

Public Corporate Entity "ENAIRE"

Annual Accounts

ended 31 December 2023

CONTENTS

Financial Statements

Note

1.	Activity.....	6
2.	Basis of presentation	8
3.	Distribution of profit or application of losses	10
4.	Recognition and measurement standards	12
5.	Intangible assets	26
6.	Property, Plant and Equipment	28
7.	Leases	31
8.	Financial instruments	33
9.	Capital and reserves without valuation adjustments.....	49
10.	Inventories	50
11.	Provisions and contingencies	51
12.	Public Entities and Tax Situation	57
13.	Income and expenses.....	66
14.	Endorsements and Other Guarantees	78
15.	Environmental commitments.....	78
16.	Grants, Donations and Bequests Received	79
17.	Transactions and balances with related parties.....	81
18.	Segmented information.....	90
19.	Subsequent events	95

PUBLIC CORPORATE ENTITY "ENAIRe"
BALANCE AT 31 DECEMBER 2023
(In thousands of euros)

ASSETS	Notes to the Report	Period 2023	Period 2022	EQUITY AND LIABILITIES	Notes to the Report	Period 2023	Period 2022
NON-CURRENT ASSETS				EQUITY			
Intangible assets	Note 5	254.875	226.398	Capital and reserves without valuation adjustments	Note 9	1.929.722	1.750.412
Development		31.847	39.012	Capital	Note 9	1.813.363	1.813.363
Computer software		208.831	175.496	Reserves	Note 9	516.889	516.889
Other intangible assets		14.197	11.890	Statutory		516.889	516.889
Property, plant and equipment	Note 6	502.340	472.838	Prior periods' losses	Note 9	(579.840)	(373.659)
Land and buildings		103.299	108.100	Profit/(Loss) for the period	Note 3	459.109	(206.181)
Technical installations and machinery		147.277	136.727	Interim dividend (Payment on Account to the Public Treasury)	Note 9	(279.799)	-
Other installations, equipment and furnishings		49.501	49.348	Grants, donations and bequests received	Note 16	101.496	81.511
Other property, plant and equipment		24.527	21.103	Grants, donations and bequests received		101.496	81.511
Under construction and advances		177.736	157.560	Total equity		2.031.218	1.831.923
Non-current investments in group companies and associates		3.679.482	4.448.887				
Equity instruments	Note 8.3	1.334.029	1.338.169	NON-CURRENT LIABILITIES			
Loans to companies	Note 8.1 and 17	2.345.453	3.110.718	Non-current provisions	Note 11.1	332.246	278.056
Non-current financial investments	Note 8.1.1	9.847	1.077	Long-term employee benefits		332.246	278.056
Equity instruments		9.290	523	Non-current payables		2.339.028	3.105.373
Other financial assets	Note 8.1.1	557	554	Debt with financial institutions	Note 8.2.1	2.337.076	3.103.279
Long-term current tax assets	Note 12.1	82.554	33	Other non-current financial liabilities	Note 8.2.2	1.952	2.094
Deferred tax assets	Note 12.6 and 12.7	232.310	101.137	Deferred tax liabilities	Note 12.1 and 12.8	33.832	27.170
Trade and other non-current receivables	Note 8.1.2 and 12.1	8.907	12.938	Total non-current liabilities		2.705.106	3.410.599
Total Non-Current Assets		4.770.315	5.263.308				
CURRENT ASSETS				CURRENT LIABILITIES			
Inventories	Note 10	380	403	Current provisions	Note 11.1	83.322	73.436
Trade and other receivables		182.835	166.306	Current payables		791.834	536.115
Trade receivables	Note 8.1.2	121.586	100.299	Debt with financial institutions	Note 8.2.1	777.383	526.492
Trade receivables group companies and associates	Note 8.1 and 17	12.590	24.601	Other financial liabilities	Note 8.2.2	14.451	9.623
Other receivables	Note 8.1.2	-	620	Group companies and associates, current	Note 17	2.403	1.549
Personnel		4.450	271	Trade and other payables		128.572	132.309
Public entities, other	Note 12.1	44.209	40.515	Other payables	Note 8.2.3	23.381	20.578
Current investments in group companies and associates	Note 8.1 and 17	776.334	525.286	Personnel	Note 8.2.3	62.897	73.549
Loans to companies		776.334	525.286	Public entities, other	Note 12.1	30.651	36.667
Current financial investments	Note 8.1.3	6	6	Advances from customers	Note 8.2.3	11.643	1.515
Other financial assets		6	6	Total Current Liabilities		1.006.131	743.409
Current accruals		2.381	2.093				
Cash and cash equivalents	Note 8.1.4	10.204	28.529				
Total Current Assets		972.140	722.623				
TOTAL ASSETS		5.742.455	5.985.931	TOTAL LIABILITIES		5.742.455	5.985.931

Notes 1 to 19 described in the attached Report form an integral part of the Balance Sheet at 31 December 2023

PUBLIC CORPORATE ENTITY "ENAIRe"
INCOME STATEMENT FOR THE PERIOD ENDED ON 31 DECEMBER 2023

(In thousands of euros)

	Notes to the Report	Period 2023	Period 2022
CONTINUING OPERATIONS			
Revenue	Note 13.2	889.934	735.406
Work carried out by the company for assets	Notes 5 and 6	3.612	3.915
Supplies	Note 13.1	(52.361)	(43.613)
Raw materials and other consumables used		(185)	(123)
Work performed by other companies		(52.176)	(43.490)
Other operating income		4.047	3.162
Non-trading and other operating income		3.479	3.086
Operating grants taken to income	Note 16	568	76
Personnel expenses	Note 13.3	(649.327)	(716.266)
Wages, salaries and similar expenses		(524.509)	(508.233)
Employee benefits expense		(78.255)	(71.543)
Provisions		(46.563)	(136.490)
Other operating expenses		(119.002)	(113.406)
External services	Note 13.4	(112.024)	(107.238)
Taxes		(3.988)	(3.811)
Losses, impairment and changes in trade provisions	Note 8.1.2	(705)	(139)
Other current operating expenses		(2.285)	(2.218)
Amortisation and depreciation	Notes 5 and 6	(106.733)	(92.087)
Non-financial and other capital grants	Note 16	7.821	3.650
Provision Surpluses	Note 13.5	28	1.269
Impairment and gains/(losses) on disposal of fixed assets	Note 13.7	(260)	(359)
Other results	Note 13.6	(7.953)	317
RESULTS FROM OPERATING ACTIVITIES		(30.194)	(218.012)
Finance income	Note 13.8	466.731	41.094
Dividends	Note 17.1	370.537	3.649
- Group companies and associates		370.262	3.501
- Other		275	148
Marketable securities and other financial instruments		96.194	37.445
- Group companies and associates	Note 17.1	93.560	37.047
- Other		2.634	398
Finance expenses	Note 13.8	(104.460)	(38.525)
Group companies and associates		-	-
Other		(104.437)	(38.525)
Provisions adjustment		(23)	-
Change in fair value of financial instruments		-	-
Exchange gains/losses		-	-
Impairment and gains/(losses) on disposal of financial instruments	Note 13.8	(4.141)	(2)
Impairment and losses		(4.141)	(2)
NET FINANCE INCOME/(EXPENSES)	Note 13.8	358.130	2.567
PROFIT/(LOSS) BEFORE INCOME TAX		327.936	(215.445)
Income tax	Note 12.4	131.173	9.264
PROFIT (LOSS) FROM CONTINUING OPERATIONS		459.109	(206.181)
PROFIT/(LOSS) FOR THE PERIOD	Note 3	459.109	(206.181)

Notes 1 to 19 described in the attached Report form an integral part of the Balance Sheet at 31 December 2023

PUBLIC CORPORATE ENTITY "ENAIRe"
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2023
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(In thousands of euros)

	Notes to the Report	Period 2023	Period 2022
A) Profit/(loss) for the period			
		459.109	(206.181)
Income and expenses recognised directly in equity			
Grants, donations and bequests received	Note 16	34.468	38.190
Tax effect	Note 12.3	(8.617)	(9.547)
B) Total income and expense recognised directly in equity		25.851	28.643
Amounts transferred to the income statement			
Grants, donations and bequests received	Note 16	(7.821)	(3.650)
Tax effect	Note 12.3	1.955	912
C) Total amounts transferred to the income statement		(5.866)	(2.738)
TOTAL RECOGNISED INCOME AND EXPENSES (A + B + C)		479.094	(180.276)

Notes 1 to 19 described in the attached Report form an integral part of the Statement of recognised income and expense at 31 December 2023

PUBLIC CORPORATE ENTITY "ENAIRe"
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2023
B) STATEMENT OF TOTAL CHANGES IN EQUITY

(In thousands of euros)

	Capital	Statutory reserves	Prior Periods' Losses	Interim dividend	Profit/(Loss) for the period	Grants, donations and bequests received	Total Equity
A. BALANCE AT 31 DECEMBER 2021	1.813.395	516.890	(88.861)	-	(284.797)	55.606	2.012.233
B. BALANCE AT 1 JANUARY 2022	1.813.395	516.890	(88.861)	-	(284.797)	55.606	2.012.233
I. Total recognised income and expenses.	-	-	-	-	(206.181)	25.905	(180.276)
II. Transactions with equity holders or owners.	-	-	(284.797)	-	284.797	-	-
4. (-) Distribution of dividends	-	-	-	-	-	-	-
7. Other transactions with equity holders and owners.	-	-	(284.797)	-	284.797	-	-
III. Other changes in equity.	(32)	(1)	-	-	-	-	(33)
C. BALANCE AT 31 DECEMBER 2022	1.813.363	516.889	(373.659)	-	(206.181)	81.511	1.831.923
D. BALANCE AT 1 JANUARY 2023	1.813.363	516.889	(373.659)	-	(206.181)	81.511	1.831.923
I. Total recognised income and expenses.	-	-	-	-	459.109	19.985	479.094
II. Transactions with equity holders or owners.	-	-	(206.181)	(279.799)	206.181	-	(279.799)
4. (-) Distribution of dividends	-	-	-	(279.799)	-	-	(279.799)
7. Other transactions with equity holders and owners.	-	-	(206.181)	-	206.181	-	-
III. Other changes in equity.	-	-	-	-	-	-	-
E. BALANCE AT 31 DECEMBER 2023	1.813.363	516.889	(579.840)	(279.799)	459.109	101.496	2.031.218

Notes 1 to 19 described in the attached Report form an integral part of the statement of total changes in net equity at 31 December 2023

PUBLIC CORPORATE ENTITY "ENAIRe"
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED ON 31 DECEMBER 2023

(In thousands of euros)

	Notes to the Report	Period 2023	Period 2022
CASH FLOW FROM OPERATING ACTIVITIES (I)		401.097	27.715
Profit/(loss) for the period before tax		327.936	(215.445)
Adjustments for:		(195.113)	232.366
- Amortisation and depreciation	Notes 5 and 6	106.733	92.087
- Valuation allowances for impairment losses	Notes 8.1.1, 8.1.2 and 13.8	4.846	141
- Change in provisions	Note 11.1	66.701	149.878
- Grants recognised in the income statement	Note 16	(7.821)	(3.650)
- Proceeds from disposals of fixed assets		260	359
- Finance income	Note 13.8	(466.731)	(41.094)
- Finance expenses	Note 13.8	104.460	38.525
- Other income and expenses		(3.561)	(3.880)
Changes in operating assets and liabilities		(22.378)	7.332
- Inventories	Note 10	23	(44)
- Trade and other receivables	Note 8.1	(6.599)	(39.456)
- Other current assets	Note 8.1	(289)	30.250
- Trade and other payables	Note 8.2	(12.562)	17.358
- Other non-current assets and liabilities	Note 8.1 and 8.2	(2.951)	(776)
Other cash flow from operating activities		290.652	3.462
- Interest paid		(93.358)	(36.016)
- Dividends received	Note 17	370.483	3.613
- Interest received		96.049	35.893
- Income tax received (paid)	Notes 4.16 and 12.1	(82.522)	(28)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		349.065	374.411
Payments for investments		(165.299)	(171.425)
- Group companies and associates	Note 8.3	-	(2.488)
- Intangible assets		(72.149)	(70.242)
- Property, plant and equipment		(84.382)	(98.695)
- Non-current assets held for sale	Note 8.1.1	(8.768)	-
Proceeds from sale of investments		514.364	545.836
- Group companies and associates: loans	Note 8.2.1 and 17	514.364	535.836
- Other financial assets	Notes 4.16	-	10.000
CASH FLOWS FROM FINANCING ACTIVITIES (III)		(768.487)	(489.326)
Proceeds from and payments for equity instruments		26.696	48.058
- Redemption of equity instruments		-	-
- Grants, donations and bequests received	Note 16	26.696	48.058
Proceeds from and payments for financial liability instruments		(515.384)	(537.384)
b) Return and repayment of		(515.384)	(537.384)
- Debt with financial institutions	Note 8.2.1	(515.384)	(537.384)
Dividend and interest on other equity instruments paid		(279.799)	-
- Dividends (Payment to the Public Treasury)	Note 9	(279.799)	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(18.325)	(87.200)
Cash and cash equivalents at beginning of period	Note 8.1.4	28.529	115.729
Cash and cash equivalents at end of period	Note 8.1.4	10.204	28.529

Notes 1 to 19 described in the attached Report form an integral part of the statement of cash flows for the period 2023

PUBLIC CORPORATE ENTITY "ENAIRe"

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

1. Activity

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

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

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

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

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

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

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

The Entity provides its services within the Spanish airspace, with an area of 2.2 million km², which is divided into two areas (mainland Spain and the Canary Islands). It provides aerodrome control services in the control towers of 21 airports, including the 5 busiest airports in Spain. Additionally, it provides en-route and approach services, as well as technical services for Communications, Navigation, Surveillance and maintenance from five control centres in Madrid, Barcelona, Seville, Palma de Mallorca and the Canary Islands, and at 46 airports. It also offers aeronautical information services throughout Spanish airspace. To do so, it uses a network of infrastructures and aeronautical technology systems spread throughout the country.

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

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

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

The Entity is the parent of a group of subsidiaries and, in accordance with current legislation, is obliged to draw up separate consolidated accounts. The consolidated annual accounts of the Public Corporate Entity ENAIRe and its subsidiaries for the year ended 31 December 2023, show consolidated profits of €1,732,217 thousand and consolidated equity of €8,560,988 thousand (compared to €701,823 thousand and €7,467,231 thousand, respectively, as of 31 December 2022). These accounts were presented to the Governing Board by the Chairman of the Company on 21 March 2024.

The 2022 Consolidated Annual Accounts were approved by the Governing Board of the Entity on 31 May 2023 and are available on ENAIRe's website.

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

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

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

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

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

2. Basis of presentation

2.1 Legal framework for financial information applicable to the Entity

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

- a) Code of Commerce and other commercial legislation in force.
- b) The General Accounting Plan in force and Order EHA/733/2010 of 25 March on accounting aspects of public companies operating under certain circumstances.
- c) The mandatory rules approved by the Spanish Institute of Accounting and Auditing Standards (ICAC - Instituto de Contabilidad y Auditoría de Cuentas) in the development of the General Accounting Plan and its complementary standards.
- d) All other applicable Spanish accounting legislation.

2.2 Fair presentation

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

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

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

The Annual Accounts for the financial year 2023, prepared by the Chairman of the Entity, will be submitted for approval by the Governing Council of ENAIRe, and are expected to be approved without modification.

2.3 Accounting principles applied

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

2.4 Critical factors for measuring and estimating uncertainties

The preparation of Entity's financial statements requires assumptions and estimates that have an impact on the amount recognised for assets, liabilities, income, expenses and related commitments. Those estimates basically refer to:

- The assessment of possible impairment losses on certain assets (note 4.3).
- The useful life of property, plant and equipment and intangible assets (note 4.1 and 4.2).

- The calculation of provisions (note 4.10 and 4.11).
- The market value of certain financial instruments (note 4.5).
- Recoverability of the deferred tax asset (note 12.6).

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

2.5 Comparison of information

In accordance with current regulations, the figures for the previous year are presented for comparative purposes in each of the items of the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and the quantitative information required in the notes to the consolidated Annual Accounts, in addition to the figures for 2023.

Deferred Tax Assets

As stated in note 4.8, the Entity evaluates the unrecognised deferred tax assets at each closing, and these are recognised to the extent that it becomes probable that they will be recovered through future tax benefits.

In the 2023 financial year, in the preparation of the Tax Planning for the aforementioned assessment, the ruling of 18 January 2024 of the plenary session of the Constitutional Court (note 19), which unanimously declared unconstitutional and null and void certain corporate income tax measures introduced by Royal Decree-Law 3/2016 of 2 December, has been considered within its variables.

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

- The setting of stricter ceilings for the offsetting of tax loss carryforwards;
- The introduction *ex novo* of a limit on the application of double taxation deductions; and
- The obligation to automatically include in the tax base any impairment losses on holdings that have been deducted in previous years.

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

As a result of the increase in the compensation limit in Tax Planning and in application of the resolution from the Institute of Accounting and Auditing (ICAC) dated February 9, 2016 (see note 4.8), the Entity, after evaluating which tax assets are to be recognised on its balance sheet at the end of the 2023 fiscal year, has recognised 146.6 million in tax loss carryforwards as non-current assets at the end of the 2023 fiscal year. These were previously considered a Contingent Asset off-balance sheet as of 31 December 2022 (notes 11.2 and 12.6).

Special Active Reserve

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

Specifically, the concept of the Active Special Reserve was developed, addressing, among other issues, the problem of the mandatory retirement of air traffic controllers at the age of 65 (see note 11.1).

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

Evolution of traffic and fees

The measures taken in each country to mitigate the spread and effects of the coronavirus led to an unprecedented reduction in the Entity's activity and revenues, resulting in an unparalleled drop in operating cash flows during 2020, 2021 and early 2022. With these restrictions on people's mobility removed, the traffic recorded by ENAIRe in 2023, measured in Route Service Units, reached higher levels than those recorded in 2019, the year before the pandemic (107.6% in 2023 compared to 96% in 2022).

As indicated in Note 13.2, in accordance with the regulation on exceptional measures, starting from 2023 and specifically for Spain, there is a seven-year period for the recovery of rights due to losses in 2020 and 2021. Following the strategic plan "Flight Plan 2025", the route fee increased by 11% in 2023 on the mainland and by 8% in the Canary Islands (compared to a 9% increase in the mainland and 7% in the Canary Islands in 2022). Similarly, in 2023 the approach fee increased by approximately 29% for the first time in eleven years, although it has little impact on turnover.

2.6 Grouping of items

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

2.7 Changes in accounting criteria

The effect of any change in fundamental criteria is recorded as follows: if the change in the criteria had affected the Income Statement of previous years, the cumulative effect at the beginning of the year is adjusted in reserves, while the effect in the year itself is recorded against profit and loss. In these cases, financial data for the comparative financial year presented together with the current financial year are also expressed. During 2023, there was no change in criteria with respect to the criteria applied in 2022.

3. Distribution of profit or application of losses

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

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

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

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

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

- Result attributable to ENAIRe's operations: €100,460 thousand. This positive result is mainly due to the activation of tax loss carryforwards which represent income tax revenue (see notes 2.5, 12.4 and 12.6).
- Dividends received in the month of April 2023 as distribution of the result of the financial year 2022 of Aena S.M.E., S.A: €358,649 thousand net of custody fees (passed on to ENAIRe by Banco Sabadell) and attributable corporate tax (5% of dividends received are subject to corporate tax and not exempt, with custody fees being deductible):

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

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

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

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

This percentage arises because, under corporate tax regulations, ENAIRe must make advance payments that are at least 23% of the income that includes the dividends received (see note 9).

