**ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries**

Condensed Consolidated Financial Statemens for the year ended December 31, 2023

***Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 22). In the event of a discrepancy, the Spanish-language version prevails.***

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## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

| ASSETS | Note | Thousands of Euros | |
|---|---|---|---|
| | | 31/12/2023 | 31/12/2022 |
| **NON-CURRENT ASSETS** | | **12,915,104** | **12,420,992** |
| **Intangible assets** | 02 | **3,281,559** | **3,283,899** |
| Goodwill | | 2,734,491 | 2,716,197 |
| Other intangible assets | | 547,068 | 567,702 |
| **Tangible assets - property, plant and equipment** | 03 | **1,591,932** | **1,572,180** |
| **Non-current assets in projects** | 04 | **224,232** | **281,746** |
| **Investment property** | | **66,557** | **68,561** |
| **Investments accounted for using the equity method** | 05 | **5,788,910** | **4,828,089** |
| **Non-current financial assets** | 06 | **1,000,529** | **1,434,655** |
| **Long term deposits** | 06 | **25,695** | **405** |
| **Derivative financial instruments** | 11 | **84,269** | **112,190** |
| **Deferred tax assets** | 12 | **851,421** | **839,267** |
| **CURRENT ASSETS** | | **23,583,166** | **25,159,308** |
| **Inventories** | 07 | **790,004** | **828,968** |
| **Trade and other receivables** | | **9,444,991** | **8,564,653** |
| Trade receivables for sales and services | 06 | 7,920,935 | 7,383,175 |
| Other receivable | 06 | 1,183,069 | 1,006,282 |
| Current tax assets | 06.06 | 340,987 | 175,196 |
| **Other current financial assets** | 06 and 10.02 | **1,163,599** | **1,180,617** |
| **Derivative financial instruments** | 11 | **528,047** | **252,839** |
| **Other current assets** | | **355,389** | **226,771** |
| **Cash and cash equivalents** | 06 | **9,087,289** | **9,419,987** |
| **Non-current assets held for sale and discontinued operations** | 01.04 | **2,213,847** | **4,685,473** |
| **TOTAL ASSETS** | | **36,498,270** | **37,580,300** |

The accompanying notes 01 to 22 and Appendix I are an integral part of the consolidated statement of financial position at 31 December 2023.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

| EQUITY AND LIABILITIES | Note | Thousands of Euros 31/12/2023 | Thousands of Euros 31/12/2022 |
|---|---|---|---|
| **EQUITY** | 08 | **5,630,571** | **6,375,877** |
| **SHAREHOLDERS' EQUITY** | | **5,008,354** | **5,166,439** |
| **Share capital** | | **139,082** | **142,082** |
| **Share premium** | | **366,379** | **366,379** |
| **Reserves** | | **4,188,688** | **4,625,358** |
| **(Treasury shares and equity interests)** | | **(465,918)** | **(622,170)** |
| **Profit for the period of the parent** | | **780,123** | **668,227** |
| **(Interim dividend)** | | **—** | **(13,437)** |
| **ADJUSTMENTS FOR CHANGES IN VALUE** | | **321,065** | **380,957** |
| **Financial assets with changes in other comprehensive income** | | **(76,079)** | **(60,016)** |
| **Hedging instruments** | | **252,940** | **343,293** |
| **Translation differences** | | **144,204** | **97,680** |
| **EQUITY ATTRIBUTED TO THE PARENT** | | **5,329,419** | **5,547,396** |
| **NON-CONTROLLING INTERESTS** | | **301,152** | **828,481** |
| **NON-CURRENT LIABILITIES** | | **11,278,208** | **11,484,229** |
| **Grants** | | **1,775** | **2,039** |
| **Non-current provisions** | 09 | **1,888,979** | **1,549,091** |
| **Non-current financial liabilities** | 10 | **8,301,487** | **8,878,681** |
| Bank borrowings, debt instruments and other marketable securities | | 8,030,443 | 8,565,069 |
| Project finance with limited recourse | | 175,649 | 205,476 |
| Other financial liabilities | | 95,395 | 108,136 |
| **Long term lease liabilities** | 03 | **543,162** | **550,746** |
| **Derivative financial instruments** | 11 | **30,373** | **23,569** |
| **Deferred tax liabilities** | 12 | **331,991** | **294,346** |
| **Other non-current liabilities** | | **180,441** | **185,757** |
| **CURRENT LIABILITIES** | | **19,589,491** | **19,720,194** |
| **Current provisions** | | **1,119,230** | **926,631** |
| **Current financial liabilities** | 10 | **1,574,900** | **1,498,323** |
| Bank borrowings, debt instruments and other marketable securities | | 1,420,031 | 1,445,417 |
| Project finance with limited recourse | | 29,814 | 33,666 |
| Other financial liabilities | | 125,055 | 19,240 |
| **Short term lease liabilities** | 03 | **160,569** | **155,055** |
| **Derivative financial instruments** | 11 | **8,019** | **131,537** |
| **Trade and other payables** | | **14,294,643** | **13,192,884** |
| Suppliers | | 7,251,923 | 7,126,000 |
| Other payables | | 6,856,908 | 5,898,483 |
| Current tax liabilities | | 185,812 | 168,401 |
| **Other current liabilities** | | **441,997** | **336,288** |
| **Liabilities relating to non-current assets held for sale and discontinued operations** | 01.04 | **1,990,133** | **3,479,476** |
| **TOTAL EQUITY AND LIABILITIES** | | **36,498,270** | **37,580,300** |

