is due mainly to reasons not attributable to the Company: invoices not received on time, expired Spanish Tax Agency (AEAT) certificates, lack of documentary evidence of supplier bank accounts, among others.

The average payment period is calculated based on the outstanding invoices received and endorsed.

7. Cash flow

Thousands of euros	2022	2021 ¹	Variation	% Variation
CASH FLOW FROM OPERATING ACTIVITIES	1,696,252	252,170	1,444,082	572.7%
CASH FLOWS FROM INVESTMENT ACTIVITIES	-555,671	-649,362	93,691	-14.4%
CASH FLOWS FROM FINANCING ACTIVITIES	-1,088,246	638,996	-1,727,242	-270.3%
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	1,383,069	1,141,265	241,804	21.2%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,435,404	1,383,069	52,335	3.8%

(1) Restated figures

The restatement effect described in section 3.1.2 Commercial activity, on the comparative figures in the cash flow statement, was as follows:

	2021	Adjustment	2021 RESTATED
CASH FLOW FROM OPERATING ACTIVITIES (I)	252,170	0	252,170
Profit/(loss) for the year before tax	-70,856	-584,215	-655,071
Adjustments of the profit/(loss)	853,073	590,271	1,443,344
Linearisation of commercial incentives	109,466	-109,466	0
Commercial discounts formalised in the fiscal year	0	699,737	699,737
Changes in current capital	-466,911	-6,056	-472,967
Debtors and other receivables	-469,038	-6,056	-475,094

During 2022, Aena's cash increased by €52.3 million. This variation is mainly due to the generation of positive operating cash flows as a result of the recovery in air traffic throughout the year. On the other hand, there were negative financing flows mainly due to the repayment of debts with credit institutions in order to reduce the financial cost. Investment flows have also been negative as a result of the investments made in airport infrastructures.

Net cash from operating activities

The flow from operating activities was positive at €1,696.3 million, reflecting the recovery of traffic and commercial activity at the airports during the fiscal year, which seems to corroborate that the negative effects of the pandemic have been overcome.

Operating flows are generated primarily as a result of the profit or loss for the fiscal year. As part of the adjustments to profit and loss and as a result of the change in accounting policy for the recording of discounts on commercial rents in the fiscal year 2022, the effect of the loss recorded as a result of contractual addenda entered into in the year corresponding to rents accrued and pending collection (2022: €17.4 million; 2021: €699.7 million) has been adjusted in the calculation of operating cash flows.

Working capital increased by €44.5 million, mainly as a result of positive changes in 'Creditors and other accounts receivable' amounting to €83.2 million, due to an increase of €31.7 million in outstanding balances payable to creditors for services rendered, an increase of €16.5 million in advances received from customers and an increase of €19.3 million in short-term provisions as a result of the traffic incentives planned for the coming months, all of which are consistent with the recovery of the Company's business activity.

In terms of the change in customer balances, there was a net negative effect on the change in working capital of €37.9 million, mainly due to the increase in balances receivable at the end of the fiscal year as a result of the higher volume of business in the period.

During fiscal year 2022, the Company has returned to positive results and, consequently, has made the corresponding payments on account of corporate income tax, which has resulted in a lower operating cash flow of €165 million.

Net cash used in investing activities

In investing activities, cash flow was negative at €555.7 million, mainly reflecting payments for investments in the Company's own airport infrastructure, which amounted to €555.8 million as explained in section 5 (Investments).

Net cash flows from/(used in) financing activities

Financing activities have generated a lower flow than the previous year for an amount of -€1,727.2 million, mainly due to the repayment of debt with credit institutions for €730 million and the repayment of the principal of Aena's debt with ENAIRE (as co-borrowing entity with various financial institutions) in accordance with the established repayment schedule, for an amount of €535.8 million.

8. Operational and financial risks

The main risks to which Aena is exposed in its operating and financial activities are described in Note 5. Management of the operational and financial risks of the Annual Accounts of Aena for fiscal year 2022.

In the area of operational risks, risks arising from the macroeconomic environment, Russia's invasion of Ukraine, the COVID-19 pandemic, regulatory and operational risks are explained.

With respect to the macroeconomic environment, traffic recovery at the airports managed by Aena may be affected as a result a combination of lingering pandemic-related effects, rising interest rates, geopolitical risks and uncertainties about future developments.