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

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

4. Recognition and measurement standards

The main recording and valuation rules used in the preparation of the Annual Accounts of the Public Corporate Entity, in accordance with the provisions of the General Accounting Plan approved by Royal Decree 1514/2007 and the amendments incorporated therein by Royal Decree 1159/2010, are as follows:

4.1 Intangible assets

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

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

Development costs

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

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

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

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

Computer software

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

They are amortised systematically on a straight-line basis over their estimated useful lives, which normally do not exceed 8 years.

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

4.2 Property, Plant and Equipment

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

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

The subsequent additions are valued at their acquisition cost and include all necessary costs to bring the asset into working condition.

Interest and other financial charges incurred in the financing of buildings or other assets while they are in the process of being manufactured and provided that the duration of the manufacturing process exceeds 12 months, are treated as an increase in the cost of such assets.

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

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

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

Fixed Asset Elements	Estimated years of useful life
Buildings	10-40
Technical Installations	4-18
Machinery	5-12
Other Installations	6-25
Furniture	5-13
Other Fixed Assets	5-20

4.3 Impairment of intangible assets and property, plant and equipment

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

- Required condition: this Order is mandatory for entities within the State Public Corporate Sector that must apply the Accounting Principles and Standards outlined in the Commercial Code and the General Accounting Plan. It applies specifically to entities whose activities, considered strategic or of public utility, involve regularly delivering goods or providing services to other entities or users without compensation, or in exchange for a fee or a politically set price, directly or indirectly by the Public Administration.

- Sufficient condition: the assets are held for a purpose other than generating commercial returns, such as the social economic flows they generate, benefiting society as a whole. This includes their social benefit or potential service.

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

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

- Its fair value minus sales costs; and
- Its value in use.

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

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

In view of the foregoing, at year-end 2023, no indication of any significant impairment of the Entity's intangible assets and property, plant and equipment were detected.

4.4 Leases

Leases are classified as Finance Leases whenever the terms transfer substantially all the risks and rights incidental to ownership of the leased asset to the lessee. All other leases are classified as Operating Leases. At 31 December 2023, the Entity does not have any outstanding contracts considered as Finance Leases, neither as lessor nor as lessee.

Finance lease

For finance leases where the Entity is the lessee, at the commencement of the lease term, it recognises an asset based on its nature and a financial liability for the same amount. This amount is the lower of the fair value of the leased asset and the present value of the minimum lease payments, discounted at the contract's explicit interest rate. If the explicit interest rate cannot be determined, the Entity's interest rate for similar transactions is used. Initial direct costs are included as a greater value of the asset. Minimum payments are divided between the financial burden and the reduction of outstanding debt.

The finance charge is distributed over the term of the lease in the Income Statement in order to obtain a constant interest rate each year on the outstanding balance of the debt. The payment obligation arising from the lease, net of finance charges, is presented in non-current or current payables depending on their maturity.

Contingent lease rent payments are recognised as an expense when they are likely to be incurred.

Assets acquired under finance leases are amortised in accordance with the criteria applied by the Entity to assets of the same type. If, at the inception of the lease, there is no reasonable certainty that the Entity will obtain ownership of the asset at the end of the lease term, the property, plant and equipment acquired is depreciated and amortised over the shorter of the useful life of the asset and the lease term.

Operational Lease

Income and expenses relating to Operating Lease agreements are recognised in the Income Statement in the year in which they accrue.

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

4.5 Financial instruments

Financial assets

The Entity's Financial Assets are classified into the following categories:

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

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

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

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

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

iii. Investments in the assets of Group, Associate and Multigroup companies: Group companies are those related to the Entity by a relationship of control, and associates are those over which the Entity exercises significant influence. Jointly controlled entities include companies run jointly by agreement with one or more partners.

Investments in Group, associate and Multigroup companies are stated at cost less any accumulated impairment losses. The impairment is calculated as the difference between the carrying amount and recoverable amount, which is the higher of its current fair value minus the cost of goods sold and the present value of the estimated cash flow from the investment.

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

v. Available-for-sale financial assets: these are equity instruments of other companies. This category includes debt securities and equity instruments that are not classified in any of the above categories. They are included in Non-Current Assets unless Management intends to dispose of the investment within 12 months from the Balance Sheet date. They are valued at fair value, with changes directly recognised in Equity until the Asset is disposed of or impaired, at which point any accumulated Gains or Losses in Equity are transferred to the Income Statement, provided that fair value can be reliably determined. If fair value cannot be reliably determined, these assets are recorded at cost less impairment losses. For available-for-sale Financial Assets, impairment adjustments are made when there is objective evidence that their value has declined due to a reduction or delay in estimated future cash flows for debt instruments acquired, or due to the lack of recoverability of the carrying amount for equity instruments. The valuation adjustment is the difference between its cost or amortised cost minus, where applicable, any valuation adjustments previously recognised in the Income Statement, and the fair value at the time of the valuation. In the case of equity instruments valued at cost because their fair value cannot be reliably determined, the valuation adjustment is determined in the same manner as for investments in the equity of Group, Multigroup and Associated companies. If there is objective evidence of impairment, the Entity recognises in the Income Statement the cumulative losses previously recognised in Equity due to decrease in fair value. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement. The fair values of the investments listed are based on current

purchase prices. If the market for a financial asset is not active (including for non-traded securities), the Entity determines fair value using valuation techniques that include recent transactions between knowledgeable and willing parties, references to substantially similar instruments, discounted cash flow methods based on estimated future cash flows and option pricing models, making maximal use of observable market data and minimising reliance on subjective considerations by the Entity.

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

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

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

Financial liabilities

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

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

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

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

Derivative instruments

The Entity uses Derivative Financial Instruments mainly to hedge interest rate fluctuations.

The Entity documents hedge relationships and ensures at the end of each fiscal year that the hedge is effective. This means that changes in the cash flows of the hedged item are expected to be almost entirely offset by changes in the cash flows of the hedging instrument.

Retrospectively, the hedge results must have fluctuated within a range of 80% to 125% of the hedged item's results.

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

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

4.6 Inventories

Inventories include spare parts and miscellaneous materials held at the Logistics Support Centre, and they are initially valued at acquisition cost. The acquisition cost is determined on the basis of the historical price for the items identified in the purchase files.

Subsequently, if the cost of the inventories is lower than the acquisition cost, the corresponding valuation adjustments are made. If the circumstances that caused the correction of the inventory value cease to exist, the amount of the correction is subject to reversal.

4.7 Foreign currency transactions, balances and flow

The Entity's functional currency is the euro. As a result, operations in currencies other than the euro are considered to be denominated in a "foreign currency" and are recorded in compliance with the exchange rate in force on the dates of the operations.

Exchange differences on foreign currency monetary items that arise both when settling them and when converting them at the closing exchange rate are generally recognised in the Income Statement for the fiscal year.

4.8 Income tax

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

Current tax is the amount the Entity pays as a result of the income tax assessments relative to a fiscal year. Deductions and tax losses from previous years applied in the current year result in a lower amount of current tax.

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

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

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

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

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

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

4.9 Income and expenses

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

Revenue is recognised at the fair value of the consideration receivable and represents the amounts receivable for goods delivered and services rendered in the ordinary course of the Entity's business, less returns, rebates, discounts and value added tax.

The Entity recognises revenue when the amount can be measured reliably, it is probable that future economic benefits will flow to the Entity and the specific conditions for each of the activities are met. The sum of revenue is not deemed to be subject to reliable valuation until all contingencies connected with the sale have been resolved. The Entity bases its estimates on historical results, taking into account the type of customer, the type of transaction and the specific terms of each agreement.

Interest received on financial assets is recognised using the effective interest method, while dividends are recognised when the shareholder's right to receive payment has been established. In any event, interest and dividends from financial assets accrued after the acquisition are recognised as income in the income statement. If the distributed dividends come from earnings generated before the acquisition date, they are not recognised as revenue but rather reduce the carrying amount of the investment.

Dividends paid by investees are treated as revenue in the year in which they are paid.

4.10 Provisions and contingencies

The Entity, in the presentation of the Annual Accounts, differentiates between:

Provisions

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

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

When, based on experience, the Entity is uncertain about the calculation of the amount and the date of payment of the amounts provided for, the Entity classifies the liabilities under the appropriate heading based on their nature (Note 2.5; 4.11 And 11.1).

Contingent liabilities

Possible obligations that arise from past events and whose future realisation is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the Entity. Contingent liabilities assets are not recognised but disclosed in the notes to the financial statements (see note 11.3).

Contingent assets

Possible rights arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. As with contingent liabilities, contingent assets are not recognised but disclosed in the notes to the financial statements (see note 11.2).

4.11 Provisions for acquired employment commitments

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

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

Specifically, the accompanying Balance Sheet includes the following provisions for acquired employment commitments:

Longevity awards

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

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

Early retirement award

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

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

Remuneration of the Air Traffic Controllers Collective

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

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

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

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

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

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

Special Active Reserve (SAR)

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

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

	2023	2022
Interest rate:	3.20% Liabilities and 3.25% Assets	3.65% Liabilities and 3.90% Assets
Wage growth:	Liabilities: 3.79% in year 2024. 3% in year 2025 and 2% thereafter. Assets: 2.5% in year 2024. 2% thereafter.	Liabilities: 8.6% in year 2023. 2% thereafter. Assets: 2.5% in year 2023. 2% thereafter.
Growth of maximum bases	5% in year 2024, 4.2% in year 2025 and 3.2% thereafter	8.60% in 2023, 3% thereafter.
Mortality table:	1st Order PERMF 2020	1st Order PERMF 2020
Financial System used:	Individual Capitalisation	Individual Capitalisation
Accrual method:	Projection Unit Credit	Projection Unit Credit
Retirement age:	In accordance with Act 27/2011	In accordance with Act 27/2011
Age of Entry SAR	65 Years	65 Years

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

4.12 Termination benefits

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

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

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

4.13 Environmental activities

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

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

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

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

4.14 Grants, donations and bequests received

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

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

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

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

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

4.15 Related party transactions

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

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

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

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

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

On 31 October 2017, ENAIRE and its Subsidiary Aena S.M.E., S.A. signed an agreement for the use of Aena network car parks by ENAIRE employees.

The services provided under this agreement are invoiced to ENAIRE at market value with a discount of 75% on the amounts paid.

According to Recognition and Valuation Standard 21, which stipulates that the difference between the agreed price in an operation and its fair value should be recorded based on the economic substance of the operation and to assess the operation at market rates, ENAIRE accounted for the provision of services in 2023 totalling €140 thousand (€95.4 thousand in 2022). As the turnover amounted to €35 thousand (€23.8 thousand in 2022), ENAIRE recorded 51% (corresponding to the percentage shareholding in Aena S.M.E., S.A.) of the difference as dividend income and the remaining 49% as extraordinary income.

On 22 June 2022, the Entity and the ENAIRE Foundation signed a new document authorising the free use of the property in which the Foundation carries out its activity and which is the property of ENAIRE (note 6). In line with the above, ENAIRE accounted for the provision of services in 2023 at market value as self-consumption, totalling €81 thousand (€81 thousand in 2022). This includes recognising revenue of €67 thousand pre-tax (€67 thousand in 2022) and €14 thousand as VAT collected (€14 thousand in 2022), in compliance with Article 18 of the Corporate Tax Law.

4.16 Statement of Cash Flows

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

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

In 2023, income tax payments mainly include income tax instalments and withholdings for the year amounting to €82.5 million.

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

5. Intangible assets

The movements in the accounts included in "Intangible Assets" in the 2023 and 2022 fiscal years were as follows:

2023 Financial year

Movements	Thousands of euros			
	Development	Computer Software	Other intangible assets	Total
Cost:				
Initial Balance	179,304	565,414	16,330	761,048
Additions	12,671	58,935	2,788	74,394
Derecognitions	-	(4,967)	-	(4,967)
Transfers (note 6)	(7,725)	15,501	1,484	9,260
Final Balance	184,250	634,883	20,602	839,735
Amortisation:				
Initial Balance	(140,292)	(389,918)	(4,440)	(534,650)
Provision	(12,111)	(41,101)	(1,965)	(55,177)
Derecognitions	-	4,967	-	4,967
Transfers (note 6)	-	-	-	-
Final Balance	(152,403)	(426,052)	(6,405)	(584,860)
Net:	31,847	208,831	14,197	254,875

In 2022, the main additions under the "Computer Applications" heading consisted of evolutionary developments and new functionalities of the SACTA air traffic control applications, the HERON program and other business management applications, as well as phase 2 of the SYSRED H24 EYWA operational network supervision system.

During 2023, €1,465 thousand (€1,751 thousand in 2022) of expenses incurred by the Entity for the production of intangible assets have been included under intangible assets.

The main derecognitions registered in 2023 correspond to developments in business management applications, as well as updates and renewal of software licenses.

2022 Financial year

Movements	Thousands of euros			
	Development	Computer Software	Other intangible assets	Total
Cost:				
Opening Balance	168,794	512,470	13,107	694,371
Additions	12,558	54,065	3,104	69,727
Derecognitions	(2,091)	(3,012)	(26)	(5,129)
Transfers (note 6)	43	1,891	145	2,079
Closing Balance	179,304	565,414	16,330	761,048
Amortisation:				
Opening Balance	(130,784)	(364,486)	(2,988)	(498,258)
Provision	(11,599)	(28,474)	(1,478)	(41,551)
Derecognitions	2,091	3,012	26	5,129
Transfers (note 6)	-	30	-	30
Closing Balance	(140,292)	(389,918)	(4,440)	(534,650)
Net:	39,012	175,496	11,890	226,398

The main additions in the 2022 financial year were also recorded under the heading of Computer Applications, which corresponded to evolutionary developments and new functionalities of the SACTA air traffic control applications, CPDS and HERON virtualisation systems and other business management applications, including those related to staff planning and shift management, as well as the SYSRED H24 EYWA operational network monitoring system.

The main derecognitions recorded during 2022 related to the renewal of the ETNA system, the Easyvista tool and licence upgrades, as well as developments for the evolution of the T/A communications system.

The details of the items of Intangible Assets acquired from Group and Associate companies are as follows:

Description	Thousands of euros			
	2023		2022	
	Carrying Amount (gross)	Accumulated Amortisation	Carrying Amount (gross)	Accumulated Amortisation
Development	8,422	(241)	7,980	(188)
Computer Software	5,534	(64)	3,930	(64)
Other intangible assets	2,204	(43)	2,612	(21)
Total	16,160	(348)	14,522	(273)

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

Description	Thousands of euros	
	2023	2022
Development	2,083	12,734
Computer Software	59,928	69,358
Other intangible assets	5,892	6,761
Total	67,903	88,853

No Financial Expenses were activated in 2023 and 2022.

At 31 December 2023 there are Intangible Assets in use which are fully depreciated as follows:

Description	Thousands of euros	
	2023	2022
Development	134,336	118,915
Computer Software	328,958	301,342
Other intangible assets	1,307	483
Total	464,601	420,740

6. Property, Plant and Equipment

Below is a summary of all movements during the financial years 2023 and 2022 in the accounts included in Property, Plant and Equipment:

2023 Financial year

Description	Thousands of euros						
	Land	Buildings	Plant and Machinery	Other facilities, Equipment and Furnishings	Other Fixed Assets	Assets under construction	Total
Cost:							
Opening Balance	18,503	236,703	816,432	203,361	97,581	157,560	1,530,140
Additions	-	826	9,931	3,347	5,181	71,311	90,596
Derecognitions	-	(620)	(6,602)	(1,357)	(777)	-	(9,356)
Transfers (Note 5)	-	967	31,642	2,957	6,309	(51,135)	(9,260)
Closing Balance	18,503	237,876	851,403	208,308	108,294	177,736	1,602,120
Amortisation							
Opening Balance	-	(147,106)	(679,705)	(154,013)	(76,478)	-	(1,057,302)
Provision	-	(6,462)	(30,943)	(6,104)	(8,047)	-	(51,556)
Derecognitions	-	488	6,522	1,310	758	-	9,078
Transfers (Note 5)	-	-	-	-	-	-	-
Closing Balance	-	(153,080)	(704,126)	(158,807)	(83,767)	-	(1,099,780)
Net:	18,503	84,796	147,277	49,501	24,527	177,736	502,340

2022 Financial year

Description	Thousands of euros							
	Land	Buildings	Plant and Machinery	Other facilities, Equipment and Furnishings	Other Fixed Assets	Advances for fixed assets	Assets under construction	Total
Cost:								
Opening Balance	12,923	233,661	813,174	199,561	92,635	1,813	112,220	1,465,987
Additions	-	1,605	5,381	2,419	3,635	-	76,422	89,462
Derecognitions	(32)	(617)	(17,032)	(2,464)	(1,679)	(1,389)	(17)	(23,230)
Transfers (Note 5)	5,612	2,054	14,909	3,845	2,990	(424)	(31,065)	(2,079)
Closing Balance	18,503	236,703	816,432	203,361	97,581	-	157,560	1,530,140
Amortisation								
Opening Balance	-	(141,104)	(666,552)	(149,947)	(70,557)	-	-	(1,028,160)
Provision	-	(6,484)	(30,055)	(6,432)	(7,565)	-	-	(50,536)
Derecognitions	-	482	16,912	2,367	1,663	-	-	21,424
Transfers (Note 5)	-	-	(10)	(1)	(19)	-	-	(30)
Closing Balance	-	(147,106)	(679,705)	(154,013)	(76,478)	-	-	(1,057,302)
Net:	18,503	89,597	136,727	49,348	21,103	-	157,560	472,838

The details of the items of Property, Plant and Equipment acquired from Group and Associate companies are as follows:

Description	Thousands of euros			
	2023		2022	
	Carrying Amount (gross)	Accumulated Amortisation	Carrying Amount (gross)	Accumulated Amortisation
Buildings	16	-	198	(4)
Plant and Machinery	348	(2)	771	(26)
Other facilities, Equipments and Furnishings	463	(6)	1,691	(161)
Assets under Construction	2,171	-	3,044	-
Total	2,998	(8)	5,704	(191)

No Financial Expenses were activated in 2023 and 2022.

Additions to property, plants and equipment

The main additions recorded in 2023 are related to new technical surveillance installations, notably the MSSR-S radars in Gran Canaria and Taborno, various adjustments in Building 7 of the Entity's headquarters (see note 7), updates to the Automated Air Traffic Control System (SACTA) equipment, as well as updates and improvements to the Flight Verification Unit (UVV - Unidad de Verificación de Vuelo) console.

The main additions to Property, Plant and Equipment in Progress correspond to additions in Air Navigation installations related to the equipment of new control positions in different centres, PSR radars, developments in the Automated Air Traffic Control System (SACTA), and the IP protocol-based voice communication system (COMETA), the construction of the new technical operations building at Madrid ACC. At 31 December 2023, there were advances for stockpiling certificates in property, plant and equipment under construction.

During 2023, €2,147 thousand (€2,164 thousand in 2022) of expenses incurred by the Entity for the production of property, plant and equipment have been included under intangible assets.

In the 2022 fiscal year, the main additions were improvements to the buildings of the Valencia Terminal Area Control Centre, the Barcelona ACC, and the power plant of the Canary Islands Control Centre. There were also new technical surveillance installations, notably the MSSR-S radar in Girona and the replacement of MSSR-S radar receivers, as well as acquisitions of new computer equipment and hybrid vehicles.