The accompanying notes 01 to 22 and Appendix I are an integral part of the consolidated statement of financial position at 31 December 2023.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

## CONSOLIDATED INCOME STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | Thousands of Euros | |
|---|---|---|---|
| | | 2023 | 2022 |
| **REVENUE** | 13 | **35,737,759** | **33,615,234** |
| Changes in inventories of finished goods and work in progress | | 8,349 | 10,242 |
| Capitalised expenses of in-house work on assets | | 1,405 | 250 |
| Procurements | | (24,461,939) | (23,375,215) |
| Other operating income | | 163,890 | 170,138 |
| Personnel expenses | | (7,835,264) | (7,249,882) |
| Other operating expenses | | (2,224,849) | (2,272,551) |
| Depreciation and amortisation | | (551,019) | (620,750) |
| Allocation of grants relating to non-financial assets and others | | 246 | 299 |
| Impairment and gains or losses on the disposal of non-current assets | 16 | 41,011 | 692,646 |
| Other results | 16 | (155,192) | (277,597) |
| Ordinary results of companies accounted for using the equity method | 05 | 411,880 | 380,918 |
| Financial income | | 302,408 | 178,369 |
| Financial costs | 14 | (659,141) | (484,152) |
| Changes in the fair value of financial instruments | 17 | 422,436 | 219,220 |
| Exchange differences | | 1,045 | 9,583 |
| Impairment and gains or losses on the disposal of financial instruments | 16 | (79,165) | 7,345 |
| Non-ordinary results of companies accounted for using the equity method | 05 | 3,369 | 4,554 |
| **PROFIT BEFORE TAX** | 13 | **1,127,229** | **1,008,651** |
| Income tax | 12 | (199,084) | (201,200) |
| **PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS** | | **928,145** | **807,451** |
| Profit after tax from discontinued operations | 01.04.02 | — | 65,333 |
| **PROFIT FOR THE PERIOD** | | **928,145** | **872,784** |
| (Profit) / loss attributed to non-controlling interests | | (148,022) | (204,557) |
| (Profit) / loss from discontinued operations attributable to non-controlling interests | | — | — |
| **PROFIT ATTRIBUTABLE TO THE PARENT** | | **780,123** | **668,227** |

| EARNINGS PER SHARE | Note | Euros per share | |
|---|---|---|---|
| | | 2023 | 2022 |
| Basic earnings per share | 01.11 | 3.00 | 2.50 |
| Diluted earnings per share | 01.11 | 3.00 | 2.50 |
| Basic earnings per share from discontinued operations | 01.11 | — | 0.24 |
| Basic earnings per share from continuing operations | 01.11 | 3.00 | 2.26 |
| Diluted earnings per share from discontinued operations | 01.11 | — | 0.24 |
| Diluted earnings per share from continuing operations | 01.11 | 3.00 | 2.26 |

The accompanying notes 01 to 22 and Appendix I are an integral part of the consolidated income statement for the year ended 31 December 2023.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| **(A) CONSOLIDATED RESULTS FOR THE PERIOD** | **928,145** | **872,784** |
| **(B) OTHER COMPREHENSIVE INCOME - ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD:** | **(30,978)** | **150,204** |
| For actuarial gains and losses | (35,749) | 197,747 |
| Tax effect | 4,771 | (47,543) |
| **(C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED AFTER THE INCOME FOR THE PERIOD:** | **(73,503)** | **618,721** |
| **1. Hedging transactions:** | **(65,181)** | **130,225** |
| Valuation gains/(losses) | (33,189) | 119,592 |
| Amounts transferred to the profit and loss account | (31,992) | 10,633 |
| **2. Conversion differences:** | **106,201** | **93,478** |
| Valuation gains/(losses) | 55,190 | 115,036 |
| Amounts transferred to the profit and loss account | 51,011 | (21,558) |
| **3. Share in other comprehensive income recognized for investments in joint ventures and associates:** | **(120,743)** | **504,765** |
| Valuation gains/(losses) | (120,743) | 504,765 |
| **4. Debt instruments at Fair value through other comprehensive income** | **—** | **—** |
| **5. Other income and expenses that may be reclassified after the result of the period:** | **(5,817)** | **(97,980)** |
| Valuation gains/(losses) | (5,817) | (97,980) |
| Amounts transferred to the profit and loss account | — | — |
| **6. Tax effect** | **12,037** | **(11,767)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A + B + C)** | **823,664** | **1,641,709** |
| Attributed to the controlling entity | 696,093 | 1,331,915 |
| Attributed to non-controlling interests | 127,571 | 309,794 |