The invasion of Ukraine by Russia is having less of an impact on Spain than in Europe as a whole due to various factors, such as its geographical location and its lower dependence on exports from Russia. Until the date of formulation of the Annual Accounts of Aena, the most relevant impact derived from the current macroeconomic and geopolitical crisis is the large increase in the cost of electricity.

The circumstances derived from the COVID-19 pandemic dramatically affected the activity of Aena during 2020 and 2021, due to the establishment of travel restrictions that were modulated as it developed. In this context, the aviation sector, and specifically, the airports managed by Aena, suffered a historically unprecedented reduction in operations and passenger traffic following the onset of the pandemic, which seems to have been overcome in 2022, when traffic levels very close to pre-pandemic levels have been reached.

Operational risks also include the regulatory risks associated with the regulated sector in which Aena operates, in which future changes or developments in the applicable regulations may have negative impacts on revenue, operating profit and the financial position.

They also identify the different operational risk factors that may affect the activity of Aena as they are directly related to the levels of passenger traffic and air operations at its airports.

With regard to the main financial risks, the operations of Aena are exposed to the following: market risk (including exchange rate risk and fair value interest rate risk), credit risk and liquidity risk. The global risk management programme focuses on the uncertainty of financial markets and tries to minimise the potential adverse effects on its financial profitability. In certain cases, Aena uses derivative financial instruments to hedge certain risk exposures.

The objectives of Aena in relation to capital management are to safeguard its capacity to continue as a going concern in order to provide shareholder returns and maintain an optimal capital structure in order to lower the cost of capital.

In the area concerning the risks derived from climate change, Aena is exposed to its effects, with environmental sustainability forming a key strategy for the company. This risk entails economic, operational and reputational impacts arising from the following matters:

- Regulatory changes that may result in an increase in the price of carbon emissions, a reduction in demand or other aspects related to the use of sustainable aviation fuel (SAF).
- Level of implementation of the measures related to climate action and sustainability foreseen in the company's Climate Action Plan, aimed at establishing a decarbonised and sustainable economic model in the network's airports, in a context of increasing pressure from investors and society as a whole.
- Resilience of airport infrastructure and operations in facing events associated with climate change, natural disasters and extreme weather conditions, and the need to undertake adaptation actions in airports in the medium to long term.
- Partial or total limitations to the operation, capacity and necessary development of airports resulting from environmental reasons or derived from compliance with existing or future environmental regulations.
- Destinations that are no longer attractive to visitors, due to changes in consumer preferences and behaviours, to the stigmatisation of the sector, to policies to discourage and restrict domestic flights on routes where there is an alternative high-speed train, to a possible imposition of a new eco-tax on the price of tickets, among others.
- A framework of uncoordinated national and regional climate policies and regulations.

When preparing the traffic forecasts taken into account in the performance of the impairment tests, Aena has analysed the main risks, uncertainties and factors affecting air traffic, highlighting the possible impact of environmental measures.

In the models used to develop the air traffic projections take into account the risk and possible impact of certain measures, which have already been implemented in other European countries, or established in the EU's 'Fit for 55' initiative.

The impact that these measures could have on air traffic will depend on the conditions in which they are applied, although as of today there is still not enough detail on the scope and time frames for their implementation. For this reason, and in order to limit the uncertainty associated with the application of these measures, forecasting scenarios have been considered with ranges based on confidence levels provided by the econometric models, which take these factors into account.

In preparing the consolidated financial statements of Aena, management has taken into account the impact of climate change in the recognition and measurement of assets and liabilities and assessing compliance with the objectives of the Climate Action Plan of Aena These

considerations have not had a significant impact on the judgements and estimates applied in preparing the financial information for the fiscal year.

The aforementioned information, which is detailed in Note 5. Management of the operational and financial risks of the Annual Accounts of Aena for fiscal year 2022 is explored in Note 3. The risks and their management can be found in Block B of this Consolidated Management Report. Section 3. The risks and their management in the introductory chapter '2022, a year of hope' includes the risk map of the Group's activity and the management system, which is based on the COSO III (Committee of Sponsoring Organizations of the Treadway Commission) integrated corporate risk management framework.

The risk system includes the analysis and periodic monitoring of the risk map included in section 3.2 Risks in 2022 of the above-mentioned chapter. As pointed out, specifically, a review of the Aena Risk Map was carried out at the beginning of 2022 to incorporate the impact of risks arising from the war in Ukraine and new associated mitigating measures (identified as an emerging risk).