In addition, on 30 March 2022, as part of Docket DEA-237/2021 "In-flight verification service", ENAIRe acquired from Aena Desarrollo Internacional S.A., the Beech Super King Air 350 (B300) aircraft, for an amount of €1.4 million net of tax (see note 17.1).

The main additions to property, plant and equipment under construction were additions to Air Navigation installations related to the Automated Air Traffic Control System (SACTA), PSR primary radars and IP-based Voice Communications Systems (VoIPCS), as well as the construction of the new technical operational building of the Madrid Control Centre.

Derecognitions

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

In 2022, the main highlights included those related to technical surveillance installations such as the PSR radar in Paracuellos, the MSSR-S radar in Girona, the Malaga radar building, T/A communications accommodation equipment at various locations and the DVOR systems in A Coruña, Salamanca and Madrid, as well as fire protection systems in the Control Centres of the Central and Eastern regions.

Additionally, in September 2022, the land where the NDB CAC installation was previously located, situated in the municipality of Cáceres, was decommissioned (note 9).

Impairment

The Entity did not perceive any indication of impairment at the end of 2023 and 2022 that would indicate the need to include impairment losses on fixed assets.

Grants received

In 2023 the Entity recognised €25.9 million net of tax as grants related to property, plant and equipment and intangible assets (€28.6 million in 2022). The Balance Sheet shows an accumulated amount as at 31 December 2023 of €101.5 million net of tax (€81.5 million as at 31 December 2022) (see note 16).

The gross cost of the assets assigned to these grants at 31 December 2023 is €316.2 million, of which €197.3 million relates to property, plant and equipment and €118.9 million to intangible assets. In 2022, the gross cost of the assets assigned to these grants amounted to €264.9 million, of which €166.5 million related to property, plant and equipment and €98.4 million to intangible assets.

Limitations

Assets assigned, until 31 December 2023, to the Public Corporate Entity are public domain assets, over which ENAIRe does not have ownership or the power to dispose of them without a declaration of non-necessity or encumbrance.

Fully depreciated property, plant and equipment in use

The breakdown of property, plant and equipment that are fully depreciated and still in use at 31 December 2023 and 2022 is as follows:

Description	Thousands of euros	
	2023	2022
Buildings	29,847	27,993
Plant and Machinery	524,846	465,271
Other Facilities, Equipment and Furniture	116,532	105,906
Other Fixed Assets	61,446	55,237
Total	732,671	654,407

Commitments

The investments pending execution at 31 December 2023 amount to €235.6 million (€241.5 million at 31 December 2022), approximately, including those pending formalisation and the firm commitments pending execution.

Insurance Policies

The Entity's policy is to formalise insurance policies to adequately cover the potential risks to which its property, plant and equipment elements are subject. At the end of 2023, there is no coverage deficit.

Free usage authorisation

On 22 June 2022, a new authorisation was formalised for the use of the property located at Calle General Pardiñas 116 3º, in Madrid, assigned to ENAIRe, in favour of Fundación ENAIRe, F.S.P., free of charge for the performance of its activity for a period of 4 years, extendable for an equal period starting on 1 May 2022. This new contract gives continuity to the previous contract signed on 30 April 2018 for the same duration.

This authorisation does not imply the transfer of the public domain or of the proprietary powers of ENAIRe, and it is granted subject to the provisions of Article 90.1 of Law 33/2003, of 3 November, on the Patrimony of Public Administrations. This authorisation does not imply any kind of charge or encumbrance on the property, nor any limitation of ENAIRe's ownership rights over the same.

This authorisation is recorded for accounting purposes as own consumption at market value (see note 4.15).

7. Leases

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

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

During 2023, ENAIRE continued its contractual relationship with the building's owner in Pegaso City, through which the ground floor of the Allende building is erected as a data processing centre (DPC) (708 square metres) and five parking spaces. During the months of January and February, this company was RMD INVERSIONES 2010, S.L. but, due to a total division of its assets, it was dissolved and extinguished, distributing its assets among three newly created companies. For this reason, from March to December the relationship continued with the company RMD Allende 2022, S.L., one of the three beneficiaries of the spin-off. This lease contract was formalised in September 2022, with an expected expiration date of 15 March 2024 and the possibility of monthly extensions for up to one year.

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

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

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

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

- A second contract was signed in October 2021 for the lease of the fourth floor of building number 7 (497 square metres) and 20 parking spaces. This contract had a grace period of fourteen months, which ended on 30 November 2022.
- There is a third lease contract signed in September 2022 for the first and second floors (1,261 and 2,787 square metres, respectively) of building number 7, in addition to 80 parking spaces. The contract has a ten-month grace period which, in the case of the first plant, ended on 15 July 2023 and, for the second plant, ends on 31 May 2024.

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

In addition, it has a second, third and fourth addendum relating to the delivery deadlines and the refurbishment of the first floor, which amounts to €2,368 thousand. Of this amount, €153,000 are borne by the lessor, the remainder being borne by the lessee.

ENAIRe made a first payment of €500 thousand on 8 November 2023, and the remaining amount of €1,715 thousand will be paid in accordance with the partial certificates of works or invoices issued by the construction company.

The breakdown by term of future minimum payments is as follows:

Operating Leases	Thousands of euros	
	2023	2022
Within one year	2,481	2,056
One to five years	13,491	13,335
More than five years	963	3,726
Total	16,935	19,117

Leases subject to non-cancellable payments as at 31 December 2023, excluding inflationary increases, amount to €16.94 million, of which €16.91 million for the location in the Mercedes Building and €0.02 million for the Pegaso City Building (€19.1 million as at 31 December 2022, €18.9 million for the Mercedes Building and €0.1 million for the Pegaso City Building).

8. Financial instruments

8.1 Financial assets

The carrying amount of each category of financial assets established in the standard for the recognition and measurement of financial instruments, except for investments in the equity of Group, Multigroup and Associate companies, is as follows:

Categories	Thousands of euros							
	Classes						Total	
	Non-current financial instruments				Current financial instruments			
	Equity instruments		Credits, derivatives and other		Credits, derivatives and other			
	2023	2022	2023	2022	2023	2022	2023	2022
Loans, Cash and Receivables	-	-	2,350,186	3,112,076	925,170	679,612	3,275,356	3,791,688
Available-for-sale assets valued at cost	9,290	523	-	-	-	-	9,290	523
Total	9,290	523	2,350,186	3,112,076	925,170	679,612	3,284,646	3,792,211

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

Categories	Note	Thousands of euros					
		Long Term		Short Term		Total	
		2023	2022	2023	2022	2023	2022
Investments in Group Companies and Associates		2,345,453	3,110,718	776,334	525,286	3,121,787	3,636,004
Credits to companies	17	2,345,453	3,110,718	776,334	525,286	3,121,787	3,636,004
Financial Investments		9,847	1,077	6	6	9,853	1,083
Equity instruments	8.1.1	9,290	523	-	-	9,290	523
Other financial assets	8.1.1 and 8.1.3	557	554	6	6	563	560
Trade and Other Receivables		4,176	804	138,626	125,791	142,802	126,595
Trade Receivables for Sales and Services	8.1.2	4,176	804	121,586	100,299	125,762	101,103
Clients, Group Companies and Associates	17	-	-	12,590	24,601	12,590	24,601
Various debtors	8.1.2	-	-	-	620	-	620
Personnel		-	-	4,450	271	4,450	271
Cash and cash equivalents	8.1.4	-	-	10,204	28,529	10,204	28,529
Total		2,359,476	3,112,599	925,170	679,612	3,284,646	3,792,211

8.1.1 Non-current financial investments

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

	Thousands of euros	
	2023	2022
Equity instruments	9,290	523
Other financial assets	557	554
	9,847	1,077

The increase in the item "Equity instruments" is justified by the purchase of a 16.67% stake in the company European Satellite Service Provider SAS (ESSP SAS), 166,666 registered shares with a par value of one euro each which, until now, belonged to the subsidiary company Aena Desarrollo Internacional S.A., S.M.E. (ADI S.A., S.M.E.).

The transfer of ownership of these shares from ADI S.A., S.M.E. to ENAIRe is justified by the fact that the corporate purpose of ESSP is directly related to the competencies and functions in the field of air navigation that are legally held by the Public Corporate Entity ENAIRe.

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

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

The amount listed under "Other financial assets" corresponds practically in its entirety to guarantees constituted in the long term, mostly to the guarantee given to Aena, S.M.E., S.A., for €553 thousand derived from the contract for file DEA-237/2021 "Flight verification service".

Equity instruments

The detail of this balance sheet item as at 31 December 2023, as well as the most significant information on the holdings it includes, is as follows:

Name/ Address/ Activity	Thousands of euros (*)						
	% Share of	Capital	Profit 2023		Other equity	Total Assets	Carrying Amount
			Operating	Net			
GroupEAD Europe S.L. Consultoría Tecnológica Avenida de Castilla 2, P.E. San Fernando San Fernando de Henares - Madrid	36.00%	1,000	1,607	1,606	624	3,231	360
Grupo Navegación por Satélite Sistemas y Servicios, S.L. Technological Consultancy C/ Gobelás, 41 Madrid	19.30%	1,026	(8)	(8)	(213)	805	155
European Satellite Services Provider S.A.S. 3, rue Tarfaya - CS 84432 31405 Toulouse Cedex 4 FRANCE	16.67%	1,000	11,743	8,510	15,469	24,979	8,769
Empresa para la Gestión de Residuos Industriales, S.A.U. (EMGRISA) Environment C/Velázquez, 105 Madrid	0.08%	7,813	1,419	3,876	9,173	20,862	6
Total							9,290

(*) Data obtained from the provisional financial statements at 31 December 2023.

The following table shows the movements during the year in the balance of equity instruments:

		Thousands of euros		
	Balance at 31/12/2022	Variation		Balance at 31/12/2023
		Impairment	Acquisition	
Equity instruments				
Available-for-sale financial assets				
Valued at cost:				
Cost				
GroupEAD Europe S.L.	360			360
Grupo Navegación por Satélite Sistemas y Servicios, S.L.	198			198
Empresa para la Gestión de Residuos Industriales, S.A.U. (EMGRISA)	6			6
European Satellite Services Provider, SAS (ESSP SAS)	-		8,769	8,769
Impairment				
Grupo Navegación por Satélite Sistemas y Servicios, S.L.	(41)	(2)		(43)
	523	(2)	8,769	9,290

8.1.2 Trade receivables for sales and services

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

Description	Thousands of euros	
	2023	2022
Trade receivables for services	121,586	100,299
Non-performing Receivables	10,300	9,913
Impairment Provision	(10,300)	(9,913)
Total	121,586	100,299

A significant part of the balances included in the customer heading belong to Eurocontrol (€129,417 thousand at 31 December 2023 and €107,433 thousand at 31 December 2022), which is the body to which the Entity has delegated the invoicing and collection of En-route and Approach fees from airlines. Of these, €10,067 thousand remained provisioned at the end of 2023 (€9,734 thousand at the end of 2022).

In addition to the short-term customer balances at 31 December 2023, there is a balance of €4,176 thousand (€804 thousand at 31 December 2022) under "Trade receivables for sales and services" on the non-current assets side of the Balance Sheet corresponding to the Front Line States Voluntary Temporary Contribution Fund (see note 13.2), which was deducted from the en-route fee revenues from December 2022 to May 2023 and is expected to be recovered through Eurocontrol (€804 thousand each month).

The losses, impairment and provisions for commercial operations in 2023 and 2022 were as follows:

Description	Thousands of euros	
	2023	2022
Change Impairment Provision	(387)	690
Losses due to Death	(318)	(829)
Total	(705)	(139)

The most relevant amounts of sales to external customers invoiced by Eurocontrol on behalf of ENAIRe during 2023 and 2022 are shown in the following table (in the case of the Aerodrome Service provided to AENA, S.M.E., S.A., ENAIRe bills it directly; its information is detailed in note 13.2):

Customers	Thousands of euros (VAT Included)	
	2023	2022
RYANAIR DAC	139,258	110,346
VUELING AIRLINES, S.A.	61,745	50,728
IBERIA LINEAS AEREAS DE ESPAÑA SOCI	42,436	33,717
TRANSPORTES AÉREOS PORTUGUESES, S.A	37,080	29,563
AIR EUROPA LINEAS AEREAS, S.A.	26,588	21,195
EASYJET EUROPE GMBH	24,958	18,858
EASYJET UK LIMITED	24,036	19,782
ROYAL AIR MAROC	22,349	17,427
AIR FRANCE	21,003	17,161
DART GROUP PLC	20,051	17,484
COMPAÑÍA OPERADORA DE CORTOY MEDIO	16,366	12,887
SAS TRANSAVIA FRANCE	15,131	11,904
BRITISH AIRWAYS PLC	14,419	9,627
EUROWINGS LUTVERKEHRS AG	14,116	11,450
LUFTHANSA	13,143	11,947
AIR NOSTRUM LINEAS AEREAS DEL	12,415	10,772
TRANSAVIA AIRLINES C.V.	12,164	9,359
TUI AIRWAYS LIMITED	11,530	10,726
	528,788	424,933

Various debtors

At the end of 2023 there are no open items under "Various debtors" (in 2022 this item amounted to €620 thousand and included advances on invoices for supplies and services to the company Evolutio Cloud Enabler, S.A.).

8.1.3 Current financial investments

The balance of the accounts under "Short-Term Financial Investments" at the close of the 2023 and 2022 financial years is as follows:

Description	Thousands of euros	
	2023	2022
Guarantees	3	3
Short-term deposits	3	3
Total	6	6

8.1.4 Cash and cash equivalents

The balance of the accounts under "Cash and cash equivalents" at year-end 2023 and 2022 is as follows:

Description	Thousands of euros	
	2023	2022
Cash & Banks	10,204	28,529
Total	10,204	28,529

As at 31 December 2023 and 2022, all cash and cash equivalent balances are available for use at any time without penalty. In addition, the Entity has no bank overdrafts.

The Bank's treasury position at 31 December 2023 was €10,204 thousand (€28,529 thousand in 2022).

8.2 Financial liabilities

The carrying amount of each category of financial liabilities indicated in accounting standard 4 of the General Accounting Plan is as follows:

Categories	Thousands of euros									
	Classes								Total	
	Non-current Financial Instruments				Current Financial Instruments					
	Debts with financial institutions		Trade and other payables		Debts with financial institutions		Trade and other payables			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Debts and payables	2,337,076	3,103,279	1,952	2,094	777,383	526,492	114,775	106,814	3,231,186	3,738,679
Total	2,337,076	3,103,279	1,952	2,094	777,383	526,492	114,775	106,814	3,231,186	3,738,679

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

Categories	Note	Thousands of euros					
		Long term		Short term		Total	
		2023	2022	2023	2022	2023	2022
Debts		2,339,028	3,105,373	791,834	536,115	3,130,862	3,641,488
Debts with financial institutions	8.2.1	2,337,076	3,103,279	777,383	526,492	3,114,459	3,629,771
Other financial liabilities	8.2.2	1,952	2,094	14,451	9,623	16,403	11,717
Debts with Group and associated companies	17	-	-	2,403	1,549	2,403	1,549
Trade and other payables		-	-	97,921	95,642	97,921	95,642
Miscellaneous Creditors	8.2.3	-	-	22,370	19,877	22,370	19,877
Creditors, Group Companies and Associates	17	-	-	1,011	701	1,011	701
Personnel	8.2.3	-	-	62,897	73,549	62,897	73,549
Customer advances	8.2.3	-	-	11,643	1,515	11,643	1,515
Total		2,339,028	3,105,373	892,158	633,306	3,231,186	3,738,679

8.2.1 Debts with financial institutions

The evolution of loans with credit institutions over the last 5 years is shown below (thousands of euros):

2019	2020	2021	2022	2023
5,341,582	4,706,032	4,157,647	3,620,263	3,104,879

The breakdown of the headings "Non-Current Payables" and "Current Payables" on the liability side of the balance sheets at 31 December 2023 and 2022 are presented below:

Description	Thousands of euros					
	2023			2022		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Loans	2,338,231	766,648	3,104,879	3,104,879	515,384	3,620,263
Loan Balance Adjustment by Effective Cost Basis	(1,155)	(232)	(1,387)	(1,600)	(232)	(1,832)
Accrued Interest Not Past Due	-	10,963	10,963	-	11,336	11,336
Credit Policy - Fee Not available	-	4	4	-	4	4
Total	2,337,076	777,383	3,114,459	3,103,279	526,492	3,629,771

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

At 31 December 2023, the average maturity of the debt is 7.15 years, and the average annual cost of the debt is 2.73% (in 2022, 7.92 years and 0.94%).

The Public Corporate Entity has undertaken to comply with certain general obligations to avoid early cancelation of the aforementioned loans and credits. The Directors of the Entity consider that at the close of the 2023 and 2022 financial years all the obligations related to these loans were met.

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

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

The breakdown of the principal of the debt with credit institutions and their movements in 2023, as well as the part attributable to the Entity, is set out in the following table:

	Entity	31.12.2022	Amortisation calendar	Amortisation in advance	31.12.2023
(A) Total Debt Balance Sheet Liabilities	BEI	2,187,938	(313,492)	-	1,874,446
	ICO	1,052,725	(138,625)	-	914,100
	FMS	379,600	(63,267)	-	316,333
(A) Total Debt		3,620,263	(515,384)	-	3,104,879
(B) Aena Mirror Credit Balance Sheet Asset	BEI	2,172,691	(309,721)	-	1,862,970
	ICO	1,048,645	(137,605)	-	911,040
	FMS	379,600	(63,267)	-	316,333
	VALUE ADJUSTMENTS	25,740	(3,771)	-	21,969
(B) Total Mirror Credit with Aena		3,626,676	(514,364)	-	3,112,312
(A) - (B) Debt attributable to ENAIRe	BEI	15,247	(3,771)	-	11,476
	ICO	4,080	(1,020)	-	3,060
	VALUE ADJUSTMENTS	(25,740)	3,771	-	(21,969)
(A) - (B) Total Debt attributable to ENAIRe		(6,413)	(1,020)	-	(7,433)

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

	Debt with financial institutions		Mirror Credit with Aena	
	2023	2022	2023	2022
Long Term:				
BEI	1,562,756	1,874,446	1,554,960	1,862,970
ICO	775,475	914,100	773,435	911,040
FMS	-	316,333	-	316,333
VALUE ADJUSTMENTS	-	-	18,210	21,969
Long-term total	2,338,231	3,104,879	2,346,605	3,112,312
Short Term:				
BEI	311,690	313,492	308,010	309,721
ICO	138,625	138,625	137,605	137,605
FMS	316,333	63,267	316,333	63,267
VALUE ADJUSTMENTS	-	-	3,759	3,771
Short-term total	766,648	515,384	765,707	514,364

Accrued and unpaid interest at year-end 2023 and 2022 amounted to €10,963 thousand and €11,336 thousand, respectively.

The Entity had interest rate risk hedging transactions in place until 13 December 2017, none of which have been in force since that date.

As a result of the losses accumulated since the start of COVID-19 and in order to strengthen the Entity's liquidity, the Governing Council, on 27 April 2022, approved the arrangement of a €100 million credit facility with CaixaBank.

At 31 December 2023 and 2022, there was no amount drawn down on this policy.