The accompanying notes 01 to 22 and Appendix I are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2023.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
### FOR THE YEAR ENDED 31 DECEMBER 2023

| | Thousands of Euros | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Retained earnings and other reserves | Treasury shares | Valuation adjustments | Profit/ (Loss) attributed to the Parent | Interim dividend | Non-controlling interests | TOTAL |
| **Balance at 01 January 2022** | **152,332** | **366,379** | **3,633,014** | **(691,916)** | **(170,918)** | **3,045,413** | **—** | **693,899** | **7,028,203** |
| Income / (expenses) recognised in equity | — | — | 111,813 | — | 551,875 | 668,227 | — | 309,794 | **1,641,709** |
| Capital increases (Note 01.10 and 08) | 6,090 | — | (6,090) | — | — | — | — | — | **—** |
| Capital reductions (Note 01.10 and 08) | (10,250) | — | 10,250 | — | — | — | — | — | **—** |
| Stock options | — | — | 4,471 | — | — | — | — | — | **4,471** |
| Distribution of profit from the prior year: | | | | | | | | | |
| To reserves | — | — | 3,045,413 | — | — | (3,045,413) | — | — | **—** |
| Acquisition of free allocation rights against 2021 (Note 01.10) | — | — | (128,736) | — | — | — | — | — | **(128,736)** |
| Remaining allotment rights from 2021 accounts (Note 01.10) | — | — | 71,310 | — | — | — | — | — | **71,310** |
| Acquisition of additional free allocation rights 2021 (Note 01.10) | — | — | (388,861) | — | — | — | — | — | **(388,861)** |
| Remaining allotment rights from 2021 accounts (Note 01.10) | — | — | 203,294 | — | — | — | — | — | **203,294** |
| To dividends | — | — | — | — | — | — | (13,437) | (97,712) | **(111,149)** |
| Treasury shares (Note 08.02) | (6,090) | — | (773,438) | 69,746 | — | — | — | — | **(709,782)** |
| Treasury shares through investees | — | — | 155 | — | — | — | — | 64 | **219** |
| Changes in the ownership interest in controlled entities (Note 08.04) | — | — | (1,097,057) | — | — | — | — | (430,683) | **(1,527,740)** |
| Change in the consolidation perimeter and other effects of a lesser amount | — | — | (60,180) | — | — | — | — | 353,119 | **292,939** |
| **Balance at 31 December 2022** | **142,082** | **366,379** | **4,625,358** | **(622,170)** | **380,957** | **668,227** | **(13,437)** | **828,481** | **6,375,877** |
| Income / (expenses) recognised in equity | — | — | (24,138) | — | (59,892) | 780,123 | — | 127,571 | **823,664** |
| Capital increases (Note 01.10 and 08) | 4,849 | — | (4,849) | — | — | — | — | — | **—** |
| Capital reductions (Note 01.10 and 08) | (3,000) | — | 3,000 | — | — | — | — | — | **—** |
| Stock options | — | — | 6,785 | — | — | — | — | 161 | **6,946** |
| Distribution of profit from the prior year: | | | | | | | | | |
| To reserves | — | — | 654,790 | — | — | (668,227) | 13,437 | — | **—** |
| Acquisition of free allocation rights against 2022 (Note 01.10) | — | — | (123,960) | — | — | — | — | — | **(123,960)** |
| Remaining allotment rights from 2022 accounts (Note 01.10) | — | — | 64,918 | — | — | — | — | — | **64,918** |
| Acquisition of additional free allocation rights 2022 (Note 01.10) | — | — | (382,278) | — | — | — | — | — | **(382,278)** |
| Remaining allotment rights from 2022 accounts (Note 01.10) | — | — | 218,340 | — | — | — | — | — | **218,340** |
| To dividends | — | — | — | — | — | — | — | (172,947) | **(172,947)** |
| Treasury shares (Note 08.02) | (4,849) | — | (380,012) | 156,252 | — | — | — | — | **(228,609)** |
| Treasury shares through investees | — | — | 1,493 | — | — | — | — | 410 | **1,903** |
| Changes in the ownership interest in controlled entities (Note 08.04) | — | — | (405,925) | — | — | — | — | (55,375) | **(461,300)** |
| Change in the consolidation perimeter and other effects of a lesser amount | — | — | (64,834) | — | — | — | — | (427,149) | **(491,983)** |
| **Balance at 31 December 2023** | **139,082** | **366,379** | **4,188,688** | **(465,918)** | **321,065** | **780,123** | **—** | **301,152** | **5,630,571** |