It is also noteworthy that, as indicated in section 2.2.3. Risks and opportunities related to climate change (chapter 2) of Block B in the Consolidated Management Report, the company's risk map expressly includes the risks associated with climate change, and incorporates the corresponding management, monitoring and control mechanisms, including indicators and measures linked to compliance with the Climate Action Plan.

When analysing risks and opportunities, Aena follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), considering different climate scenarios for the physical risks and the risks of transition, as indicated in the cited section.

9. Main legal proceedings

With regard to the main litigations at 31 December 2022, it is worth noting first the claim filed by CEMUSA, Corporación Europea de Mobiliario Urbano, S.A. (fully owned by JCDecaux Europe Holding) in which is claimed based on the 'clausula rebus sic stantibus', with this claim not being related to COVID-19. This clause is invoked to support the claim of annulment of the contract, alleging that due to the 2008 crisis there was a fundamental change in the circumstances that motivated the contract and that it therefore prevents its compliance. The hearing was held on 21 June 2022 and we have recently been notified of the judgement of Madrid Court of First Instance no. 50, dated 16 September 2022, which dismisses the claim in its entirety and orders the complainant to pay the costs. This judgement is not final and CEMUSA has filed an appeal against it. The risk is considered remote.

Secondly, and as a consequence of the health crisis caused by COVID-19, the legislator has been adopting temporary measures of an extraordinary nature to prevent and contain the virus and mitigate its health, social and economic impact throughout Spain. These included temporary restrictions to free movement and containment measures in areas of education, employment, business, leisure and places of worship.

Faced with these facts and as a consequence thereof, some lessees filed claims based on the legal doctrine of 'clausula rebus sic stantibus' requesting that the Courts consider the need to adopt an injunctive relief with the purpose of ensuring that Aena refrains from invoicing the rents agreed in the contracts and, at the same time, suspend their right to execute the guarantees available in the event of any non-payment, among other requests. All the foregoing is put forth with the consequent ordinary claim.

From the commencement date of the legal dispute to the close of the fiscal year, 82 claims have been notified and 26 judgements have been handed down: 22 partially upholding the complainants' claims, 2 fully upholding the complainants' claims and 2 dismissing the complainants' claims.

On 3 October 2021, the Seventh Final Provision of Act 13/2021, of 1 October, which amends Act 16/1987, of 30 July, pertaining to Land Transport Management in matters of infractions related to the lease of vehicles with drivers and to fight delinquency in the field of road transport of cargo. The standard contains a regulation whereby business premise lease or assignment agreements are automatically and retroactively modified in the airports managed by Aena in order to rebalance the current agreements.

DF7 is, therefore, a standard applicable to a large part of the lease agreements that are the subject of the different judicial proceedings that are being processed, since these are intended for that same modification of the agreements in application of the 'clausula rebus sic stantibus'. Therefore, DF7 must necessarily be considered by the different judicial bodies when ruling on the aforementioned judicial dispute. However, Aena, after consulting with renowned Law professionals, believes that DF7 is unconstitutional and should therefore not be applied by judges and courts to resolve legal disputes.

As Aena has no standing to file an appeal for unconstitutionality against DF7, it may only assert its unconstitutionality through the corresponding questions of unconstitutionality issued within the framework of the judicial proceedings in which its application has been decisive for the ruling. Raising an issue of unconstitutionality is not a right of the party that raises it, but a power of the judge or court. In this case, raising this issue, given the impact of DF7 on ongoing cases, due to the revenues Aena has failed to receive, would be clearly justified.

As a result of the foregoing and with respect to the litigation in progress, Aena is requesting that the judicial body, prior to issuing a ruling on the matter under discussion, raise a question of unconstitutionality under Art. 35 Organic Law of the Constitutional Court. Until 31 December 2022, it has been requested that the issue be raised in 56 proceedings. However, in the resolutions that have been notified in this regard up to this date, no judicial body has yet raised the issue of unconstitutionality to the Constitutional Court, although the request may be raised again in subsequent applications.

If the judicial body agreed to what has been requested, it will suspend the ruling on the proceeding and will raise a question of unconstitutionality to the Constitutional Court. Once a question of unconstitutionality has been raised in any of the pending judicial proceedings, it would be reasonable for the rest of the courts and tribunals to raise new issues or for the issues not to be ruled upon until the Constitutional Court has decided on the constitutionality of the law.