Debt covenants:

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

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

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

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

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

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

8.2.2 Other financial liabilities

The balances of these headings at the end of 2023 and 2022 are detailed below:

Description	Thousands of euros	
	2023	2022
Short-term Fixed Asset Providers	14,192	9,140
Short-term Bonds and Deposits Received	259	483
Other Non-Current Financial Liabilities	1,952	2,094
Total	16,403	11,717

8.2.3 Trade and other payables

The balances of these headings at the end of 2023 and 2022 are detailed below:

Description	Thousands of euros	
	2023	2022
Miscellaneous Creditors	23,381	20,578
Remunerations Pending Payment	62,897	73,549
Advances from customers	11,643	1,515
Total	97,921	95,642

Under the heading "Miscellaneous creditors", balances with Group and Associated companies at the close of fiscal years 2023 and 2022 are included in the amount of €1,011 thousand and €701 thousand, respectively (see note 17).

The figure for customer advances refers to amounts received from SESAR JU to develop R&D programmes.

In 2023, this mainly corresponds to the amounts received through the SESAR 3 programme for ATM/CNS modernisation, which will begin its development in 2024; IR (Industrial Research and Validation) programmes with €2,243 thousand advanced; and DSD (Digital Sky Demonstrators) with €8,170 thousand.

8.2.4 Information on Deferred Payments to Suppliers. Additional Provision Three. "Reporting Requirement" of Law 15/2010 of 5 July.

At 31 December 2023, there were outstanding deferred payments with suppliers amounting to €6,067 thousand for purchases of goods and services rendered in the year (€4,361 thousand in 2022).

This balance refers to suppliers who, by nature, are trade creditors for debts related to the supply of goods and services. It includes data related to items such as "Trade creditors and other accounts payable" and "Current Payables with Group Companies and Associates" within the current liabilities section of the Balance Sheet.

In principle, being included among those included in article 2.2 of Organic Law 2/2012, of 27 April, the Entity should apply the third additional provision of Royal Decree 635/2014, of 25 July, which regulates the calculation of the average payment period to suppliers.

However, article 2 of this Royal Decree, which defines the subjective scope of application, stipulates that it is applicable to all subjects provided for in article 2.1 of Organic Law 2/2012, of 27 April, which does not include the Entity.

Given this discrepancy and the fact that commercial companies, including Aena S.M.E., S.A., are subject to the Resolution of 29 January 2016, from the Accounting and Auditing Institute (ICAC). If ENAIRe were to apply the methodology of RD 635/2014, of July 25, this information in the consolidated accounts would need to be aligned with the parent company's criteria. Due to the potential complexity of this alignment and understanding that the application of the ICAC Resolution provides more accurate information, ENAIRe has decided to apply it in both its individual and consolidated accounts.

The breakdown of payments for commercial transactions made during the fiscal years 2023 and 2022 and outstanding at year-end, in relation to the maximum legal terms stipulated in Law 31/2014, according to the provisions of the Resolution of 29 January 2016, by the Institute of Accounting and Auditing of Accounts (ICAC), is as follows:

	2023	2022
Days		
Average Period of Payment to Suppliers	37.50	40.40
Ratio of Transactions Settled	39.32	42.16
Ratio of Outstanding Payments	12.43	10.09
Amount (thousands)		
Total Payments Made	83,268	75,010
Total Payments Pending	6,067	4,361

8.3 Financial investments in Group Companies and Associates

The principal amounts of capital, equity, profit or loss and carrying amount relating to the Group Companies at the end of the financial years 2023 and 2022 are as follows:

2023 Financial year

Name / Address / Activity	Thousands of euros (**)						
	Share of Direct Capital (%)	Capital	Result 2023		Other equity	Total Assets	Carrying Amount (*)
			Operation	Net			
AENA S.M.E., S.A. <i>Peonías, 12 Madrid Operation, Conservation, Management and Administration of Airports (1).</i>	51.00%	1,500,000	1,944,704	1,436,264	4,846,861	7,783,125	1,326,443
STARTICAL, S.L. <i>C/ Campezo 1, P.E Las Mercedes, Edificio 7, Madrid Development and provision of satellite surveillance services, ADS- B, VHF voice and data communications. (2)</i>	50%	4,500	(2,125)	(2,124)	3,906	6,282	3,323
Ingeniería y Economía del Transporte, S.A. (INECO) <i>Pº de la Habana, 138 Madrid Consultancy. (3)</i>	45.85%	8,251	24,520	16,768	66,698	91,716	3,783
Centro de Referencia Investigación, Desarrollo e Innovación ATM. A.I.E. (CRIDA) <i>C/ Campezo 1, P.E Las Mercedes, Edificio 7, Madrid R&D&I activities in the ATM field. (4)</i>	66.66%	720	27	25	1,293	2,038	480
Total							1.334.029

(*) Startical S.L. has recorded €4,139 thousand of impairment on the value of the initial shareholding. The remaining holdings are not impaired in the year or accumulated and are valued at cost.

(**) Data obtained from the Formulated or Provisional Individual Annual Accounts for the financial year 2022.

(1) Company audited by KPMG.

(2) Company audited by Price Waterhouse Coopers, L.L.P

(3) Company audited by PKF ATTEST.

(4) Company audited by CET Auditores.

2022 Financial year

Name / Address / Activity	Thousands of euros (**)						
	Share of Direct Capital (%)	Capital	Profit/(Loss) 2022		Other equity	Total Assets	Carrying Amount (*)
			Operation	Net			
AENA S.M.E., S.A. Peonías, 12 Madrid Operation, Conservation, Management and Administration of Airports (1).	51.00%	1,500,000	1,173,622	864,861	4,747,827	7,112,688	1,326,443
STARTICAL, S.L. C/ Campezo 1, P.E Las Mercedes, Edificio 7, Madrid Development and provision of satellite surveillance services, ADS- B, VHF voice and data communications. (2)	50%	4,500	(4,353)	(3,480)	9,270	10,290	7,463
Ingeniería y Economía del Transporte, S.A. (INECO) Pº de la Habana, 138 Madrid Consultancy. (3)	45.85%	8,251	21,205	14,903	66,688	89,842	3,783
Centro de Referencia Investigación, Desarrollo e Innovación ATM. A.I.E. (CRIDA) Avenida de Aragón 402, Edificio Allende, Madrid R&D&I activities in the ATM field. (4)	66.66%	720	167	167	1,126	2,013	480
Total							1.338.169

(*) No holdings have been impaired during the year or accumulated, being valued at cost price.

(**) Data obtained from the Formulated Individual Annual Accounts for the financial year 2022.

(1) Company audited by KPMG.

(2) Company audited by Price Waterhouse Coopers, L.L.P

(3) Company audited by PKF ATTEST.

(4) Company audited by CET Auditores.

At 31 December 2023 and 2022 the share capital of Aena S.M.E., S.A. is represented by 150,000,000 fully paid ordinary shares of €10 nominal value each. These shares enjoy equal voting and economic rights.

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

The administration and custody expenses related to the holding of shares in Aena S.M.E., S.A. during the year 2023, invoiced to ENAIRe, amounted to €245.3 thousand. This amount will be deducted from the next dividend transfer to the Public Treasury originating from the Dividend of Aena S.M.E., S.A. (€219.9 thousand in 2022).

According to the available information, at 31 December 2023 and 2022, the only stake exceeding 10% of the capital in Aena S.M.E., S.A., is held by ENAIRe with 51%.

CRIDA (Centro de Referencia de Investigación, Desarrollo e Innovación ATM, A.I.E.) is an Economic Interest Grouping in which ENAIRe holds a direct 66.66% stake and INECO S.M.E.M.P., S.A. holds a 7.64% stake.

On 27 May 2021, ENAIRe and Indra incorporated STARTICAL S.L. with the objective of putting into orbit a constellation of satellites to improve air traffic management.

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

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

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

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

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

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

8.4 Information on the nature and risk level

The Entity's activities are exposed to various types of risk, both operational and financial. Among the Operational Risks are the Regulatory Change Risks and the Operating and Services Risks, while among the Financial Risks are Interest Rate Risk, Credit Risk and Liquidity Risk.

Operational risks

- i. **Regulatory change risk:*** Risks of regulatory change are understood as notable and persistent changes in the variables that condition the mechanism for determining annual unit rates. Among these are costs or macroeconomic factors, such as traffic or inflation, whose variations significantly affect the setting of the route fee, which directly impacts the net turnover and, consequently, the results and cash flow situation of the Entity.

The Air Navigation System is highly regulated both nationally and internationally. Changes or new regulations, as well as their possible interpretations, could have negative effects on the operating results and financial position of the Entity (ENAIRe's activities are economically regulated through the Regulation on performance and charging (EU Regulation 2019/317)) (Note 13.2).

- ii. **Operating risks:*** The Entity's activity is exposed to external and internal factors that involve Operating Risks, including:

1. Macroeconomic environment and traffic evolution
2. Competition.
3. Airport Operators and Customers.
4. Availability of trained Human Resources.
5. Tailored Resource Planning.
6. Operational Efficiency.
7. Third-Party Services Unit
8. Cybersecurity and Physical Security.
9. Occupational health and safety.
10. Meteorological Conditions.
11. Natural Disasters.
12. Health Crises (Pandemic).
13. Climate Change.
14. Availability of Systems and Infrastructures.

The COVID-19 pandemic had a strong impact on the Entity's operating risks (especially in 2020 and 2021) mainly due to business risk, which was extraordinarily reduced, and health risk.

With the removal of national and international mobility restrictions resulting from COVID-19 controls, which produced historic effects on traffic levels, and despite some spikes in COVID-19 and similar diseases, the uncertainty of activity risks in this regard has eased, although traffic developments remain sensitive to the emergence of new variants and other respiratory diseases.

At present, ENAIRe's traffic may be largely affected by other factors such as the uncertainty generated by the current macroeconomic environment, which includes a number of variables, notably rising interest rates, inflation and geopolitical risks.

Russia's invasion of Ukraine has not had as much of an impact on Spain as it has had on other European countries, due to its geographical location and lesser dependence on Russian exports. The greatest impact of this macroeconomic and geopolitical crisis is the high cost of utilities, mainly electricity.

As for the Israeli-Palestinian conflict, so far it has only had notable economic consequences in the countries involved in the conflict. There is no reason to believe that the war will spread to other countries, but if it were to spread, the consequences on the world economy would be much greater, such as increases in energy prices leading to inflation or rate hikes.

Financial risks

- i. **Cash flow and fair value interest rate risk:*** The Entity's interest rate risk arises from bank debt. Loans issued at variable rates expose the Entity to cash flow interest rate risk, which is partially offset by cash held at variable rates. Fixed rate loans expose the Entity to fair value interest rate risk.

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

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

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

- ii. **Credit risk:*** The Entity's credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure from trade receivables and agreed transactions.

The Entity does not expect any unprovisioned losses due to the default of these counterparties.

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

Meanwhile, the concentration of credit risk with customers is detailed in note 8.1.2.

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

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

In order to meet investment commitments and current payables, at the close of 2023, the Entity had cash flow of €10.2 million.

As indicated in note 8.2.1, as a result of the losses accumulated since the start of COVID-19 and in order to strengthen the Entity's liquidity, the Governing Council, on 27 April 2022, approved the arrangement of a €100 million credit facility with CaixaBank.

As at 31 December 2023, there is no drawdown on this credit facility. During the financial year 2023, it was only necessary to draw down €1 million in March and €30 million in April. The sum of these amounts was repaid in May.

Based on the latest cash forecasts for ENAIRe, it is estimated that the policy will not be used in 2024.

In these circumstances, the Directors of the Entity consider that there will be no problems in meeting payment commitments.

9. Capital and reserves without valuation adjustments

The breakdown of the Capital and reserves without valuation adjustments at 31 December 2023 is summarised below:

Capital and reserves without valuation adjustments	Thousands of euros	
	2023	2022
Capital	1,813,363	1,813,363
Reserves	516,889	516,889
Legal and Statutory	516,889	516,889
Prior Periods' Losses	(579,840)	(373,659)
Profit/(Loss) for the period	459,109	(206,181)
Interim Dividend (Payment on Account to the Public Treasury)	(279,799)	-
Total equity	1,929,722	1,750,412

Capital (Equity and assigned equity)

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

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

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

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

Prior Periods' Losses

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

Payment on Account to the Public Treasury

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

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

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

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

As indicated in the proposed application of the result in Note 3, the amount to be deposited into the Public Treasury for the 2023 fiscal year will be adjusted in accordance with the Bylaws. This adjustment will take place once the tax authorities refund the portion of the 2023 result that is exempt from dividend taxation under the corporate tax, which was advanced in the instalment payment made in October 2023.

10. Inventories

The balance of inventories at the end of 2023 and 2022 is broken down as follows:

Inventories	Thousands of euros	
	2023	2022
Spare Parts	380	403

11. Provisions and contingencies

11.1 Provisions

The movements in the year 2023 in the accounts included under this heading were as follows:

Provisions	Special Paid Leave and Active Reserve	Special Active Reserve	Remuneration Controllers	Awards	Remuneration Agreement	Other Provisions	Total
Opening Balance 2023	141,300	145,253	57,845	4,603	1,063	1,428	351,492
Additions	43,594	23,408	17,430	486	1,208	1,417	87,543
Reversals/ Surpluses	-	-	(9,779)	-	(6)	(28)	(9,813)
Applications	(10,803)	(1,095)	(453)	(416)	(855)	(32)	(13,654)
Transfers	-	-	-	-	-	-	-
Closing Balance 2023	174,091	167,566	65,043	4,673	1,410	2,785	415,568

Non-current provisions

The movements during the financial year 2023 in the various items included in the provision for labour commitments were as follows:

Non-current Provisions	Employment Commitments			Total
	Special Paid Leave and Active Reserve	Special Active Reserve	Awards	
Opening Balance 2023	129,507	144,374	4,175	278,056
Additions	43,594	23,408	486	67,488
Reversals/ Surpluses	-	-	-	-
Applications	-	-	-	-
Transfers	(11,150)	(1,798)	(350)	(13,298)
Closing Balance 2023	161,951	165,984	4,311	332,246

Current provisions

The movements in this heading during the financial year 2023 were as follows:

Short-term provisions	Special Paid Leave and Active Reserve	Special Active Reserve	Remuneration Controllers	Awards	Remuneration Agreement	Other Provisions	Total
Opening Balance 2023	11,793	879	57,845	428	1,063	1,428	73,436
Additions	-	-	17,430	-	1,208	1,417	20,055
Reversals/ Surpluses	-	-	(9,779)	-	(6)	(28)	(9,813)
Applications	(10,803)	(1,095)	(453)	(416)	(855)	(32)	(13,654)
Transfers	11,150	1,798	-	350	-	-	13,298
Closing Balance 2023	12,140	1,582	65,043	362	1,410	2,785	83,322

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

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

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

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

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

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

Special Active Reserve (SAR)

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

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

- If the service provider cannot offer a position that does not involve operational air traffic control duties as stipulated by law to air traffic controllers who lose their psychophysical fitness, the controller will transition to an active reserve scheme until reaching the age of 65, after which they will move to a special active reserve scheme.
- Air traffic controllers who reach the age of 65 will move to the special active reserve scheme and will remain there until they retire, receiving a maximum annual remuneration equivalent to the Maximum Annual Contribution Base established by the Social Security Institute.

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

Furthermore, the Entity has estimated the percentage of active workers who will opt for Special Active Reserve in the future. Based on this estimation and the corresponding actuarial study, the

accrued actuarial liability for this concept as at 31 December 2023 amounted to €159,154 thousand.

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

Remuneration of the Air Traffic Controllers Agreement

The "III Collective Bargaining Agreement for Air Traffic Controllers of ENAIRe" introduces a new salary and productivity model based on objectives, standardising criteria for payroll management similar to those in the public sector. It establishes a stable productivity supplement under uniform conditions for the workforce, applying an objective-based model for company-wide, collective and individual goals (note 13.3).

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

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

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

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

Awards

The balance of €4,673 thousand corresponds mainly to the provision recorded in the long term for long-term bonuses (€4,311 thousand), the remainder being classified in the short term in the amount of €362 thousand, which corresponds to payments expected in the financial year 2023.

The provision for the year 2023 amounted to €486 thousand, of which €171 thousand corresponds to the financial cost. Similarly, €416 thousand was applied.

Remuneration Agreement

The balance for provisions for remuneration of non-controller staff under the agreement at the end of 2023 amounted to €1,410 thousand.

The main addition corresponds to the provision for accrued leave and own business at 31 December 2023 amounting to €875.6 thousand. In addition, the amount set aside as a provision for claims amounts to €307.6 thousand. The remaining provision of €25.5 thousand corresponds to the provision for uncompensated accrued hours as at 31 December 2023, making a total balance of additions of €1,209 thousand as at 31 December 2023.

Within the applications, the main entry of €788.2 thousand relates to the provision for accrued leave and personal matters at 31 December 2022, €1.4 thousand for the payment of claims and €65.7 thousand for the payment of hours to be compensated for the year 2022.

In addition, claims that withdrawn in the amount of €6 thousand were reversed.

Other Employment Commitments

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

In accordance with the provisions of the General State Budget Law (LPGE), the Entity negotiated with labour representatives that a portion of the salary increase would be allocated to contributions to the Pension Plan (as has been the case since 2018). At the close of the accounts for the financial year 2023, €529 thousand remain to be paid as remuneration pending payment and correspond to the contribution for this financial year (€543 thousand in 2022).

Other Provisions

Provisions for non-labour items amount to €2,785 thousand at 31 December 2023. This balance mainly consists of €1,127 thousand from the provision derived from Article 42 of Royal Legislative Decree 1/2013, of 29 November, which approves the Consolidated Text of the General Law on the Rights of Persons with Disabilities and their Social Inclusion. Since the Entity did not meet the required quota for hiring people with disabilities established in this decree, it must compensate

financially as stipulated in this provision. The provision for this reserve amounts to €418 thousand for the 2023 fiscal year, €361 thousand for 2022 and €348 thousand for 2021.

This provision also includes €975 thousand for probable payments related to electricity supply from several companies in liquidation and €683 thousand for the likely payment of the public domain occupation fee to the Begues City Council. Due to the update of this last provision, financial expenditure of €23 thousand (note 13.8), relating to interest on fees of 2018, 2019 and 2020, were recorded.

Of the €28 thousand reversed in 2023, €5 thousand correspond to the public domain occupation fee from the Begues City Council, and €23 thousand relate to local taxes (IBI for Villamazo).

The €32 thousand applied in 2023 correspond to the payment of the Begues fee amounting to €15 thousand and the Gavà fee amounting to €17 thousand.

11.2 Contingent assets

Update of tax assets

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

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

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

- Negative Tax Bases..... €20,253 thousand.
- Temporary Differences..... €83,599 thousand.

This contingent asset could increase by €5,303 thousand in the portion related to Tax Loss Carryforwards if the Tax Agency (AEAT) ultimately accepts the removal of the positive adjustment of €21,213 thousand made in the 2020 Corporate Income Tax return. This adjustment was applied under Article 17.4 of the Corporate Income Tax Law concerning lucrative and corporate transactions at market value in the transfer of the Arturo Soria 109 Building in Madrid. Since this property belongs to the State Heritage, its ownership transfer would not have been possible. Conversely, the contingent asset could decrease by €1,368 thousand if, as a consequence of maintaining the criteria of the Tax Agency, a supplementary tax return would have to be filed for Corporate Income Tax 2021 as a consequence of the disaffectation of 20.20% (basement and car park) of said building in the year 2021 (see note 12.2).