The accompanying notes 01 to 22 and Appendix I are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2023.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

| | | Note | Thousands of Euros | |
|---|---|---|---|---|
| | | | 2023 | 2022 |
| A) | **CASH FLOWS FROM OPERATING ACTIVITIES** | | **1,502,337** | **1,743,338** |
| 1 | **Profit before tax** | | **1,127,229** | **1,008,651** |
| 2 | **Adjustments for:** | | **190,374** | **376,951** |
| | Depreciation and amortisation | | 551,019 | 620,750 |
| | Other adjustments to profit (net) | 01.07 | (360,645) | (243,799) |
| 3 | **Changes in working capital** | | **(72,652)** | **44,135** |
| 4 | **Other cash flows from operating activities:** | | **257,386** | **313,601** |
| | Interest paid | 10 | (650,564) | (470,524) |
| | Dividends received | | 929,358 | 640,225 |
| | Interest received | 01.07 | 284,555 | 169,947 |
| | Income tax (paid) / received | 12 | (305,963) | (26,047) |
| B) | **CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES** | 02 and 03 | **(15,747)** | **(198,099)** |
| 1 | **Investment paid:** | | **(1,965,357)** | **(772,986)** |
| | Group companies, associates and business units | | (1,452,810) | (452,476) |
| | Property, plant and equipment, intangible assets, projects and property investments | | (495,532) | (285,175) |
| | Other financial assets | | (16,748) | (35,278) |
| | Other assets | | (267) | (57) |
| 2 | **Divestment:** | 02 and 03 | **1,949,610** | **574,887** |
| | Group companies, associates and business units | | 1,869,757 | 484,327 |
| | Property, plant and equipment, intangible assets, projects and investment property | | 68,914 | 76,062 |
| | Other financial assets | | 10,939 | 14,498 |
| C) | **CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | | **(1,652,857)** | **(3,537,774)** |
| 1 | **Equity instrument proceeds / (and payment):** | 01.07 and 08 | **(1,063,706)** | **(2,233,472)** |
| | Issue | | — | 60,932 |
| | Acquisition | | (1,081,954) | (2,294,674) |
| | Disposal | | 18,248 | 270 |
| 2 | **Liability instrument proceeds / (and payment):** | 10 | **228,047** | **(376,983)** |
| | Issue | | 3,776,770 | 3,703,193 |
| | Refund and repayment | | (3,548,723) | (4,080,176) |
| 3 | **Dividends paid and remuneration relating to other equity instruments:** | 01.10 | **(394,458)** | **(351,747)** |
| 4 | **Other cash flows from financing activities:** | | **(422,740)** | **(575,572)** |
| | Payment of operating lease principal | | (215,935) | (201,955) |
| | Other financing activity proceeds and payables | 01.07 | (206,805) | (373,617) |
| D) | **EFFECT OF CHANGES IN EXCHANGE RATES** | | **(166,431)** | **159,103** |
| E) | **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(332,698)** | **(1,833,432)** |
| F) | **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD** | | **9,419,987** | **11,253,419** |
| G) | **CASH AND CASH EQUIVALENTS AT END OF THE PERIOD** | | **9,087,289** | **9,419,987** |

**CASH AND CASH EQUIVALENTS AT END OF THE PERIOD**

| | | | |
|---|---|---|---|
| Cash and banks | | 7,255,264 | 6,078,133 |
| Other financial assets | | 1,832,025 | 3,341,854 |
| **TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD** | | **9,087,289** | **9,419,987** |

The accompanying notes 01 to 22 and Appendix I are an integral part of the consolidated statement of cash flows for the year ended 31 December 2023.

# ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Explanatory notes to the Condensed Consolidated Financial Statements for the year ended December 31, 2023

## 01. Introduction and basis of presentation for the Condensed Consolidated Financial Statements

ACS, Actividades de Construcción y Servicios, S.A., the Parent Company, is public company incorporated in Spain in accordance with the Spanish Public Companies Act [Ley de Sociedades Capital] and its registered office is at Avenida de Pío XII, no. 102, 28036 Madrid.