Of the 26 judgements referred to above, 22 of them have been issued after the entry into force of DF7 and 20 recognise the application of this provision essentially on the understanding that, with its entry into force, the need to resolve whether there has been a change of circumstances in the contract that could lead to a ruling on the claim in order to rebalance the economic conditions of the contract has been rendered ineffective. In the two judgements that do not apply DF7, one makes a comparison to the regulation by narrowing the rent adjustment to 2020 and 2021 and the other does not expressly rule on this issue (lease intended for currency exchange activity) and adjusts the rent at an affordability rate of 12%.

In addition, 9 lower courts have issued filing orders considering that the alleged contractual balance pursued by the plaintiff is reached after the entry into force of DF7, satisfying its claims and terminating the proceedings due to a sudden lack of purpose of the claim. All these rulings have been appealed by Aena.

Of the judgements that have been appealed, four have been resolved. Aena has filed an appeal for cassation with the Supreme Court in three of the cases. In the case of the judgement dated 19 March 2022 of the Provincial Court of Madrid (ZEA RETAIL), which upholds the appeal of Aena by declaring that the application of the 'clausula rebus sic stantibus' to contracts that have already terminated is not possible, the case is closed.

In any case, it must be taken into account that the judgements in favour of the claims of the lessees would not entail contingencies of a significant amount for Aena. As of the date of formulation of Aena's annual accounts 2022, Aena estimates that the judgments estimating the tenants' claims could amount to a maximum of between 30 and 40 million euros.

10. Stock market performance

The share price fluctuated throughout the period, ranging from a minimum of €103.15 to a maximum of €154.65. It closed the period at €117.30, which represents a fall in share price of 15.5% since 31 December 2021. In the same period, the IBEX 35 recorded a gain of 5.6%.



Main data on the performance of Aena's share on the continuous market of the Madrid Stock Exchange:

31/12/2022	AENA.MC
Total traded volume (No. of shares)	42,898,121
Average daily traded volume for the period (No. of shares)	166,919
Capitalisation €	17,595,000,000
Closing price €	117.30
No. of shares	150,000,000
Free Float (%)	49%
Free Float (shares)	73,500,000

As regards the acquisition and disposal of treasury shares, as at 31 December 2022, Aena did not hold any treasury shares, so there was no impact on the yield obtained by the shareholders nor on the value of the shares.

11. Non-financial information statement

The Non-financial information statement is included in the Consolidated Management Report 2022, in accordance with the provisions of Directive 2014/95/EU of the European Parliament and of the European Council, and those of Act 11/2018, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on Auditing of Accounts, in the field of non-financial information and diversity. This report is available on the Aena website (www.aena.es/en/).

12. Subsequent events

From 31 December to the date the annual accounts of Aena were prepared, the following relevant events have occurred:

- On 27 February, the Board of Directors approved the award of the tender for the renovation of the food and beverage offer at Adolfo Suárez Madrid-Barajas Airport.

The results of the tender show a 32% increase in the 2023 awarded MAG over the 2019 MAG from previous contracts. In addition, the average variable rent percentage has increased from 31.2% in 2019 to 32.2% in 2023.

The operators who were winners of the 21 contracts are, in this order: AREAS, PANSFOOD, CAFESTORE, MCDONALD'S and SSP, which will install over 35 brands in the 55 premises tendered.

The new offer will take up about 20,000 m² of leased space.

- In accordance with the tender specifications, BOAB must be constituted with a minimum share capital of R\$1,639,249,656, and once the concession contract is signed, BOAB must make the payment of the economic bid to ANAC for an amount of R\$2,450 million, adjusted to the HICP. In order to meet these payments, the following Intragroup financing operations have been signed:
 - On 28 November 2022, an Intragroup Loan was signed between Aena and ADI for an amount of €307,515,981.28, which was paid up on 26 January 2023.
 - On 20 January 2023, an Intragroup Loan was signed between Aena and ADI for an amount of €458,742,061.11, which was paid up on 3 February 2023.
 - On 20 January 2023, an Intragroup Loan was signed between ADI and BOAB for an amount of R\$2,450,000,000, which was paid up on 6 February 2023.
- On February 24 2023, Aena received a notification from the CNMC informing that Ryanair had filed an appeal for a judicial review of the administrative decision with the National High Court against the CNMC's decision of December 15 2022 in which the CNMC ruled on the dispute brought by Ryanair itself, together with ALA and IATA against the proposed update to the airport charges for 2023.