Deficit in charges

As explained in note 13.2, the Public Corporate Entity ENAIRe, an Air Navigation service provider, has as its main source of revenue the en-route air navigation service fees.

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

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

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

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

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

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

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

Claim against the General State Administration for Exempted Flights

As explained in note 13.2 under the section "En-Route Navigation Services - Exempted Flights", due to the Ministry of Foreign Affairs, European Union and Cooperation's non-acceptance of the payment for the exempted flights, and the ongoing process and pending approval of the draft Ministerial Order managed by the Ministry of Transport and Sustainable Mobility, which will establish the mechanism by which the State must compensate air navigation service providers for the value of the services provided to exempted flights, the Entity decided to consider the credit rights for Exempted Flights attributable to the Ministry of Foreign Affairs, European Union and Cooperation as a contingent asset, pending a regulation that will determine how ENAIRe can recover the costs of the exempted flights.

The valuation of this contingent asset corresponds to the income from exempted flights that ENAIRe has not received from the Ministry of Foreign Affairs, European Union and Cooperation,

relating to the period from 2 October 2019 to 31 December 2023. It is estimated at €10,672 thousand.

11.3 Contingent liabilities

Personnel Claims

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

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

12. Public Entities and Tax Situation

12.1 Balances with Public Entities

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

Debtor balances

Public Treasury, Debtor	Thousands of euros			
	2023		2022	
	Current	Non-current	Current	Non-current
Deferred tax assets (Note 12.6)	-	232,310	-	101,137
Public Treasury, debtor for VAT, IGIC, IPSI	13,514	-	12,201	-
Public Treasury, Debtor for Subsidies Granted	1,485	-	-	-
Public Entities Debtor Exemptions and others	1,434	-	10,071	-
EU debtor for subsidies granted	27,534	4,731	18,135	12,134
Current tax assets	-	82,554	-	33
Credits with public entities	242	-	108	-
Total	44,209	319,595	40,515	113,304

The estimated corporate tax settlement for fiscal year 2023, as of the drafting date of the Annual Accounts Report, shows a net refund of €82,554 thousand (€33 thousand in 2022). This is due to the difference between the net tax liability, which for 2023 is zero euros because of a gross tax liability of €2.16 million offset by deductions for that amount (in 2022, the net tax liability was also zero euros due to a prior negative taxable base of -€96 million), and the total of instalments paid, which for this fiscal year amount to €82.12 million (zero euros in 2022) and withholdings incurred during the fiscal year amounting to €434 thousand (€33 thousand in 2022). These amounts have been classified as long-term based on forecasts for their recovery. The debtor balance with the

Public Treasury for VAT, IGIC, and IPSI reflects the amount receivable from Public Entities, relating to VAT, IGIC and IPSI tax refunds.

At the end of 2023, the €782 thousand that appeared at the end of 2022 corresponding to the solidarity funds "Ukraine and Moldova European ATM Voluntary Contribution Fund for 2022 and 2023" to Ukraine and Moldova, included in the caption "Public Entities Debtor Exemptions and Others", have been compensated by the Ministry of Transport and Sustainable Mobility in July 2023 (see note 13.2).

Creditor balances

Public Treasury, Creditor	Thousands of euros			
	2023		2022	
	Current	Non-current	Current	Non-current
Deferred tax assets (Note 12.8)	-	33,832	-	27,170
Public Treasury Creditor for Income Tax	22,408	-	24,368	-
Accrued social security taxes payable	8,086	-	8,054	-
Public Treasury Creditor for VAT and IPSI	119	-	-	-
Public Treasury Creditor for Other Taxes	38	-	33	-
Public Treasury Creditor for Subsidies	-	-	4,212	-
Total	30,651	33,832	36,667	27,170

12.2 Income Tax: Reconciliation between the Net Income and Expenses for the Year and the Taxable Base

The reconciliation between the amount of income and expenses recognised in the year, both in the income statement and in equity, and the taxable income for corporate income tax purposes in 2023 and 2022 is as follows:

2023 Financial year

Reconciliation of Accounting Profit/(Loss) and Taxable Profit/(Tax Loss)	Income statement		Income and Expenses Recognised Directly in Equity		Reserves		Total
Balance of Income and Expenditure for the Financial Year	459,109		19,985		-		479,094
(*)	<i>I</i>	<i>D</i>	<i>I</i>	<i>D</i>	<i>I</i>	<i>D</i>	
Corporate Income Tax	-	(131,173)	6,662	-	-	-	(124,511)
Permanent Differences	59	(352,008)	-	-	-	-	(351,949)
Temporary Differences							
- Arising in the year	93,952	(9,578)	7,821	(34,468)	-	-	57,727
- Arising in prior years	1,470	(33,029)	-	-	-	-	(31,559)
Previous BI	28,802						28,802
Compensation of tax loss carryforwards from Previous Years							(20,161)
Tax Base (Tax Result)							8,641

(*) *I*: Increases
D: Decreases

2022 Financial year

Reconciliation of Accounting Profit/(Loss) and Taxable Profit/(Tax Loss)	Income statement		Income and Expenses Recognised Directly in Equity		Reserves		Total
Balance of Income and Expenditure for the Financial Year	(206,181)		25,905		-		(180,276)
(*)	I	D	I	D	I	D	
Corporate Income Tax	-	(9,264)	8,635	-	-	-	(629)
Permanent Differences	135	(3,466)	-	-	-	-	(3,331)
Temporary Differences							
- Arising in the year	184,546	(6,917)	3,650	(38,190)	-	-	143,089
- Arising in prior years	1,651	(56,224)	-	-	-	-	(54,573)
Previous BI	(95,720)		-		-		(95,720)
Compensation of tax loss carryforwards from Previous Years							-
Tax Base (Tax Result)							(95,720)

(*) I: Increases

D: Decreases

The main permanent differences in 2023 and 2022 relate to the double taxation exemption of dividends received mainly from Aena S.M.E., S.A. and from INECO S.M.E.M.P., S.A.

Temporary differences in 2023, as in 2022, are the provisions for contingencies and personnel expenses, mainly in this year the Special Active Reserve (note 11.1), the difference between tax and accounting amortisation and, to a lesser extent, the provision for bad debts.

The temporary differences recognised directly in equity in 2023 and 2022 relate entirely to grants.

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

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

On 23 February 2023, the Tax Agency (AEAT) issued a dismissal resolution regarding the amended corporate tax return for 2020, stating that *"...with the public domain change, there was a transfer of a right of use without consideration, and therefore, sections 4 and 5 of Article 17 of the Corporate Income Tax Law are fully applicable. In essence, this entails a lucrative transfer of an asset, requiring the item transferred to be valued at its market value for tax purposes. This results in the taxpayer reporting income based on the difference between this market value and its fiscal value, as initially disclosed in their 2020 corporate tax return"* (note 11.2).

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

12.3 Taxes recognised in Equity

Details of taxes recognised directly in equity in 2023 and 2022 are as follows:

2023 Financial year

Tax	Thousands of euros		
	Increases	Decreases	Total
From Deferred Tax:			
<i>From Fiscal Year:</i>			
Capital subsidies	1,955	(8,617)	(6,662)
Cash Flow Hedges	-	-	-
<i>Arising in previous years:</i>			
Capital subsidies	-	-	-
Cash Flow Hedges	-	-	-
Total Deferred Tax	1,955	(8,617)	(6,662)
Total Tax Recognised Directly in Equity			(6,662)

2022 Financial year

Tax	Thousands of euros		
	Increases	Decreases	Total
From Deferred Tax:			
<i>From Fiscal Year:</i>			
Capital subsidies	912	(9,547)	(8,635)
Cash Flow Hedges	-	-	-
<i>Arising in previous years:</i>			
Capital subsidies	-	-	-
Cash Flow Hedges	-	-	-
Total Deferred Tax	912	(9,547)	(8,635)
Total Tax Recognised Directly in Equity			(8,635)

12.4 Reconciliation between Accounting Profit and Corporate Income Tax expense

The reconciliation between the accounting result and the income tax expense in 2023 and 2022 is as follows:

Reconciliation between Accounting Profit and Corporate Income Tax Expense	Thousands of euros	
	2023	2022
Accountable profit before tax	327,936	(215,445)
Permanent Differences	(351,949)	(3,331)
Adjusted accountable result	(24,013)	(218,776)
25% rate	(6,003)	(54,694)
Deductions and rebates	(4,846)	(2,767)
Resulting Tax	(10,849)	(57,461)
Update Tax Assets	(120,314)	47,766
Adjustments to Taxation of Profits	(10)	431
Tax Recognised in the Income Statement	(131,173)	(9,264)

In the fiscal year 2023, the Entity generated deductions of €4,846 thousand and applied €2,160 thousand generated in previous years (in 2022, €2,767 thousand were generated but not applied to corporate income tax as the tax payable was negative).

The difference between the deductions generated and those applied results in a tax asset of €2,686 thousand, which is added to the amount recorded since 2020 (including those generated in the amended returns for fiscal years 2020 and 2021 of €285 thousand) and reaches a total of €13,210 thousand (see note 12.6), recognised in the Balance Sheet. This amount has an expiration period of 18 years in the case of the R&D&I activity deduction, of which 70% is applicable. The remainder is generated by the deduction for investment in the Canary Islands, the limitation period for which is 15 years, and a third deduction corresponding to the amounts deducted in the gross tax payable for depreciation reflected in the tax base not deducted in 2013 and 2014.

In accordance with the Resolution of 9 February 2016 from the Institute of Accounting and Auditing (ICAC), which develops the standards for the recognition, measurement and preparation of annual accounts for the accounting of Income Tax, it is established as a general requirement to recognise deferred tax assets that it is probable the company will have future taxable profits that will allow the application of these assets, setting a maximum period of ten years from the end of the fiscal year to recover these assets. After calculating the Corporation Tax for the 2023 fiscal year, in which €5,040 thousand of negative taxable bases generated in previous years were applied (note 12.5), and based on the tax planning for the 2024-2033 period, it was necessary to increase the taxable bases by €146,618 thousand (note 2.5), thereby recognising bases considered as Contingent Assets in the previous fiscal year. On the other hand, according to the estimated data from the Corporate Income Tax settlement for 2023, Temporary Differences increased by €13,204 thousand (see note 12.5). Nevertheless, following this increase and in accordance with tax planning, they had to be reduced by an amount of €26,588 thousand. In other

words, the update amount reflected in the table above is the difference between these adjustments.

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

12.5 Breakdown of expenditure/income on profits

	Thousands of euros	
	2023	2022
	Attributed to the Income statement	Attributed to the Income statement
Current tax:		
Of the financial year	-	-
Deductions	-	-
Total current tax	-	-
Deferred tax:		
Change in deferred tax assets		
<i>Due to deductible temporary differences</i>		
Amortisations	1,517	713
Losses Credits Insolvencies	(97)	114
Provisions	(13,588)	(31,591)
Losses in Investments	(1,035)	-
<i>Compensation/ Activation of tax loss carryforwards</i>	5,040	(23,930)
<i>Unused tax credits</i>	(4,846)	(2,767)
<i>Deductions applied in the financial year</i>	2,160	
Change in deferred tax liabilities	-	-
<i>Due to taxable temporary differences</i>	-	-
Capital grants	-	-
Total Deferred tax	(10,849)	(57,461)
Corporate Income Tax Expense	(10,849)	(57,461)

12.6 Deferred tax assets recognised

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

Deferred Tax Assets	Thousands of euros	
	2023	2022
Tax Credits for Tax Loss Carryforwards	206,987	65,410
Deductions to be offset	13,210	10,229
Capitalised Temporary Differences	12,113	25,498
Total Deferred Tax Assets	232,310	101,137

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

Tax Credits for Tax Loss Carryforwards

Tax loss carryforwards at year-end 2023 and 2022 and their corresponding amounts and maximum periods for offsetting are as follows:

2023 Financial year

Fiscal year in which they were generated	Thousands of euros	Deadline for offsetting
2010	90,894	There is no deadline
2011	83,824	
2020	323,391	
2021	314,828	
2022	96,024	
Total	908,961	

2022 Financial year

Fiscal year in which they were generated	Thousands of euros	Deadline for offsetting
2010	111,056	There is no deadline
2011	83,824	
2020	323,391	
2021	314,827	
2022	95,720	
Total	928,818	

Following the estimate of the 2023 income tax settlement, in which €5,040 thousand of tax loss carryforwards generated in previous years are applied (note 12.5), tax planning for the period 2024-2033 was carried out, resulting in an increase in tax losses of €146,618 thousand, which has led to income for the difference of these amounts (€141,578 thousand). In 2022, tax planning for the period 2023-2032 resulted in a decrease in tax loss carryforwards of €8,530 thousand, although the losses recorded would have allowed for an increase of €23,930 thousand, which resulted in an expense for the difference in these amounts (-€32,460 thousand).

This means that, of the €908,961 thousand of taxable income to be recovered at 31 December 2023, only €827,948 thousand are recognised in the balance sheet, which at the current tax rate of 25% represents the €206,987 thousand included in the Entity's balance sheet.

Capitalised temporary differences

The breakdown of deferred tax assets arising from temporary differences recognised in the balance sheet at the end of 2023 and 2022 is as follows:

Breakdown of Deferred Tax Assets	Thousands of euros	
	2023	2022
Asset amortisation and provision	20,203	21,721
Employment Commitments	71,918	57,864
Provision for impairment of commercial credits	2,545	2,475
Others	1,046	328
Update Tax Assets	(83,599)	(56,890)
Total	12,113	25,498

Following the estimate of the income tax settlement for 2023, in which temporary differences increased by €13,204 thousand, tax planning for the period 2024-2033 was carried out, resulting in a decrease in temporary differences of €26,588 thousand, which has led to an expense of €13,485 thousand for the difference in the aforementioned amounts. In 2022, tax planning for the period 2022-2031 resulted in an increase in Temporary Differences of €15,458 thousand, although the settlement resulted in a possible decrease of €30,764 thousand.

The amount of -€83,599 thousand (-€56,890 thousand in 2022) corresponds to the difference between the tax asset recognised for temporary differences and the amount recoverable for this item in 10 years.

12.7 Deductions to be offset

At December 31, 2023, the Entity has pending deductions to offset amounting to €13,210 thousand (€10,229 thousand in 2022). Of these, €4,846 thousand were generated in the current fiscal year (€2,767 thousand in 2022), with €2,160 thousand applied in the same year (none in 2022 due to the negative taxable base of the previous year) (see notes 12.4 and 12.6).

The amount of deductions generated and not offset in 2022 was adjusted with the final settlement of the 2022 Corporate Tax by €10 thousand euros. Additionally, the deductions have been updated with those generated in the amended returns for the fiscal years 2020 and 2021, amounting to €285 thousand.

12.8 Deferred tax liabilities

The breakdown of deferred tax liabilities recognised in the balance sheet at the end of 2023 and 2022 is as follows:

Deferred tax liabilities	Thousands of euros	
	2023	2022
Capital grants	(33,832)	(27,170)
Total	(33,832)	(27,170)

12.9 Financial years pending verification and inspection activities

Under current legislation, taxes cannot be deemed to have been finally settled until the tax returns filed have been inspected by the tax authorities or until the four-year statute-of-limitations period has expired.

However, the tax authorities' right to verify or investigate the offsetting of tax loss carryforwards, deductions for double taxation and deductions for incentivising certain activities, whether applied

or pending application, expires ten years from the day following the deadline for submitting the offsetting or application. Once this period has elapsed, the tax loss carryforwards or deductions must be accredited by showing the tax assessment or self-assessment and the accounts, with proof that they have been deposited during the aforementioned period at the Commercial Registry.

There is no open inspection on state or local taxes for ENAIRE.

At the date of drafting these accounts, the open inspection periods are:

- Corporation tax: 2017-2022
- Income Tax 2020-2023
- VAT 2020-2023
- IGIC 2020-2023
- IPSI 2020-2023

The Directors of the Entity consider that the settlements of the mentioned taxes have been properly conducted. Therefore, even if discrepancies were to arise regarding the interpretation of current regulations regarding the tax treatment of operations, any resulting liabilities, if materialised, would not significantly affect the attached annual accounts.

Starting 1 January 2005, the Public Corporate Entity Aeropuertos Españoles y Navegación Aérea (now ENAIRE) and its subsidiaries that met the tax requirements established by the Corporate Tax Law (LIS) to be taxed under the fiscal consolidation regime formed TAX GROUP 50/05 and adopted the Special Tax Consolidation Regime for Corporate Tax.

Since 2005, ENAIRE had been taxed under the tax consolidation regime.

On 11 February 2015, and being ENAIRE the sole shareholder of Aena S.M.E., S.A., by means of a Public Offering of Shares, it proceeded to sell 49% of its shareholding, maintaining a 51% stake in said company.

The sale mentioned in the previous point resulted in ENAIRE losing the status of the Parent Entity of the Group, as it no longer met the requirements stipulated in Article 58.2 of Law 27/2014 on Corporate Income Tax. Consequently, the Tax Group was dissolved with a fiscal effective date of 1 January 2015.

Therefore, from 2015 onwards, ENAIRE started to be taxed under the Individual Taxation Regime, and therefore the Corporate Income Tax calculated and presented in these Accounts corresponds to the full tax of ENAIRE.

12.10 Amendments to IAS 12 - International Tax Reform: Standards of the Pillar 2 model

On 8 November 2023, Regulation (EU) 2023/2468 was published in the Official Journal of the EU, amending International Accounting Standard 12. This amendment pertains to the temporary exemption in the recognition and disclosure of deferred taxes arising from the implementation of OECD "Pillar 2" rules targeting aggressive tax planning by large enterprises, ensuring a minimum global taxation of 15% for multinational corporations.

According to this regulation, entities will not be required to disclose deferred tax information resulting from the implementation of OECD rules for interim financial periods ending on or before 31 December 2023 (until 2024 in essence).

PILLAR 2 will apply to entities incorporated in an EU country that are part of a multinational group or a large national group whose consolidated net turnover is at least €750 million in at least two of the four immediately preceding tax periods before the start of the tax period. The Public Entities, international organisations, non-profit organisations, pension funds, and investment institutions are excluded.

In order to establish a minimum level of taxation, a supplementary tax based on the rules of inclusion of under-taxed income and profits as well as on a national supplementary tax regime has been established.

The transposition of the European Directive regarding the guarantee of a global minimum tax rate of 15% for multinational enterprise groups and large domestic groups is underway, with a draft bill dated 19 December 2023.

In December 2023, there was a consultation with the ICAC, published in BOICAC 136, regarding the temporary exception to the recognition and disclosure of deferred taxes resulting from the implementation of OECD rules. It concluded that, to avoid the scenario where the transposition does not occur in time in our country, the Institute will promote a regulatory amendment that introduces a change to the 13th Accounting and Financial Reporting Standard of the Spanish General Accounting Plan. This change will align with and have the same content as the European Union's modification of IAS 12 following the adoption of the amending Regulation.

However, this regulation currently does not affect the Entity and its Group, as the implicit tax rate resulting before applying deductions for ENAIRe and its subsidiaries is 25%, except for the results corresponding to the Northeast Brazil Airports Group and the Block of Eleven Airports in Brazil, which have a tax rate of 34%, and the LLAH III Group (London Luton), which had a tax rate of 19% until 31 March 2023, and 25% from 1 April 2023.