In addition to the transactions it carries out directly, ACS, Actividades de Construcción y Servicios, S.A. is the head of a group of companies with diverse activities, including construction (both civil construction and building) and concessions and services (for individuals and buildings, cities and their surroundings), which make up the ACS Group. The Company is therefore required to prepare, in addition to its own Individual Annual Accounts, the Consolidated Annual Accounts for the ACS Group, which include subsidiaries, interests in joint ventures and investments in associates.

### *01.01. Basis of presentation and principles for consolidation*

#### 01.01.01. Basis of presentation

The Condensed Consolidated Financial Statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries (“the ACS Group”) for the year ended December 31, 2023, were approved by the directors of the Parent Company at its Board meeting held on February 29, 2024, and were prepared using the accounting records kept by the Parent Company and the other companies within the ACS Group.

The directors approved the Condensed Consolidated Financial Statements on the presumption that anyone who reads them will also have access to the Consolidated Annual Accounts for the year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS), which were authorized for issue on March 23, 2023, and approved by the shareholders at the Annual General Meeting held on May 5, 2023. Consequently, and as they have been prepared using the accounting principles and standards employed in preparing the Consolidated Annual Accounts, it was not necessary to repeat or update the notes included in these Condensed Consolidated Financial Statements. Instead, the accompanying explanatory notes include an explanation of events and transactions that are significant to an understanding of the changes in the consolidated financial position and consolidated performance of the ACS Group since the date of the above-mentioned Consolidated Annual Accounts. The interim financial information therefore does not include all the information required by the EU-IFRS for a set of complete consolidated financial statements.

This consolidated interim financial information was prepared in accordance with International Accounting Standard 34 (IAS 34), on Interim Financial Reporting, and all the mandatory accounting principles and rules and measurement bases and, accordingly, they present fairly the ACS Group’s consolidated equity and financial position at December 31, 2023, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the interim period then ended. All of this is pursuant to section 12 of Royal Decree 1362/2007.

In preparing this consolidated financial information for the ACS Group for the year ended December 31, 2023, estimates were occasionally made by the senior executives of the Group and of the consolidated entities to quantify certain of the assets, liabilities, income, expenses and obligations reported in these financial statements. These estimates essentially refer to the same aspects detailed in the Consolidated Annual Accounts for the year ended December 31, 2022:

- The measurement to determine whether there are impairment losses on certain assets and, in particular, the assumptions and hypotheses considered in the analysis of the recoverability of the investment in Abertis and goodwill.
- The fair value of the assets acquired and of the liabilities assumed in business combinations and the assignment of purchase price allocation in acquisitions.
- The recognition of construction contract revenue and costs.
- The amount of certain provisions.
- The assumptions used in calculating liabilities and obligations to employees.
- The market value of derivatives (such as equity swaps, interest rate swaps, forward contracts, the put option granted to Elliott on the interest in Thiess, the put option granted to Elliott to sell its Class C preference shares in Thiess, etc.) mentioned in Note 11.
- The useful life of the intangible assets and property, plant and equipment.
- The recoverability of deferred tax assets.
- The determination of the fair value of financial assets ("earn-out") and their consideration as discontinued operations.
- Environmental issues and their effect on assumptions of accounting estimates and judgements related to financial information.

Although these estimates were made on the basis of the best information available at the date of authorization for issue of these Condensed Consolidated Financial Statements on the events analyzed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognizing the effects of the change in estimates in the related future Consolidated Annual Accounts.

### Changes in accounting estimates and policies and correction of fundamental errors

- #### Changes in accounting estimates

The effect of any change in accounting estimates is recognized in the same income statement line item as that in which the expense or income measured using the previous estimate had been previously recognized.

- #### Changes in accounting policies and correction of fundamental errors

In accordance with IAS 8, the effect of any change in accounting policies and of any correction of fundamental errors is recognized as follows: the cumulative effect at the beginning of the year is adjusted in reserves, whereas the effect on the current year is adjusted in profit or loss. Also, in these cases, the financial data for the comparative year presented together with those for the current year are restated.

No errors were corrected in the Condensed Consolidated Financial Statements for the year ended December 31, 2022. Nor were there any significant changes in accounting policies.

### 01.01.02. Bases of consolidation

Except with respect to the entry into force of new accounting standards, the bases of consolidation applied in 2023 are consistent with those applied in the Consolidated Annual Accounts for 2022 (see Note 01.02).