At the time of preparing the annual accounts, the Company is not aware of the content of the appeal. However, given that it concerns the airport charges approved by the CNMC for 2023, the Directors consider that under no circumstances would it affect these annual accounts for the financial year 2022.

13. Alternative Performance Measures (APM)

In addition to the financial information prepared under the International Financial Reporting Standards adopted by the European Union (IFRS-EU), the reported financial information includes certain alternative performance measures (APM) in order to comply with the guidelines on alternative performance measures published by the European Securities and Markets Authority (ESMA) on 5 October 2015, as well as non-IFRS EU measures.

The performance measures included in this section rated as APM and non-IFRS EU measures have been calculated using Aena's financial information, but are not defined or detailed in the applicable financial reporting framework.

These APM and non-IFRS EU measures have been used to plan, monitor and assess the evolution of Aena. The Company considers these APM and non-IFRS EU measures are useful for Management and investors, since they allow a comparison of operating performance and the financial situation between periods. Although it does consider that these APM and non-IFRS EU measures allow for a better assessment of the evolution of Aena's businesses, this information should only be considered as additional information, and in no case replaces the financial information presented in the Annual Accounts of Aena. In addition, the way in which Aena defines and calculates these APM and non-IFRS EU measures may differ from the way they are calculated by other companies that use similar measurements and, therefore, may not be comparable.

The APM and non-IFRS measures used in this document can be categorised as follows:

Measures of the financial position

Net Financial Debt

The Net Financial Debt is the main APM used by Management to measure the Company's level of indebtedness.

It is calculated as the total 'Financial Debt' (Non-current Financial Debt+Current Financial Debt) that appears in the Consolidated Statement of Financial Position of Aena S.M.E. S.A. less the 'Cash and cash equivalents' that also appear in said statement of financial position.

The definition of the terms included in the calculation is as follows:

Financial Debt: this means all financial debt with a financial cost as a result of:

- loans, credits and commercial discounts;
- any amount due for bonds, obligations, notes, debts and, in general, similar instruments;
- any amount due for rental or leasing which, according to the applicable accounting regulations, should be treated as financial debt;
- financial guarantees assumed by Aena that cover part or all of a debt, excluding those guarantees related to debts of consolidated companies; and
- any amount received by virtue of any other kind of agreement that has the effect of commercial financing and which, according to the applicable accounting regulations, should be treated as financial debt.

Cash and cash equivalents

Definition contained in p. 7 of IAS 7 'Cash flow statement'.

EBITDA

EBITDA ('Earnings Before Interest, Tax, Depreciation and Amortisation') is an indicator that measures the company's operating margin before deducting financial earnings, income tax and amortisations/depreciations. It is calculated as operating earnings plus amortisations/depreciations. By disregarding the financial and tax figures, as well as amortisation/depreciation accounting expenses that do not entail cash outflow, it is used by Management to assess the operating profit of the company and its business segments over time, allowing them to be compared with other companies in the sector.

Net Financial Debt Ratio/EBITDA

It is calculated as the quotient of the Net Financial Debt divided by the EBITDA for each calculation period. In the event that the calculation period is less than the annual period, the EBITDA of the last 12 months will be taken.

Aena monitors capital structure based on this debt ratio.

The numerical reconciliation between the most directly reconcilable line item, total or subtotal, presented in the financial statements and the APM used is presented below:

Alternative performance measures (thousands of euros)	31 December 2022	31 December 2021 ¹	31 December 2020 ¹
Net Debt	5,791,162	6,931,567	6,540,411
Non-current financial debt	6,577,780	7,076,122	6,986,468
Current financial debt	648,786	1,238,514	695,208
Cash and cash equivalents	-1,435,404	-1,383,069	-1,141,265
EBITDA last 12 months	1,896,927	141,843	761,130
Operating profit/(loss)	1,174,421	-577,283	36,189
Depreciation and Amortisation	722,506	719,126	724,941
Net Financial Debt Ratio/EBITDA	3.1x	48.9x	8.6x

(1) Restated figures.