13. Income and expenses

13.1 Supplies

The breakdown of Supplies for 2023 and 2022 is as follows:

Supplies	Thousands of euros	
	2023	2022
Acquisitions of other Supplies	163	167
Change in Stocks of other Supplies	22	(44)
Work Performed by other Companies	52,176	43,490
Total	52,361	43,613

The work carried out by other companies in 2023 and 2022 mainly corresponds to the route fee reimbursements made by ENAIRe to the State Aviation Safety Agency and the State Meteorological Agency.

The total costs of the Spanish air navigation system reported to Eurocontrol and the European Commission include not only ENAIRe's costs but also those of the Ministry of Defence, AEMET (Spanish Meteorological Agency), and AESA (Spanish Aviation Safety Agency). These entities provide various services to the system funded from their budgets, which are subsequently recovered through route charges that ENAIRe receives directly from Eurocontrol. Since 2014, the Ministry of Defence directly recovers its portion from Eurocontrol.

The reimbursement of the portions allocated to the participating agencies of the system was regulated until 1 October 2019, by the Economic Agreement of 27 December 1995, involving the Ministry of Economy and Finance, the Ministry of Public Works, Transport and the Environment, and the Public Entity Aeropuertos Españoles y Navegación Aérea, currently known as ENAIRe. In that Agreement, it was stipulated that the National Meteorological Institute (currently AEMET) and the Civil Aviation General Directorate (currently AESA) were required to recover the costs they incurred in the air navigation system. It also detailed how ENAIRe compensated both entities for their share of the route charge revenues, deducting from the resulting amounts the value of flights exempt from route fees. This mechanism allowed ENAIRe to be reimbursed for the amount related to these exempted flights.

As of 2 October 2019, this agreement ceased to be valid in accordance with the provisions of the Eighth Additional Provision of Law 40/2015. There is currently no regulation in place, as of the financial closing dates for both 2023 and 2022, to replace it and govern the payments of route fees to each organisation, nor is there a mechanism for ENAIRe to recover the costs related to exempted flights (refer to notes 13.2 and 11.2). There is only a draft Ministerial Order managed by the Ministry of Transport and Sustainable Mobility, pending approval, which changes the established model for revenue sharing of route fees.

Based on the above, since 2 October 2019, ENAIRe chose to estimate the amount to be settled for AESA and AEMET according to the provisions of the aforementioned Ministerial Order, pending approval and publication. In other words, currently ENAIRe settles with AESA and AEMET their respective share of route fees for flights subject to charges, as established by the draft Order, while ceasing to deduct from AESA and AEMET the cost of exempted flights (note 13.2 and 11.2).

13.2 Breakdown of Net Turnover

The activity of the Public Corporate Entity is carried out geographically in Spain, and the revenues obtained in 2023 and 2022 are detailed below:

Breakdown of Net Turnover	Thousands of euros	
	2023	2022
En-route Air Navigation Services	727,799	582,201
Approach Navigation Services	33,301	23,407
Revenue from Aerodrome Services to Aena	120,289	122,285
Publications and Other Services	8,545	7,513
Total turnover	889,934	735,406

En-route Air Navigation Services

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

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

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

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

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

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

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

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

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

- **Ukraine and Moldova European ATM Voluntary Contribution Fund for 2022 and 2023.**

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

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

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

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

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

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

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

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

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

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

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

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

En Route Navigational Services - Exempted flights

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

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

Starting on 2 October 2019, this agreement expired. As of the closing of the 2023 fiscal year, a draft Ministerial Order managed by the Ministry of Transport and Sustainable Mobility, pending approval, which, in addition to note 13.1, establishes the mechanism through which the state must compensate air navigation service providers for the value of services rendered to exempted flights.

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

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

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

However, in 2023, due to the Ministry of Foreign Affairs, European Union and Cooperation's refusal to pay their portion of the exempted flights' costs because the corresponding legal instrument had not been approved, ENAIRe, following the recommendations of the IGAE,

proceeded to write off, from the Balance Sheet, the amounts that the aforementioned Ministry should theoretically assume and include these amounts as a contingent asset (see note 11.2).

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

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

Approach Navigation Services

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

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

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

Revenue from Aerodrome Services to Aena, S.M.E, S.A.

Revenues from Aerodrome services mainly correspond to communications, navigation and surveillance services (CNS) and air traffic management services (ATM), as per file DEA-384/2021 with title: "Air Navigation Services in AENA Airports" processed by Aena S.M.E. (see note 17).

Publications and Other Services

Apart from the Aerodrome service provided at Aena S.M.E., S.A. airports, the Entity provides technical and other services not subject to the fee system. This income, which amounted to €8,307 thousand in 2023 (€7,268 thousand in 2022), is included under the heading "Publications and Other Services", together with publications amounting to €21 thousand in 2023 (€39 thousand in 2022) and other income amounting to €217 thousand (€206 thousand in 2022).

The amount of technical services for the financial year 2023 is detailed below by customer:

Customer	Thousands of euros
	2023
European Satellite Services	2,724
Aena S.M.E., S.A.	1,211
AIRBUS Defence And	910
Sesar Joint Undertaking	905
European GNSS Agency	566
ARINC	347
Startical, S.L.	265
Indra Sistemas, S.A.	220
Aeroports Públics de Catalunya, S.L.U	215
SITA Information	209
Aeropuerto de Castellón, S.L.U	177
SGA	172
Boeing Aerospace Spain S.L	133
GMV Aerospace and Defence, S.A.U.	57
CRIA - Ciudad Real International	51
BT Global Services Belgium bvba	40
European Space Traffic Management (EUSTM)	23
AIRBUS SAS	20
INECO S.M.E. M.P., S.A.	19
SENASA S.M.E S.A.	19
Amper Sistemas, S.A.	15
Eurocontrol	6
INDRA Navia as	3
Total	8,307

The amount referred to Aena S.M.E., S.A. corresponds to the In-Flight Verification Service, mainly radio aids and visual aids, provided by ENAIRe (see note 17.1).

13.3 Personnel expenses

Personnel costs in 2023 and 2022 are broken down as follows:

Personnel expenses	Thousands of euros	
	2023	2022
Wages and salaries	524,509	508,233
Social Security Contributions	69,456	63,360
Contributions to Employment Commitments	653	711
Other Employee Welfare Expenses	8,146	7,472
Changes in Provisions	46,563	136,490
Total	649,327	716,266

ENAIRe has two collective bargaining agreements with its employees, on the one hand, the Collective Bargaining Agreement with the controlling staff and, on the other hand, that of the employees of the ENAIRe Group (which affects both the Public Corporate Entity ENAIRe and Aena S.M.E., S.A.). Both agreements are subject to the approval of the wage bill by the Ministry of Finance.

In accordance with the "Framework Agreement for a 21st Century Administration" as per the resolution of 14 November 2022, the remunerations for the fiscal year 2023 for all personnel

include a salary increase of 3.5% (2.5% fixed and two variable increments of 0.5% each). The first increase was applied because the Harmonised CPI for 2022 and 2023 exceeded 6%, and the second increase was applied because the Spanish GDP growth exceeded 2.1%.

In 2023, the maximum contribution base increased by 8.6% compared to the previous year. Additionally, the Intergenerational Equity Mechanism imposed an additional 0.5% contribution to Social Security, borne by the company, on the contribution base for common contingencies.

On 5 June 2023, the agreement for the approval of the "Third Collective Agreement for Air Traffic Controllers of ENAIRe" was reached, which came into effect on 25 August, following its publication in the Official State Gazette on 24 August. The new Collective Agreement introduces a new salary and productivity model based on objectives, standardising criteria for payroll management similar to those in the public sector. It establishes a stable productivity supplement under uniform conditions for the workforce, applying an objective-based model for company-wide, collective and individual goals.

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

This bonus will be received by the Controllers based on the objectives achieved during the fiscal year at both team and individual levels, with the following distribution model established:

Team objectives = company objectives (10%) + group criteria (40%).

Individual objectives = individual criteria (40%) + values (10%)

The remainder, excluding any portion related to unmet corporate objectives, will be distributed proportionally based on the degree of achievement of individual objectives by each air traffic controller who has fulfilled them.

The figure for wages and salaries of the air traffic controllers collective includes the impact of the following court rulings:

- The National Court ruling no. 27/2022, issued on February 18, 2022, in response to lawsuit number 350/2021, mandated the payment of the Job Supplement stipulated in Article 132 of the II Collective Professional Agreement for air traffic controllers from promotion 31 onwards (note 11.1).
- The National Court ruling no. 5/2022, 13 of January 2022, issued in fundamental rights protection process no. 276/2021, pursued at the request of the SNCA union to safeguard the interests of air traffic controllers from promotions 29 and 30 under the call of 20 June 2006, was annulled by the Supreme Court's Social Chamber ruling 70/2024, of 17 January 2024. However, the annulment does not prevent part of the collective from initiating individual actions in accordance with this latter ruling (note 19.1).
The impact of both rulings on personnel expenses in the fiscal year 2023 resulted in an increase of €13,159 thousand in the wages and salaries item and a decrease of €9,596 thousand in the provisions variation due to reversal.
- Supreme Court, ruling number 516/2023 from the Social Chamber of 17 July 2023, regarding the temporary incapacity supplement applicable to ENAIRe's air traffic controller collective. The standardisation conducted in February 2022 for the payment of

Temporary Incapacity supplements on payroll becomes inapplicable, as it was determined that the aforementioned employees were not entitled to receive such salary supplements. The impact of this judgment was a reduction in expenses of €1,881 thousand.

In addition, several meetings were held throughout 2023 to negotiate the “Second AENA/ENAIRe Group Collective Agreement”, which is expected to be signed in 2024.

ENAIRe receives bonuses from training programmes provided by companies through the Spanish Foundation for Employment Training. This section indicates that personnel expenses include €97 thousand for the costs of implementing training actions and individual training leave (€107 thousand in 2022). Of these expenses, €86 thousand were allocated to training activities for staff of the 1st Collective Bargaining Agreement of the Aena Group (non-controller) and €11 thousand for training activities for controller staff. In 2022, these amounts amounted to €89 thousand and €18 thousand euros, respectively.

13.4 External services

The breakdown of this heading in 2023 and 2022 is as follows:

External services	Thousands of euros	
	2023	2022
Leases and royalties (note 7)	2,263	1,824
Repairs and maintenance	21,478	20,717
Independent professional services	11,023	12,763
Insurance premiums	2,703	2,524
Advertising and Public Relations	779	643
Supplies	12,095	12,131
Security and Surveillance Services	4,560	4,480
Eurocontrol Fee and Other International Organisations	41,728	36,759
Other Services	15,395	15,397
Total	112,024	107,238

The most significant amounts correspond to the Eurocontrol Fee, which is Spain's contribution as a member country of Eurocontrol, as well as to Repairs and Maintenance, primarily of technical installations, Supplies, and Independent Professional Services, mainly advisory and support services.

In the fiscal year 2023, the expenditure on Electricity Supply remained stable compared to 2022, when it doubled due to reasons unrelated to consumption levels. Instead, it was influenced by geopolitical and macroeconomic factors such as the Ukraine war, which, among many other consequences on the global economy, led to increased energy costs and disruptions in the global supply chain.

13.5 Provision Surpluses

The amount included under this heading in 2023 is €28 thousand for the reversal of provisions for local taxes. In 2022, this amounted to €1,269 thousand, mainly due to the reversal of provisions for local taxes (see note 11).

13.6 Other results

In 2023, the total expenditure amounting to €7,953 thousand primarily includes the recording of an exceptional expense of €8,043 thousand. This expense corresponds to the write-off of the receivable for the route fees of exempted flights between October 2019 and December 2022. Due to the non-payment by the Ministry of Foreign Affairs, this right has been considered a contingent asset in the Entity's accounting, given the absence of regulations governing how ENAIRe can recover these amounts (11.2).

In 2022, the amount of €317 thousand corresponded primarily to the refund of the Public Domain Occupation Fee from the Begues City Council for the 2017 fiscal year, amounting to €403 thousand, and to compensation for contract terminations, amounting to €128 thousand. It also included an exceptional expense of €278 thousand resulting from the bankruptcy of HHA Hamburg Airways.

13.7 Gain or loss on disposal of fixed assets and others

This section primarily includes the accounting expense for the derecognitions of fixed assets mentioned in notes 5 and 6 of this report, which amounted to €260 thousand as at 31 December 2023 (€359 thousand as at 31 December 2022).

13.8 Financial results

The Financial Results obtained in 2023 and 2022 were as follows:

Financial Results	Thousands of euros	
	2023	2022
Financial income:		
Dividends (note 17)	370,537	3,649
Other Group Company Interest (note 17)	93,560	37,047
Other Non-Group Interest and Similar Income	2,634	398
Total finance income	466,731	41,094
Financial Expenses:		
Non-Group Financial and Similar Expenses	(104,437)	(38,525)
Provisions adjustment	(23)	-
Total finance expenses	(104,460)	(38,525)
Impairment and Result from Financial Instrument Disposals:		
Impairment and losses	(4,141)	(2)
Total Impairment and Result from Financial Instrument Disposals	(4,141)	(2)
Net Financial Results	358,130	2,567

Total financial income increases in 2023 compared to 2022 due to dividends received from group companies. In 2023, dividends of €363.4 million were received from Aena S.M.E, S.A. (no dividends were received in 2022) and €6.8 million from INECO (€3.5 million in 2022).

Financial income and expenses derived from the debt co-credited with Aena increase in 2023 compared to 2022, in line with the increase in interest rates.

The interest on the Active Reserve (AR) and Special Active Reserve (SAR) increases due to the recording, starting in 2023, of the corresponding SAR and due to the rise in interest rates.

The section on impairment and results from the sale of Financial Instruments as of 31 December 2023 includes an impairment loss on the investment in the subsidiary STARTICAL S.L. amounting to €4,139 thousand (note 8.3), and an impairment loss on the investment in the entity Grupo Navegación por Satélite, Sistemas y Servicios S.L. amounting to €2 thousand (note 8.1.1).

13.9 Other information

The number of employees at the end of 2023 and 2022 by categories and gender was as follows:

Professional category	2023			2022		
	Men	Women	Total	Men	Women	Total
Senior Management	4	1	5	4	1	5
Managers and University Graduates	448	398	846	386	333	719
Coordinators	199	49	248	204	54	258
Technicians	660	323	983	656	326	982
Support Personnel	10	2	12	12	2	14
Air Traffic Controllers	1,469	766	2,235	1,454	745	2,199
Total	2,790	1,539	4,329	2,716	1,461	4,177

The number of temporary employees at the end of 2023 amounted to 179 (120 at the close of 2022).

The average workforce for 2023 and 2022 was as follows:

Professional category	2023	2022
Senior Management	5	5
Managers and University Graduates	788	698
Coordinators	254	263
Technicians	976	971
Support Personnel	12	14
Air Traffic Controllers	2,215	2,222
Total	4,250	4,173

The average number of temporary employees in 2023 was 145 (134 at the close of 2022).

The average number of employees with a disability of 33% or more, in the 2023 and 2022 financial years, broken down by category, was as follows:

Professional category	2023	2022
Managers and University Graduates	16	17
Coordinators	3	3
Technicians	22	23
Support Personnel	1	1
Air Traffic Controllers	3	3
Total	45	47

At 31 December 2023, the Governing Board of the Entity consists of 11 persons, 5 men and 6 women (5 men and 6 women in 2022).

Remuneration of Directors and Senior Management

The remuneration received in 2023 and 2022 by the directors and senior management of the entity, classified by item, was as follows (in thousands of euros):

2023 Financial year

Description	Wages	Allowances	Insurance premiums	Total
Senior Management	698	15	3	716
Governing Board	-	105	-	105

2022 Financial year

Description	Wages	Allowances	Insurance premiums	Total
Senior Management	689	7	3	699
Governing Board	-	103	-	103

There are no advances or credits granted at the close of the 2023 and 2022 financial years. Furthermore, there are no pension obligations to former or current Administrators.

In order to avoid situations of conflict with the interests of the Parent Entity, during the year, the directors holding positions on the Governing Board have complied with the obligations stipulated in article 228 of the revised text of the Capital Companies Act. Both they and persons associated with them have abstained from entering into the conflicts of interest defined by Article 229 of that law, except in the cases in which the appropriate authorisation has been obtained.

In addition to the Governing Board allowances shown in the previous tables, an additional €21 thousand was deposited into the Treasury in 2023 for directors holding high-ranking positions (€23 thousand in 2022), due to incompatibility in receiving remuneration.

Audit Fees

The audit of accounts is carried out by the Ministry of Finance and Public Administration, through the General Intervention of the State Administration (IGAE). For this reason, no cost has been accrued for the audit services.

14. Endorsements and Other Guarantees

Beneficiary	Guarantor	Data of Certification	Purpose / Nature	Amount	
				2023	2022
AENA S.M.E., S.A.	BANKINTER	19/01/2022	Ensure the fulfilment of all obligations and responsibilities of ENAIRe in the performance of the contract: "Air Navigation Services in AENA Airports" File DEA 384/2021.	30,061	30,061
Social Security Treasury	BBVA	23/01/2015	Guarantee the payment of all debts owed by ENAIRe to the Provincial Directorates of the Social Security General Treasury.	60	60
Vejer de la Frontera City Council – Cádiz	BANKINTER	23/07/1998	Guarantee compliance with the agreement between Vejer de la Frontera Town Council and Aena, for the transfer of the VOR/DME radio installation to another site.	12	12
Total				30,133	30,133

The Entity does not expect any material liabilities to arise from these endorsements.

15. Environmental commitments

The Management of the Public Corporate Entity, faithful to its commitment to preserving the environment and the quality of life in its surroundings, has been investing in this area to minimise the environmental impact of its activities and to protect and improve the environment.

Fixed assets at 31 December 2023 include environmental investments of €13.5 million (31 December 2022: €11.1 million) with accumulated depreciation of €8.3 million at 31 December 2023 (31 December 2022: €7.6 million).

In 2023, environmental investments made amounted to €2.4 million (€1.4 thousand in 2022). The most significant investments relate to photovoltaic plants in the Control Centres and acquisitions of electric and hybrid vehicles.

The Consolidated Income Statement for 2023 and 2022 includes the following environmental expenses, detailed by item:

Description	Thousands of euros	
	2023	2022
Repairs and maintenance	414	349
Other Outsourced Services	28	24
Total	442	373

The directors of the Public Corporate Entity do not expect any significant additional liabilities or contingencies to occur for this item.

16. Grants, Donations and Bequests Received

The detail and movement of this heading at 31 December 2023 and 2022 is as follows:

2023 Financial year

Grants, Donations and Bequests Received	Balance at 31/12/2022	Additions	Attributed To Profit/(Loss)	Other Adjustments	Balance at 31/12/2023
Capital Grants from European Official Bodies					
Amount	108,681	36,606	(7,821)	(2,138)	135,328
Tax effect	(27,170)	(9,152)	1,955	535	(33,832)
Net	81,511	27,454	(5,866)	(1,603)	101,496

2022 Financial year

Grants, Donations and Bequests Received	Balance at 31/12/2021	Additions	Attributed To Profit/(Loss)	Other Adjustments	Balance at 31/12/2022
Capital Grants from European Official Bodies					
Amount	74,141	49,850	(3,650)	(11,660)	108,681
Tax effect	(18,535)	(12,462)	912	2,915	(27,170)
Net	55,606	37,388	(2,738)	(8,745)	81,511

The additions correspond mainly to the financing of investment projects under the European Funds of the "Recovery and Resilience Mechanism" Next Generation Grants for €19,582 thousand, and of the "SESAR Implementation Projects" of ENAIRe within the 2015, 2016, 2017 and 2022 Calls for CEF Funds, annuality 2023, for an amount of €7,871 thousand (subtracting the tax effect in both cases).