### 01.01.03. Macroeconomic Environment

The ACS Group is exposed to risks arising from the businesses and sectors in which it operates. In addition, given that the Group operates in different countries, it is exposed to various regulatory and macroeconomic environments and therefore to any risks stemming from the performance of the global economy. At the date of these Consolidated Summary Financial Statements, current conflicts such as Russia's invasion of Ukraine (and the effects of sanctions and other actions by several countries on the Russian economy intended to isolate and weaken it), the conflict between Israel and Gaza and the situation in the Red Sea have not had a significant impact on the ACS Group's activity. They are however causing inflationary pressure and supply chain problems and, in general, significantly disrupting the global economy, increasing economic uncertainty and asset value volatility. The ACS Group continually monitors the situation’s potential impact on operating and financial performance in the activities of its various divisions. Although the current situation caused by the various conflicts has given rise to uncertainty regarding the performance and development of the markets and the infrastructure industry, the Group is lowering the risk profile of new contracts and has highly diversified by activities and location, in developed regions with stable political frameworks,  making it possible to mitigate any future impacts.

### *01.02. Entry into force of new accounting standards*

#### Changes in accounting policies

The following mandatory standards and interpretations, already adopted in the European Union, came into force in 2023 and, where applicable, were used by the Group in preparing the Condensed Consolidated Financial Statements:

***( 1 ) New standards, amendments and interpretations whose application is mandatory in the year beginning January 1, 2023:***

<table>
<tr><th colspan="2">Approved for use in the European Union</th><th>Mandatory application in the years beginning on or after:</th></tr>
<tr><td>IFRS 17<br>Insurance Contracts</td><td>It replaces IFRS 4 and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.</td><td rowspan="6">January 1, 2023</td></tr>
<tr><td>Amendments to IAS 1<br>Disclosure of accounting policies</td><td>Amendments that require companies to appropriately identify the material accounting policy information that should be disclosed in the financial statements.</td></tr>
<tr><td>Amendments to IAS 8<br>Definition of accounting estimate</td><td>Amendments and clarifications on the definition of a change in accounting estimates.</td></tr>
<tr><td>Amendments to IAS 12<br>Deferred tax related to assets and liabilities arising from a single transaction</td><td>Clarifications on how companies should account for deferred tax and liabilities arising from a single transaction such as leases and decommissioning obligations.</td></tr>
<tr><td>Amendments to IFRS 17<br>Insurance Contracts - Initial application of IFRS 17 and IFRS 9. Comparative information</td><td>Amendments to the transition requirements of IFRS 17 for insurers applying both IFRS 17 and IFRS 9 for the first time.</td></tr>
<tr><td>Amendments to IAS 12<br>Tax reform - Pillar 2 Model Rules</td><td>This amendment introduces a mandatory temporary exemption from the recognition of deferred taxes under IAS 12 related to the entry into force of the international Pillar 2 tax model. It also includes additional breakdown requirements.</td></tr>
</table>

Due to their relationship with certain companies of the Hochtief Group, the new IFRS 17, "Insurance contracts,” which as of January 1, 2023, replaced the previous IFRS 4" Insurance contracts” in its entirety. The standard is relevant for these companies in relation to the non-life insurance business mainly due to their reinsurance activity for insured construction risks.

Insurance contracts are measured using the block building approach in which the estimate of the present value includes all the discounted future cash flows, including an explicit risk adjustment and a contractual service margin. The contractual service margin represents the unearned profit that will be recognized in the future during the period in which the insurance contract services are provided. The measurement of insurance items, such as liabilities for insurance claims, typically takes into account all cash flows arising from the rights and obligations of an insurance contract. As a result, some items that were separately disclosed under IFRS 4 in our consolidated financial statements, such as deferred income comprising insurance premiums received in advance for subsequent periods, are omitted.

The Group has chosen the modified retrospective approach for the transition to IFRS 17. The initial application of IFRS 17 has not had significant effects on its transition considering the ACS Group's consolidated financial statements as a whole. Its effect in the consolidated income statement was EUR 12.5 million and EUR 17.3 million in the consolidated statement of comprehensive income in 2023. Under this approach, the presentation of the comparative period remains unchanged as does the opening of the consolidated statement of financial position for the period.

The overlay approach applied to certain marketable securities held by our insurance companies, which previously allowed for fair value adjustments through other comprehensive income, ended with the introduction of IFRS 17. There were no significant effects on profit or loss as a result of the measurement of these marketable securities with changes in the income statement.

In relation to other previous standards, the ACS Group applied the standards in 2023 but they did not have a significant impact on the figures or the presentation and disclosure of the information, either because they did not entail any significant changes or because they refer to economic events that do not affect the ACS Group.