APPENDIX I: Communications with the National Securities Market Commission (CNMV)

REGISTER	DATE	TYPE OF COMMUNICATION	DESCRIPTION
13739	26/01/2022	ORI	On business and financial situation Resolution of the Civil Aviation Authority
14076	16/02/2022	ORI	Other relevant information Aena S.M.E., S.A. announces the holding of the presentation of results for the year 2021
14119	18/02/2022	ORI	Other relevant information CNMC supervisory resolution on Aena's charges
14187	22/02/2022	ORI	The Board or General Shareholders' Meeting being convened The Company announces the approval of the calling of the 2022 General Shareholders' Meeting
14210	23/02/2022	ORI	Semi-annual financial and audit reports / limited reviews The Company sends financial information for the second half of 2021
14212	23/02/2022	ORI	On business and financial situation Presentation of results 2021
14213	23/02/2022	ORI	Annual financial and audit reports The Company submits the Annual Financial Report for the fiscal year 2021
14214	23/02/2022	ORI	On business and financial situation Press release on results 2021
14217	23/02/2022	ORI	Annual Corporate Governance Report The Company submits the Annual Corporate Governance Report for the fiscal year 2021
14218	23/02/2022	ORI	Annual report on remuneration of The Company submits the Annual Report on Remuneration of Directors for the fiscal year 2021
14219	23/02/2022	ORI	The Board or General Shareholders' Meeting The Company announces the calling of the 2022 General Shareholders' Meeting
14222	23/02/2022	ORI	On corporate governance Changes in Board composition
15308	31/03/2022	ORI	The Board or General Shareholders' Meeting The Company announces the approval of Resolutions of the 2022 General Shareholders' Meeting
15309	31/03/2022	ORI	On corporate governance The Company communicates the ratifications, re-election and appointments of Directors at the General Shareholders' Meeting
15311	31/03/2022	ORI	On corporate governance The Company communicates the appointment of the Chairman of the Board of Directors and the Chief Executive Officer
15313	31/03/2022	ORI	On corporate governance The Company communicates appointments to the Board of Directors and its committees
15653	19/04/2022	ORI	Regulations of the Board The Company submits the regulations of the Board of Directors
15662	20/04/2022	ORI	Other relevant information Aena S.M.E., S.A. announces the holding of the presentation of results for the first quarter of 2022
15777	26/04/2022	ORI	On corporate governance Appointment of Secretary of the Board
15785	27/04/2022	ORI	On business and financial situation Presentation of Results and Management Report Q1 2022
15786	27/04/2022	ORI	On business and financial situation The Company issues a press release on the results of the first quarter of 2022.
16297	13/05/2022	ORI	Regulations of the Meeting The Company submits the Regulations of the General Shareholders' Meeting
1478	10/06/2022	II	About Strategic Plans and Forecasts The Company announces the upward revision of passenger traffic forecasts for the year 2022
17091	28/06/2022	ORI	Notification of related-party Notification of related-party transactions approved by the Board of Directors
1527	07/07/2022	II	On credit ratings The credit rating agency Moody's Investors Service has confirmed Aena S.M.E., S.A.'s 'A3' long-term issuer default rating and changed

1529	08/07/2022	II	On credit ratings	The agency Fitch Ratings has confirmed Aena S.M.E., S.A.'s long-term issuer default rating 'A-' and changed the outlook to stable from
17445	20/07/2022	ORI	Other relevant information	Aena S.M.E., S.A. announces the holding of the presentation of results for the first half of 2022
17560	27/07/2022	ORI	Semi-annual financial and audit reports /	The Company submits financial information for the first half of 2022
17561	27/07/2022	ORI	On business and financial situation	The Company submits the presentation of results for the first half of 2022
17562	27/07/2022	ORI	On business and financial situation	The Company issues a press release on the results of the first half of 2022
1576	18/08/2022	II	About corporate operations: mergers,	The Company reports that it has been awarded in the tender for the concession of eleven airports in Brazil
18493	30/09/2022	ORI	On business and financial situation	The Board of Directors of Aena awards the MAD-AREA1/21 contract to the Company P3 Group Sarl
18749	19/10/2022	ORI	Other relevant information	Aena S.M.E., S.A. announces the holding of the presentation of results for the nine-month period ended 30 September 2022
1609	25/10/2022	II	About Strategic Plans and Forecasts	The Board of Directors of Aena has approved its Strategic Plan 2022–2026
18842	26/10/2022	ORI	On business and financial situation	Presentation and Management Report 9M 2022
18843	26/10/2022	ORI	On business and financial situation	The Company issues a press release on the results of the first nine months of 2022
19144	10/11/2022	ORI	On business and financial situation	The Company communicates the date and time for the Presentation of the Strategic Plan 2022–2026
1665	16/11/2022	II	About Strategic Plans and Forecasts	The Company attaches the Presentation of the Strategic Plan 2022–2026
1666	16/11/2022	II	About Strategic Plans and Forecasts	The Company attaches the press release regarding the presentation of the Strategic Plan 2022–2026
19235	17/11/2022	ORI	On corporate governance	The Company reports changes in the composition of the Board of Directors
19375	29/11/2022	ORI	On corporate governance	The Company communicates appointments to the Board of Directors and its committees