The amount of Other Adjustments corresponds primarily to adjustments derived from the progress of projects and the recognition of amounts for management fees, as well as the revision of costs reported in previous years.

Additionally, grants that finance operating expenses amounting to €568 thousand (€76 thousand in 2022) were charged to the Income Statement. These grants mainly come from the funding of projects under European Funds for the Implementation of SESAR Projects by ENAIRe from the CEF Funds calls of 2014, 2015, 2016, 2017, and 2022, for the 2023 fiscal year.

At the close of 2023 and 2022, the Company met all the conditions necessary for the receipt and enjoyment of the grants detailed above.

Next Generation Grants (Recovery and Resilience Mechanism)

ENAIRe has been approved to receive €107,253 thousand from the funds allocated by Europe to repair the damage caused by the COVID-19 crisis, within the framework of the Spanish Government's Recovery, Transformation and Resilience Plan, until the year 2025.

These funds are received from the Ministry of Transport and Sustainable Mobility through the Public Treasury, according to the amount included in the General State Budget each year. They are intended to cover actions specifically framed within Component 6 (Sustainable, Safe, and Connected Mobility), Investment 2 (Trans-European Transport Network. Other actions), aimed at the development of the Single European Sky.

At first, the Company had included projects in the areas of sustainability, digitisation and security.

After meetings held with the Ministry of Finance and the Ministry of Transport and Sustainable Mobility, it reevaluated the recorded grants to adapt to the criteria set for ENAIRe in objectives 90 and 93 of the document "Council Implementing Decision on the approval of the assessment of Spain's recovery and resilience plan", approved by the Financial Advisors Group based on the proposal from the European Commission (COM (2021) 322).

These objectives delineate twelve areas or criteria, in a more specific manner than the three general ones initially established by the Entity, which are detailed below:

- Develop the Single European Sky, related to the modernisation of air traffic control and surveillance systems, the digital transformation, information systems and the evolution of communications systems.
- Digitisation of the aviation documents (data and charts) that are available to users for flight operations.
- Expansion of ground/air coverage and voice digitisation in pilot-controller communications. Improvement of low-level coverage in certain areas of airspace by modernising ground communications facilities.
- Evolution of the voice communications system in air traffic control centres through digitisation and advanced technology, providing an improvement in quality, enhanced safety, more information and boosting contingency capacity.
- Technological modernisation of the network of primary radars, improving the performance in preparation for the complete digitisation of the same by relying on every technological advance available to increase operating efficiency.
- Upgrade of secondary radar systems to Mode S. technology, which provides information to the air traffic control system.
- Replacement of the hardware in ENAIRe's various systems.
- Development of different management and operational applications for ENAIRe's processes.
- Technological modernisation of navigation systems, prioritising their complete digitisation and implementing remote monitoring and control solutions for these systems.
- Creation of infrastructure to implement new air traffic control systems. Essential to ensure the implementation of new operational concepts in Spain. Upgrades to the facilities are planned to ensure their resilience to failures.
- Digitisation and automation of technical management operations to improve the integration of the tools for monitoring these systems remotely.
- Modernisation of the air traffic control system to adapt it to regulatory criteria, incorporating improvements in capacity, operational safety, cybersecurity and digitisation concepts, all derived from the Single European Sky.

Based on the "Circular of the General Directorate of the Treasury and Financial Policy on the management of liquid assets for entities within the Public Corporate and Foundation Sector" of October 2021, the Public Treasury retains the funds received from the Ministry of Transport and Sustainable Mobility for this purpose. These funds are then released in accordance with the Entity's liquidity needs, as requested by the Entity.

It is important to note, as explained in the circular, that the Public Treasury can choose when to pay the payment proposals recorded by the various ministerial departments. However, the Public Treasury cannot alter the amounts or the beneficiaries of these proposals.

The actions that ENAIRe is currently undertaking and will continue to undertake through these investments will enable a digital transformation of the systems used for air traffic management. This transformation aims to help reduce greenhouse gas emissions, facilitating an ecological transition in the aviation sector, including the integration of new users such as drones. Additionally, it will promote the social and economic cohesion generated by air transport, all in line with the initiatives driven by Europe under the Single European Sky framework.

In accordance with the progress of the projects covered by these grants and as mentioned in Note 4.14 on Accounting Standards and Measurement, and following the criteria established by the European Commission, ENAIRe recorded €64,366 thousand net of taxes from the Recovery and Resilience Facility grants in the 2023 fiscal year (€47,457 thousand in 2022). Additionally, €3,564 thousand were recognised in the income statement (€799 thousand in 2022). The Ministry of Transport and Sustainable Mobility disbursed, to the Public Treasury for the 2023 fiscal year, a total of €17,817 thousand from the Recovery and Resilience Facility grants allocated to ENAIRe. These funds are included in the General State Budget (€39,672 thousand in 2022, which covered the 2020 and 2022 fiscal years).

Of this amount, ENAIRe collected €16,333 thousand in 2023 (€36,366 thousand in 2022), with the remaining €1,485 thousand (€3,306 thousand in 2022) retained by the Public Treasury. The amount withheld in 2022 was collected in 2023; the total amount collected from Next Generation grants for ENAIRe in 2023 amounted to €19,639 thousand.

Of the €88,460 thousand collected from 2021 to 2023, for the 2020, 2021, 2022 and 2023 annual instalments of the Recovery and Resilience Facility Grants, €90,719 thousand were recorded as capital grants in accordance with the degree of progress of the projects, with the counterpart of the uncollected granted amount recorded in Current Assets.

17. Transactions and balances with related parties

17.1 Transactions and balances with Group and associated companies

The breakdown of the debtor and creditor balances with Group companies and associates at the end of the fiscal years 2023 and 2022 is as follows:

2023 Financial year

Transactions and Balances with Related Parties	Thousands of euros				
	Debtor	Long-term Credits	Short-term Credits	Current payables	Other payables
Group:					
Aena S.M.E. S.A.	12,794	2,345,453	776,334	-	85
Aena Desarrollo Internacional, S.M.E. S.A.	-	-	-	-	-
Murcia International Airport	-	-	-	-	-
Centro de Referencia Investigación, Desarrollo e Innovación ATM. A.I.E. (CRIDA)	-	-	-	242	500
Associates:				-	-
Ingeniería y Economía del Transporte S.M.E.M.P., S.A. (INECO, S.A.)	-	-	-	2,161	426
STARTICAL, S.L.	349	-	-	-	-
Total	13,143	2,345,453	776,334	2,403	1,011

2022 Financial year

Transactions and Balances with Related Parties	Thousands of euros				
	Debtor	Long-term Credits	Short-term Credits	Current payables	Other payables
Group:					
Aena S.M.E. S.A.	25,142	3,110,718	525,286	-	71
Aena Desarrollo Internacional, S.M.E. S.A.	-	-	-	-	-
Murcia International Airport	-	-	-	-	-
Centro de Referencia Investigación, Desarrollo e Innovación ATM. A.I.E. (CRIDA)	-	-	-	155	218
Associates:					
Ingeniería y Economía del Transporte S.M.E.M.P., S.A. (INECO, S.A.)	-	-	-	1,394	412
STARTICAL, S.L.	12	-	-	-	-
Total	25,154	3,110,718	525,286	1,549	701

Due to the non-monetary contribution described in note 1, the Public Corporate Entity ENAIRe and its subsidiary Aena S.M.E., S.A. signed a financing agreement on 1 July 2011. Under this agreement, the debts related to the branch of activity contributed in the capital increase were transferred from the Public Corporate Entity ENAIRe to the subsidiary Aena S.M.E., S.A. The contract between both parties recognised the initial debt and the conditions for its future cancellation, as well as the procedure for the settlement of interest and repayment of the debt.

Additionally, the parties acknowledged that the amount of the debt could be adjusted upwards or downwards based on the difference between the estimated value of the assets and liabilities

contributed, which was used to determine the required capital increase in Aena S.M.E., S.A., and the actual value of the assets and liabilities ultimately contributed. It was also specified that the ownership before the Lending Financial Institutions belonged to the Public Corporate Entity ENAIRE, however, it was established that the Company Aena S.M.E., S.A. was obliged to cover the percentage of the outstanding balance of the Entity attributable to the airport activity branch at the time of any payments that the Public Business Entity ENAIRE had to make to the Financial Institutions, in accordance with the financial conditions and other terms and conditions set forth in the Financing Agreements.

Therefore, the Subsidiary Aena S.M.E., S.A. acquired through this contract all the obligations that were originally agreed in the contracts with the Financial Institutions for the amount that corresponded to it as indicated in the previous paragraph. This meant that the maturities and interest rates to be paid by the Subsidiary Aena S.M.E., S.A. to the Public Corporate Entity ENAIRE would be the same as those described in the contracts with the Financial Institutions, with compliance with the causes for declaring early maturity and the possible financial instruments detailed in each of the contracts also being applicable.

On the other hand, the Council of Ministers of 11 July 2014 agreed to authorise ENAIRE to initiate the procedures for the entry of private capital in the subsidiary Aena S.M.E., S.A. up to 49% of its share capital. This IPO took place on 11 February 2015.

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

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

As a result of these amendments and to reflect the changes in the contractual relationship of the financing agreement with Aena S.M.E., S.A., a modification agreement not extinguishing the contract was signed on 29 July 2014, between the Public Corporate Entity ENAIRE and Aena S.M.E., S.A. This modification amends the contract signed on 1 July 2011.

In the process of novating the debt, the Public Corporate Entity ENAIRE and Aena S.M.E., S.A. expressly agree that, notwithstanding their status as joint and several debtors responsible for fulfilling the obligations outlined in the Financing Agreements, any payments due under these Agreements will be made by ENAIRE. Therefore, the contractual relationship between Aena S.M.E., S.A. and the Public Corporate Entity ENAIRE will remain in effect through the Debt Acknowledgment Contract. In any case, non-payment by Aena S.M.E., S.A. of its obligations under the Debt Recognition Agreement shall not release the Public Corporate Entity ENAIRE from its payment commitments under the terms of the Financing Agreements.

Therefore, the modifications agreed in the financing contracts with the banking institutions and Aena S.M.E., S.A. do not modify the accounting treatment of financial debt.

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

In the 2014 fiscal year, due to discrepancies between the estimated value of the assets and liabilities used to determine the required capital increase for Aena S.M.E., S.A. and the actual value of the assets and liabilities ultimately contributed, and as part of the previously described novation process, Aena S.M.E., S.A. recognised a debt to ENAIRe amounting to €57,370 thousand and €14,839 thousand. These amounts have been incorporated into the borrowings of Aena S.M.E., S.A.

Value Adjustment borrowings accrue annually, on the amount outstanding, an interest rate equal to the average interest rate of the borrowings under the Financing Agreements at each interest payment date.

At 31 December 2023, Aena S.M.E., S.A.'s debt with ENAIRe for value adjustments amounted to €21,969 thousand (€25,740 thousand in 2022) (see note 8.2.1).

As regards non-compliance with the grounds for declaring early maturity, the Public Corporate Entity ENAIRe, as the holder of the financing contracts, does not breach any of the conditions for early maturity, and, therefore, this would not affect the Entity's balance sheet at 31 December 2023 and 2022.

Details of non-current and current investments in Group companies and associates are as follows:

2023 Financial year

Description	Thousands of euros		
	Long Term	Short Term	Total
Loans with Group and Associated Companies - Mirror Loan	2,346,605	765,707	3,112,312
Credits with Group Companies and Associates - Mirror Loan Commissions	(1,152)	(230)	(1,382)
Credits with Group Companies and Associates - Interest Earned on Mirror Loan	-	10,857	10,857
Total	2,345,453	776,334	3,121,787

2022 Financial year

Description	Thousands of euros		
	Long Term	Short Term	Total
Loans with Group and Associated Companies - Mirror Loan	3,112,312	514,364	3,626,676
Credits with Group Companies and Associates - Mirror Loan Commissions	(1,594)	(231)	(1,825)
Credits with Group Companies and Associates - Interest Earned on Mirror Loan	-	11,153	11,153
Total	3,110,718	525,286	3,636,004

The heading "Credits Recognised in the Long Term" recognises an amount of €2,346,605 thousand corresponding to receivables from Aena S.M.E., S.A. for airport financing with an established schedule (€3,112,312 euros in 2022). Similarly, the heading "Credits Recognised in the Short Term" recognised a value of €765,707 thousand for the same item (€514,364 thousand in 2022). The maturity schedule of the outstanding instalments payable by Aena S.M.E., S.A. on the aforementioned loans and credits at year-end 2023 and 2022 is as follows:

Payments with Maturity	Thousands of euros	
	2023	2022
2023	-	514,364
2024	765,707	765,707
2025	396,710	396,710
2026	376,402	376,402
2027	345,492	345,492
2028	318,887	318,887
Next	909,114	909,114
Total	3,112,312	3,626,676

At 31 December 2023 and 2022, long-term and short-term loans are denominated in euros.

At year-end 2023, there were no non-current payables with Group companies, and the short-term debts correspond to unpaid fixed asset acquisitions.

At year-end 2022, there were no non-current payables with Group companies, and the current payables were also related to unpaid acquisitions of fixed assets.

The details of transactions carried out with group companies in 2023 and 2022 are as follows:

Description	Thousands of euros	
	2023	2022
Revenues from services rendered	121,500	123,319
Services Received	659	821
Fixed Asset Acquisitions (notes 5 and 6)	2,000	3,401
Financial Income (*) (Notes 8.2.1 and 13,7)	93,560	37,047
Extraordinary income (parking) (note 4.15)	51	35

(*) Financial income from group companies, entirely attributable to the mirror credit with Aena S.M.E., S.A., increased in 2023 compared to 2022 due to the rise in interest rates (see note 8.2.1 and note 13.8).

The details of transactions carried out with associates in 2023 and 2022 are as follows:

Description	Thousands of euros	
	2023	2022
Revenues from services rendered	346	55
Services Received	3,198	3,298
Fixed Asset Acquisitions (notes 5 and 6)	17,158	16,825

The main transactions with Group companies carried out during 2023 mainly correspond to services provided between the Public Corporate Entity ENAIRE and Aena S.M.E., S.A.

The contracts and service agreements between both entities are listed below:

- Airport Facilities Use Agreement (Control Towers) by ENAIRE.
- File DEA 384/2021 "Air Navigation Services in AENA Airports".

ENAIRE provides aerodrome control services in 21 control towers and communications, navigation, surveillance and maintenance services at 46 airports in the Aena network, including the Murcia International Airport, in addition to aeronautical information services throughout the airspace.

On 28 December 2021, after ENAIRE was awarded the contract DEA-384/2021 "Air Navigation Services at Aena Airports" processed by Aena S.M.E., a new contract was signed between ENAIRE and Aena S.M.E., S.A. for the provision mainly of Aerodrome Services at Aena S.M.E., S.A, ATM (Air Traffic Management) and CNS (Communications, Navigation and Surveillance) for five years from 1 January 2022 to 31 December 2026.

The overall amount of the file is €601 million for the whole period, of which €122 million for the year 2022.

To guarantee compliance with the Contract, ENAIRE provided a bank guarantee in the amount of €30,061 thousand (note 14).

- Contract for the Provision of Parking Services of the Aena S.M.E., S.A. network to ENAIRE.

On 31 October 2017, ENAIRE and its Subsidiary Aena S.M.E., S.A. signed an agreement for the use of Aena network car parks by ENAIRE employees.

The services provided under this agreement are invoiced to ENAIRE at market value with a discount of 75% on the amounts paid.

According to Recognition and Valuation Standard 21, which stipulates that the difference between the agreed price in an operation and its fair value should be recorded based on the economic substance of the operation and to assess the operation at market rates, ENAIRE accounted for the provision of services in 2023 totalling €140 thousand (€95.4 thousand in 2022). As the turnover amounted to €35 thousand (€23.8 thousand in 2022), ENAIRE recorded 51% (corresponding to the percentage shareholding in Aena S.M.E.,

S.A.) of the difference as dividend income and the remaining 49% as extraordinary income.

- Contract DEA-237/2021 "Flight verification service".

On 31 December 2021, after ENAIRe was awarded the contract for the DEA-237/2021 "In-flight verification service", a contract was signed between ENAIRe and Aena S.M.E., S.A., for the performance of verification flights, mainly of radio aids and visual aids, for a period of five years and a total budgeted amount of 11.1 million euros.

As a necessary requirement, the acquisition of the Beech Super King Air 350 (B300) aircraft from Aena Desarrollo Internacional S.M.E., S.A. was included in the terms of the Contract. This aircraft, which was previously used for calibrations for Aena and ENAIRe, has the appropriate equipment and technical reliability for the provision of the service (see note 6).

In guarantee of compliance with the contract, ENAIRe provided a guarantee for €553 thousand (see note 8.1.1).

Likewise, transactions with the other subsidiary CRIDA ATM. A.I.E. carried out during 2023 are related to services provided by CRIDA to ENAIRe under the "Specific Agreement for Collaboration in the Development of R&D&I Activities of Common Interest in the Field of Air Traffic Management" from the Biennial Action Plan 2022-2023.

Transactions with the associate company of INECO S.M.E.M.P., S.A. in 2023 pertain to services provided under the "Assignments to Own Resources" framework, contracted with the Public Corporate Entity ENAIRe. The main assignments are listed below:

- Collaboration Agreement for the Implementation or Management of Air Navigation Systems (CNS/ATM security, surveillance, etc.), preparation of studies and projects (Radio Simulation, Flight Procedures, Network Systems, Communications) and support services for the different organisational units.

Lastly, transactions with the associated company of recent creation STARTIFICAL S.L. carried out in 2023 correspond to the "Contract for the Provision of Services between STARTECAL S.L. and ENAIRe E.P.E." relating to rental, maintenance and IT services provided by ENAIRe to STARTIFICAL S.L., and the contract for "Provision of Engineering Services and A.T. STARTIFICAL-ENAIRe" relating to technical services carried out by ENAIRe for STARTECAL S.L.

During the financial years 2023 and 2022, the Public Corporate Entity recorded the following dividends from Group and Associated Companies:

Dividends	Thousands of euros	
	2023	2022
Group Companies		
AENA S.M.E., S.A.	363,375	-
<i>Market value for Parking Service belonging to Aena (note 4.15)</i>	54	36
Associates		
INECO S.M.E.M.P., S.A.	6,833	3,465
Total (note 13.8)	370,262	3,501

17.2 Operations and balances with other Related Parties

Details of balances and operations with other related parties at year-end 2023 and 2022 are as follows:

2023 Financial year

	Thousands of euros					
	Debtor	Current payables	Miscellaneous Creditors	Revenue	Expenses	Fixed Asset Acquisitions
State Meteorological Agency (AEMET)	-	-	9,540	-	44,300	-
State Aviation Safety Agency (AESA)	-	-	1,694	-	7,983	-
Ingeniería de Sistemas para la Defensa Española, S.A. (ISDEFE)	-	303	-	-	-	4,835
ENAIRe Foundation	53	-	-	112	1,854	-
Ministry for Ecological Transition	-	-	104	-	323	-
GroupEAD Europe S.L.	2	-	-	3	-	-
European Satellite Services Provider (ESSP SAS)	545	-	-	2,723	-	-
Total	600	303	11,338	2,838	54,460	4,835

2022 Financial year

	Thousands of euros					
	Debtor	Current payables	Miscellaneous Creditors	Revenue	Expenses	Fixed Asset Acquisitions
State Meteorological Agency (AEMET)	-	-	8,189	-	37,798	-
State Aviation Safety Agency (AESA)	-	-	1,153	-	5,602	-
Ingeniería de Sistemas para la Defensa Española, S.A. (ISDEFE)	-	2,179	-	-	11	6,566
ENAIRe Foundation	44	-	-	110	1,798	-
Ministry for Ecological Transition	-	-	63	-	291	-
GroupEAD Europe S.L.	-	-	-	2	-	-
European Satellite Services Provider (ESSP SAS)	314	-	9	1,840	-	10
Total	358	2,179	9,414	1,952	45,500	6,576

As indicated in notes 13.1 and 13.2, ENAIRe reimburses the State Meteorological Agency and the State Aviation Safety Agency for the amount of the exempted flights.