***( 2 ) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning January 1, 2023 (applicable from 2024 onwards):***

At the date of approval of these Condensed Consolidated Financial Statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the Condensed Consolidated Financial Statements or because they had not yet been adopted by the European Union:

| **Approved for use in the European Union** | | **Mandatory application in the years beginning on or after:** |
|---|---|---|
| Amendments to IFRS 16<br>Lease liability in a sale and leaseback transaction | This amendment clarifies how companies subsequently account for lease liabilities arising on sale and leaseback transactions (sale & leaseback). | January 1, 2024 |
| **Not yet approved for use in the European Union** | | **Mandatory application in the years beginning on or after:** |
| Amendments to IAS 1<br>Classification of liabilities as current and non-current and those subject to covenants | Clarifications regarding the presentation of liabilities as current or non-current, and in particular those whose maturity is conditional on compliance with covenants. | January 1, 2024 |
| Amendments to IAS 7 and IFRS 7<br>Supplier finance arrangements | This amendment introduces requirements for discounting information specific to financing agreements with suppliers and their effects on the Company's liabilities and cash flows, including liquidity risk and associated risk management. | |
| Amendments to IAS 21<br>Lack of exchangeability | This amendment establishes an approach that specifies when one currency can be exchanged for another and, if it cannot be exchanged, the determination of the exchange rate to be used. | January 1, 2025 |

The directors do not expect any significant impact from the introduction of these amendments that have been published but have not come into force, as they are prospective applications, changes in presentation and disclosure and/or deal with aspects not applicable or not significant to the Group's operations.

### *01.03. Comparative information*

The information contained in these Condensed Consolidated Financial Statements for the ACS Group for the year ended December 31, 2022, is presented solely for comparative purposes with each item in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the explanatory notes of the Condensed Consolidated Financial Statements for the year ended December 31, 2023.

The explanatory notes include events or changes that might appear significant in explaining changes in the financial position and consolidated results of the ACS Group since the Group’s last Consolidated Annual Accounts for 2022.

## *01.04. Non-current assets held for sale, liabilities related to non-current assets held for sale and discontinued operations*

### 01.04.01. Non-current assets held for sale and liabilities related to non-current assets held for sale

2023

At December 31, 2023, the non-current assets held for sale relate mainly to assets corresponding to 21.62% of the SH288 highway in Houston (United States) bought in 2023 (see Note 01.08), energy projects in the process of being sold, such as the off-shore Kinkardine wind farm in Scotland and the Ca-Ku-A natural gas compression facility in Mexico, and other renewable energy and water assets that remain in the Group after the 2021 sale of most of the Industrial Services Line of Business signed with Vinci (see Note 01.04.02).

In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale. It should be noted that the assets, which were classified as held for sale at December 31, 2023, were held in this category for a period of more than 12 months, but they were not sold due to certain circumstances, which at the time of their classification were not likely. Paragraph B1 (c) of appendix B of IFRS 5 exempts a company from using a one-year period as the maximum period for classifying an asset as held for sale if, during this period, circumstances arise that were previously considered unlikely, the assets were actively marketed at a price that is reasonable, they fulfill the requirements undertaken by management and there is a high probability that the sale will occur within one year from the balance sheet date.

In 2023 the total value of the non-current assets held for sale decreased to EUR 2,471,626 thousand and the liabilities related to these assets decreased to EUR 1,489,343 thousand. The reduction between 2022 and 2023 is mainly due to the sale of 56.76% of the SH-288 highway in Houston, Texas, to Abertis Infraestructuras, S.A. in December 2023 (see Note 01.08), with the consequent loss of control over it and its exclusion from the scope of consolidation in the Group's statement of financial position. Another reason for the decrease was the derecognition of the Hydro Management, S.L. desalination plant given that the conditions required in the accounting standard to maintain this classification were no longer met.

The breakdown of the assets held for sale and liabilities related to these assets at December 31, 2023, is as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | 31/12/2023 | | | |
| | Renewable energy | Highways | Other | Total |
| Tangible assets - property, plant and equipment | 9,693 | — | 1,298 | 10,991 |
| Intangible assets | — | — | — | — |
| Non-current assets in projects | 692,381 | 2 | 159,910 | 852,293 |
| Financial Assets | 30,883 | 528,341 | 525,692 | 1,084,916 |
| Deferred tax assets | 49,684 | — | 3,768 | 53,452 |
| Current assets | 76,824 | 3,255 | 132,116 | 212,195 |
| **Assets held for sale** | **859,465** | **531,598** | **822,784** | **2,213,847** |
| Non-current liabilities | 681,815 | 179,061 | 113,812 | 974,688 |
| Current liabilities | 149,271 | 318,805 | 547,369 | 1,015,445 |
| **Liabilities relating to assets held for sale** | **831,086** | **497,866** | **661,181** | **1,990,133** |
| **Non-controlling interests held for sale** | **7,081** | **—** | **—** | **7,081** |

“Other” mainly includes assets related to desalination plants, gas compression plants and wastewater treatment plants related to the Industrial business. In 2023, the entire stake in Ventia that had been reclassified as an asset held for sale at the beginning of 2023 was sold (see Note 01.08).