II-Inside information

ORI-Other relevant information

APPENDIX II: Annual Corporate Governance Report

Aena's Annual Corporate Governance Report for the year 2022, which forms an integral part of this management report, is presented in the Consolidated Management Report and has been made available since the date of publication of the consolidated Annual Accounts on the website of the Spanish National Securities Market Commission and on Aena's website (www.aena.es).

APPENDIX III: Annual remuneration report

The Annual Remuneration Report for the year 2022, which forms an integral part of this management report, is presented in the Consolidated Management Report and has been made available since the date of publication of the consolidated annual accounts on the website of the Spanish National Securities Market Commission and on Aena's website (www.aena.es).



Preparation of the individual financial statements and the individual directors' report and Statutory Declaration concerning the individual financial statements of Aena, S.M.E., S.A. for the fiscal year 2022

On 27 February 2023, in accordance with the normative requirements, the Board of Directors of the company Aena, S.M.E., S.A. has prepared the individual Financial Statements and the Individual Director's Report for the year ended on 31 December 2022 with the requirements established on the Commission Regulation UE 2019/815, which comprise the file with the following hash code: b8dbc5ef5ca04dfe8145a259726b33ace15de20f0b4680d5b3facb06e50e4423

The members of the Board of Directors with the signature of this diligence declare signed the aforementioned Individual Financial Statements and the Individual Director's Report for the year ended on 31 December 2022, for its audit verification and approval by the General Meeting of Shareholders.

Likewise, in compliance with the provisions of Section 8.1. b) of Royal Decree 1362/2007, of 19 October, implementing the Securities Market Law 24/1988, of 28 July, the members of the board of directors of Aena, S.M.E., S.A. (the "Company") with this sign they declare their responsibility concerning the content of individual financial statements and director's report of the Company for the fiscal year ended 31 December 2022 which were formulated by the Board of Directors at its meeting on 27 February 2023, and by which the state that to the best of their knowledge the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the directors' reports include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Cargo	Nombre	Firma
Chairman	Mr. Maurici Lucena Betriu	
Director	Ms Pilar Arranz Notario	
Director	Ms Eva Ballesté Morillas ¹	

¹ Ms. Eva Ballesté Morillas attended the meeting of the Board of Directors by telematic means and voted in favour of the Financial Statements. For which reason his signature does not appear.

Director	Ms Irene Cano Piquero ²	
Director	Mr. Manuel Delacampagne Crespo	
Director	Mr. Juan Ignacio Díaz Bidart	
Director	Ms M ^a del Coriseo González-Izquierdo Revilla	
Director	Ms Leticia Iglesias Herraiz ³	
Director	Mr. Amancio López Seijas	
Director	Mr. Francisco Javier Marín San Andrés	
Director	Ms Angélica Martínez Ortega	
Director	Mr. Raúl Míguez Bailo	
Director	Mr. Juan Río Cortés	
Director	Mr. Jaime Terceiro Lomba	
Director	Mr. Tomás Varela Muiña	

Ms Elena Roldán Centeno
 Secretaria del Consejo de Administración
 Aena, S.M.E., S.A

² Ms. Irene Cano Piquero delegated her vote in favour of the Financial Statements to another director due to the impossibility of attending the meeting. For which reason her signature does not appear.

³Ms. Leticia Iglesias Herraiz delegated her vote in favours of the Financial Statements to another director due to the impossibility of attending the meeting. For which reason her signature does not appear.