Transactions with the company ISDEFE pertain to services provided under the "Assignments to Own Resources" framework, contracted with the Public Corporate Entity ENAIRe. These services

involve activities in the fields of systems engineering and consultancy within the Air Navigation sector, specifically related to CNS/ATM systems, the SESAR Program, infrastructure, security and control centres.

The transactions with the investee European Satellite Services Provider S.A.S. (ESSP S.A.S.) carried out during 2023 pertain to agreements and contracts for the following services provided by ENAIRe:

- Agreement for the administrative concession for the temporary use of offices in the centralised systems building of the Torrejón de Ardoz Control Centre (Madrid).
- EGNOS Project Agreements. It consists mainly of 4 Contracts:
 - MCC and Hosting Entity v2 Services.
 - EDAS Operations Maintenance.
 - RIMS v2 Hosting and L1 Maintenance Services.
 - SPS Operations Maintenance.

In November 2023, the following EGNOS V3 contracts were also transferred to ESSP S.A.S.:

- HS MCC TOR – MCC Torrejon Site preparation and hosting for EGNOS V3.
- HS RIMS LPI – La Palma Island Site preparation and hosting for EGNOS V3.
- HS RIMS PDM – ‘Palma De Mallorca Site preparation and hosting for EGNOS V3.

The ENAIRe Business Public Entity is the sole patron of the ENAIRe Foundation, which is responsible for managing ENAIRe's collection of art works.

In addition to the contribution of €1,773 thousand recorded in 2023 (€1,717 thousand in 2022), there is an in-kind contribution amounting to €81 thousand, which represents the free use of the property owned by ENAIRe where the Foundation carries out its activities (see note 4.15) (€81 thousand in 2022).

On 10 November 2021, the "Agreement regulating the provision of services from ENAIRe to the ENAIRe Foundation and the compensation for expenses derived from them" was signed, with the purpose of regulating the terms under which ENAIRe provides services related to information systems, insurance management and business management to the Foundation, and their financial compensation. The amount recognised in 2023 on the basis of this agreement amounts to €43.6 thousand (€36.4 thousand in 2022, adjusted in 2023 to €35.2 thousand).

During the financial years 2023 and 2022, the Public Corporate Entity recorded the following dividends from investments in equity instruments not recorded as Group Companies and Associates:

Dividends	Thousands of euros	
	2023	2022
Other holdings		
GroupEAD Europe S.L.	273	147
EMGRISA	2	1
Total (note 13.8)	275	148

The 2023 dividend from the investment in ESSP S.A.S., related to the 2022 results, was due to ADI S.A., S.M.E. the holder of the investment for that fiscal year. In the purchase agreement, the parties agreed to equally share the dividends from ESSP SAS for the 2022 financial year between ENAIRE and ADI S.A., S.M.E. In this sense, the collection of 50%, amounting to €292 thousand, was not recorded as a Dividend by the Public Corporate Entity, but as a reduction in the value of the participation in ESSP S.A.S. (note 8.1.1).

18. Segmented information

The Entity identifies its operating segments on the basis of Chapter II of its Bylaws, which lists the functions and purpose of the Entity.

The purpose and main functions of ENAIRE are to provide safe, efficient, continuous, and sustainable air navigation and airspace services as mandated by the State. This includes the national and international operational coordination of the national air traffic management network and other related uses, ensuring the efficient management of airspace while considering the needs of its airspace users.

In addition, as indicated in Article 4 of Chapter II of its Bylaws, ENAIRE is entitled to the rights derived from its stake in Aena, S.M.E., SA, in accordance with the provisions of Law 33/2003, of 3 November.

The Entity thus differentiates between two segments: the **Air Navigation** service, according to its own main activity as a Service Provider, and the **Corporate Unit**, which includes the activities of the head of the group, where the main subsidiary is Aena S.M.E., S.A.

As for the main Air Navigation activity segment, the Public Entity, through the Air Navigation Services Directorate, is the main Air Traffic Services Provider in Spain. Its main objective is to offer maximum security, quality and efficiency in the development and operation of the Spanish Air Navigation system. Also, as the fourth largest Air Navigation Service Provider in Europe by traffic volume, it participates prominently and actively in all European Union projects related to the implementation of the Single Sky.

These services are provided from the five Regional Air Navigation Divisions: Centro Norte (North Central), Este (East), Canaria (Canary Islands), Sur (South and Baleares (Balearic Islands), whose headquarters are located respectively in the Control Centres (ACC) of Madrid, Barcelona, Gran Canaria, Seville, and the Terminal Area Control Centre (TACC) of Palma de Mallorca.

Within the Corporate Unit, the main items include stakes in companies whose business objectives are not directly related to the competencies and functions in the field of air navigation held by ENAIRE, as well as the debt co-accredited with Aena.

The 2023 and 2022 segmented Balance Sheets are as follows:

BALANCE SHEET 2023

Thousand of euros

ASSETS	AIR NAVIGATION	CORPORATE UNIT	ENAIRe
NON-CURRENT ASSETS			
Intangible assets	254,875	-	254,875
Development	31,847	-	31,847
Computer software	208,831	-	208,831
Other intangible assets	14,197	-	14,197
Property, plant and equipment	491,442	10,898	502,340
Land and buildings	102,832	467	103,299
Technical installations and machinery	147,277	-	147,277
Other installations, equipment and furnishings	39,070	10,431	49,501
Other property, plant and equipment	24,527	-	24,527
Under construction and advances	177,736	-	177,736
Non-current investments in group companies and associates	3,803	3,675,679	3,679,482
Equity instruments	3,803	1,330,226	1,334,029
Loans to companies	-	2,345,453	2,345,453
Non-current financial investments	9,841	6	9,847
Equity instruments	9,284	6	9,290
Other financial assets	557	-	557
Long-term current tax assets	82,554	-	82,554
Deferred tax assets	188,183	44,127	232,310
Trade and other non-current receivables	8,907	-	8,907
	1,039,605	3,730,710	4,770,315
CURRENT ASSETS			
Inventories	380	-	380
Trade and other receivables	182,824	11	182,835
Trade receivables for sales and services	121,575	11	121,586
Trade receivables from group companies and associates	12,590	-	12,590
Personnel	4,450	-	4,450
Public entities, other	44,209	-	44,209
Current financial investments in group companies and associates	227,708	548,626	776,334
Loans to companies	-	776,334	776,334
Other financial assets	227,708	(227,708)	-
Current financial investments	3	3	6
Other financial assets	3	3	6
Current accruals	2,381	-	2,381
Cash and cash equivalents	17	10,187	10,204
TOTAL CURRENT ASSETS	413,313	558,827	972,140
TOTAL ASSETS	1,452,918	4,289,537	5,742,455

EQUITY AND LIABILITIES	AIR NAVIGATION	CORPORATE UNIT	ENAIRe
EQUITY			
Capital and reserves without valuation adjustments	754,708	1,175,014	1,929,722
Capital	621,167	1,192,196	1,813,363
Reserves	76,555	440,334	516,889
Statutory	76,555	440,334	516,889
Prior periods' losses	-	(579,840)	(579,840)
Profit/(loss) for the period	56,986	402,123	459,109
Interim dividend (Payment on Account to the Public Treasury)	-	(279,799)	(279,799)
Grants, donations and bequests received	101,496	-	101,496
TOTAL EQUITY	856,204	1,175,014	2,031,218
NON-CURRENT LIABILITIES			
Non-current provisions	332,246	-	332,246
Long-term employee benefits	332,246	-	332,246
Non-current payables	1,952	2,337,076	2,339,028
Debt with financial institutions	-	2,337,076	2,337,076
Other financial liabilities	1,952	-	1,952
Deferred tax liabilities	33,832	-	33,832
TOTAL NON-CURRENT LIABILITIES	368,030	2,337,076	2,705,106
CURRENT LIABILITIES			
Current provisions	83,322	-	83,322
Current payables	14,450	777,384	791,834
Debt with financial institutions	-	777,383	777,383
Other financial liabilities	14,450	1	14,451
Group companies and associates, current	2,403	-	2,403
Trade and other payables	128,509	63	128,572
Other payables	23,318	63	23,381
Personnel	62,897	-	62,897
Public entities, other	30,651	-	30,651
Advances from customers	11,643	-	11,643
TOTAL CURRENT LIABILITIES	228,684	777,447	1,006,131
TOTAL EQUITY AND LIABILITIES	1,452,918	4,289,537	5,742,455

BALANCE SHEET 2022

Thousand of euros

ASSETS	AIR NAVIGATION	CORPORATE UNIT	ENAIRe
NON-CURRENT ASSETS			
Intangible assets	226,398	-	226,398
Development	39,012	-	39,012
Computer software	175,496	-	175,496
Other intangible assets	11,890	-	11,890
Property, plant and equipment	461,940	10,898	472,838
Land and buildings	107,633	467	108,100
Technical installations and machinery	136,727	-	136,727
Other installations, equipment and furnishings	38,917	10,431	49,348
Other property, plant and equipment	21,103	-	21,103
Under construction and advances	157,560	-	157,560
Non-current investments in group companies and associates	7,943	4,440,944	4,448,887
Equity instruments	7,943	1,330,226	1,338,169
Loans to companies	-	3,110,718	3,110,718
Non-current financial investments	1,071	6	1,077
Equity instruments	517	6	523
Other financial assets	554	-	554
Long-term current tax assets	33	-	33
Deferred tax assets	95,969	5,168	101,137
Trade and other non-current receivables	12,938	-	12,938
	806,292	4,457,016	5,263,308
CURRENT ASSETS			
Inventories	403	-	403
Trade and other receivables	166,262	44	166,306
Trade receivables for sales and services	100,255	44	100,299
Trade receivables from group companies and associates	24,601	-	24,601
Other receivables	620	-	620
Personnel	271	-	271
Public entities, other	40,515	-	40,515
Current financial investments in group companies and associates	121,138	404,148	525,286
Loans to companies	-	525,286	525,286
Other financial assets	121,138	(121,138)	-
Current financial investments	3	3	6
Other financial assets	3	3	6
Current accruals	2,093	-	2,093
Cash and cash equivalents	15	28,514	28,529
TOTAL CURRENT ASSETS	289,914	432,709	722,623
TOTAL ASSETS	1,096,206	4,889,725	5,985,931

EQUITY AND LIABILITIES	AIR NAVIGATION	CORPORATE UNIT	ENAIRe
EQUITY			
Capital and reserves without valuation adjustments	490,516	1,259,896	1,750,412
Capital	621,167	1,192,196	1,813,363
Reserves	76,555	440,334	516,889
Statutory	76,555	440,334	516,889
Prior periods' losses	-	(373,659)	(373,659)
Profit/(loss) for the period	(207,206)	1,025	(206,181)
Interim dividend (Payment on Account to the Public Treasury)	-	-	-
Grants, donations and bequests received	81,511	-	81,511
TOTAL EQUITY	572,027	1,259,896	1,831,923
NON-CURRENT LIABILITIES			
Non-current provisions	278,056	-	278,056
Long-term employee benefits	278,056	-	278,056
Non-current payables	2,094	3,103,279	3,105,373
Debt with financial institutions	-	3,103,279	3,103,279
Other financial liabilities	2,094	-	2,094
Deferred tax liabilities	27,170	-	27,170
TOTAL NON-CURRENT LIABILITIES	307,320	3,103,279	3,410,599
CURRENT LIABILITIES			
Current provisions	73,436	-	73,436
Current payables	9,623	526,492	536,115
Debt with financial institutions	-	526,492	526,492
Other financial liabilities	9,623	-	9,623
Group companies and associates, current	1,549	-	1,549
Trade and other payables	132,251	58	132,309
Other payables	20,527	51	20,578
Personnel	73,549	-	73,549
Public entities, other	36,660	7	36,667
Advances from customers	1,515	-	1,515
TOTAL CURRENT LIABILITIES	216,859	526,550	743,409
TOTAL EQUITY AND LIABILITIES	1,096,206	4,889,725	5,985,931

The Segmented Profit and Loss Accounts for 2023 and 2022 are as follows:

INCOME STATEMENT 2023

Thousand of euros

	AIR NAVIGATION	CORPORATE UNIT	ENAIRe
CONTINUING OPERATIONS			
Revenue	889,867	67	889,934
Work carried out by the company for assets	3,612	-	3,612
Supplies	(52,361)	-	(52,361)
Raw materials and other consumables used	(185)	-	(185)
Work performed by other companies	(52,176)	-	(52,176)
Other operating income	4,032	15	4,047
Non-trading and other operating income	3,464	15	3,479
Operating grants taken to income	568	-	568
Personnel expenses	(649,327)	-	(649,327)
Wages, salaries and similar expenses	(524,509)	-	(524,509)
Employee benefits expense	(78,255)	-	(78,255)
Provisions	(46,563)	-	(46,563)
Other operating expenses	(116,888)	(2,114)	(119,002)
External services	(111,774)	(250)	(112,024)
Taxes	(3,978)	(10)	(3,988)
Losses, impairment and changes in trade provisions	(705)	-	(705)
Other current operating expenses	(431)	(1,854)	(2,285)
Amortisation and depreciation	(106,733)	-	(106,733)
Non-financial and other capital grants	7,821	-	7,821
Provision Surpluses	28	-	28
Impairment and gains/(losses) on disposal of fixed assets	(260)	-	(260)
Other results	(7,985)	32	(7,953)
RESULTS FROM OPERATING ACTIVITIES	(28,194)	(2,000)	(30,194)
Finance income	4,315	462,416	466,731
Dividends	327	370,210	370,537
- Group companies and associates	54	370,208	370,262
- Other	273	2	275
Marketable securities and other financial instruments	3,988	92,206	96,194
- Group and associated companies	3,640	89,920	93,560
- Other	348	2,286	2,634
Finance expenses	(11,030)	(93,430)	(104,460)
Group companies and associates	-	-	-
Other	(11,007)	(93,430)	(104,437)
Provisions adjustment	(23)	-	(23)
Change in fair value of financial instruments	-	-	-
Exchange gains/losses	-	-	-
Impairment and gains/(losses) on disposal of financial instruments	(4,141)	-	(4,141)
NET FINANCE INCOME/(EXPENSES)	(10,856)	368,986	358,130
PROFIT/(LOSS) BEFORE INCOME TAX	(39,050)	366,986	327,936
Income tax	96,036	35,137	131,173
PROFIT (LOSS) FROM CONTINUING OPERATIONS	56,986	402,123	459,109
DISCONTINUED OPERATIONS			
Profit or loss from discontinued operations, net of taxes			
PROFIT/(LOSS) FOR THE PERIOD	56,986	402,123	459,109

INCOME STATEMENT 2022

Thousand of euros

	AIR NAVIGATION	CORPORATE UNIT	ENAIRe
CONTINUING OPERATIONS			
Revenue	735,339	67	735,406
Work carried out by the company for assets	3,915	-	3,915
Supplies	(43,613)	-	(43,613)
Raw materials and other consumables used	(123)	-	(123)
Work performed by other companies	(43,490)	-	(43,490)
Other operating income	3,255	(93)	3,162
Non-trading and other operating income	3,179	(93)	3,086
Operating grants taken to income	76	-	76
Personnel expenses	(716,266)	-	(716,266)
Wages, salaries and similar expenses	(508,233)	-	(508,233)
Employee benefits expense	(71,543)	-	(71,543)
Provisions	(136,490)	-	(136,490)
Other operating expenses	(111,364)	(2,042)	(113,406)
External services	(107,011)	(227)	(107,238)
Taxes	(3,801)	(10)	(3,811)
Losses, impairment and changes in trade provisions	(139)	-	(139)
Other current operating expenses	(413)	(1,805)	(2,218)
Amortisation and depreciation	(92,087)	-	(92,087)
Non-financial and other capital grants	3,650	-	3,650
Provision Surpluses	1,269	-	1,269
Impairment and gains/(losses) on disposal of fixed assets	(359)	-	(359)
Other results	288	29	317
RESULTS FROM OPERATING ACTIVITIES	(215,973)	(2,039)	(218,012)
Finance income	408	40,686	41,094
Dividends	183	3,466	3,649
- Group companies and associates	36	3,465	3,501
- Other	147	1	148
Marketable securities and other financial instruments	225	37,220	37,445
- Group and associated companies	-	37,047	37,047
- Other	225	173	398
Finance expenses	(1,039)	(37,486)	(38,525)
Group companies and associates	-	-	-
Other	(1,039)	(37,486)	(38,525)
Provisions adjustment	-	-	-
Change in fair value of financial instruments	-	-	-
Exchange gains/losses	-	-	-
Impairment and gains/(losses) on disposal of financial instruments	(2)	-	(2)
Impairment and losses			
NET FINANCE INCOME/(EXPENSES)	(633)	3,200	2,567
PROFIT/(LOSS) BEFORE INCOME TAX	(216,606)	1,161	(215,445)
Income tax	9,400	(136)	9,264
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(207,206)	1,025	(206,181)
DISCONTINUED OPERATIONS			
Profit or loss from discontinued operations, net of taxes			
PROFIT/(LOSS) FOR THE PERIOD	(207,206)	1,025	(206,181)

19. Subsequent events

There have been no significant events after the reporting date and up to the reporting date that have affected the Financial Statements, other than those mentioned below:

- On 18 January 2024, the plenary session of the Constitutional Court unanimously declared unconstitutional and null and void certain corporate tax measures introduced by Royal Decree-Law 3/2016 of 2 December. This judgment was published in the Official State Gazette of 20 February 2024.

In particular, the annulled amendments to the corporate tax law are: the setting of stricter ceilings for the offsetting of tax losses; the introduction ex novo of a limit on the application of double taxation deductions; and the obligation to automatically integrate into the tax base the impairments of shares previously deducted. The implications of this ruling for ENAIRe have been twofold: firstly, the 70% compensation limit was applied instead of the 25% limit in the 2023 Corporation Tax estimate; secondly, this 70% limit was considered in tax planning to calculate recoverable tax assets over the next 10 years (note 2.5).

- On 6 February 2024, the Council of Ministers approved the second additional salary increase of 0.5%, linked to GDP, as mentioned in Note 13.3, bringing the total increase to 3.5%.
- On 27 February 2024, the Board of Directors of Aena S.M.E., S.A. proposed to the Ordinary General Shareholders' Meeting, scheduled to be held on 18 April 2024, the distribution of a gross dividend per share of €7.66, corresponding to the profit for the 2023 financial year. ENAIRe €585,990 thousand from Aena S.M.E., S.A. in 2024.