The ACS Group is currently studying and analyzing the various put options or is in the process of selling them at the expense of obtaining the relevant authorizations and, therefore, has classified these assets under “Non-current assets held for sale” and “Liabilities related to non-current assets held for sale.”

The amount relating to net debt included under assets held for sale and liabilities related to these assets at December 31, 2023, totaled EUR 1,777,539 thousand (EUR 1,593,715 thousand at December 31, 2022), of which EUR 693,943 thousand (EUR 678,880 thousand at December 31, 2022) relates to renewable energies, EUR 494,607 thousand to highways (479,412 thousand at December 31, 2022) and EUR 588,989 thousand to other assets (EUR 435,423 thousand at December 31, 2022). The total amount of this net debt includes EUR 215,920 thousand (EUR 741,236 thousand at December 31, 2022) corresponding to limited recourse project financing. Net debt is calculated using the arithmetic sum of the current and non-current financial liabilities, less long term deposits, other current financial assets and cash and cash equivalents and the market value of listed shares registered as non-current assets held for sale.

### 2022

At December 31, 2022, non-current assets held for sale related mainly to the renewable energy and water assets that the Group still held following the sale of most of the Industrial Services Line of Business to Vinci (see Note 01.04.02) in 2021, as well as the SH288 Highway in Houston (United States) and to Concessions.

The breakdown of the assets held for sale and liabilities related to these assets at December 31, 2022, was as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | 31/12/2022 | | | |
| | Renewable energy | Highways | Other | Total |
| Tangible assets - property, plant and equipment | 4,270 | 923 | 1,199 | 6,392 |
| Intangible assets | — | 388,203 | 3,829 | 392,032 |
| Non-current assets in projects | 708,323 | 2,390,377 | 37,165 | 3,135,865 |
| Financial Assets | 26,393 | 119,827 | 680,451 | 826,671 |
| Deferred tax assets | 37,803 | — | 3,379 | 41,182 |
| Current assets | 88,248 | 24,225 | 170,858 | 283,331 |
| **Assets held for sale** | **865,037** | **2,923,555** | **896,881** | **4,685,473** |
| Non-current liabilities | 188,985 | 1,021,464 | 455,458 | 1,665,907 |
| Current liabilities | 621,700 | 1,090,037 | 101,832 | 1,813,569 |
| **Liabilities relating to assets held for sale** | **810,685** | **2,111,501** | **557,290** | **3,479,476** |
| **Non-controlling interests held for sale** | **8,084** | **405,990** | **2,733** | **416,807** |

"Other" included assets related to desalination plants, transmission lines, gas compression plants and wastewater treatment plants related to the Industrial business and the assets held for sale from Cimic.

Worthy of note in 2022 was the incorporation of the SH288 highway in Houston (United States) (see Note 01.08) and the sale of the wind farms of Vientos del Pastorale, S.A. and Parque Eólico Kiyú, S.A. in Uruguay and the hydroelectric plant Hidromanta in Peru that belong to Spinning Assets, S.L.U. for an amount equal to EUR 108.0 million in June 2022. In addition, the renewable energy plants of Tonopah in the United States and Manchasol 1 Central Termosolar Uno, S.L. in Spain were no longer considered to be assets held for sale because the conditions required by accounting regulations for this classification were not met.

The income and expenses recognized under "Valuation adjustments" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at December 31, 2023 and 2022, are as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | 31/12/2023 | | | |
| | Renewable energy | Highways | Other | Total |
| Exchanges differences | 3,135 | 1,433 | 5,447 | 10,015 |
| Cash flow hedges | 5,760 | — | 3,145 | 8,905 |
| **Adjustments for changes in value** | **8,895** | **1,433** | **8,592** | **18,920** |

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | 31/12/2022 | | | |
| | Renewable energy | Highways | Other | Total |
| Exchanges differences | 894 | — | 21,651 | 22,545 |
| Cash flow hedges | 3,453 | — | — | 3,453 |
| **Adjustments for changes in value** | **4,347** | **—** | **21,651** | **25,998** |

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. For this to be the case, the assets or disposal groups must be available for immediate sale in their present condition, and their sale must be highly probable.

#### 01.04.02. Discontinued operations

**Industrial**

The ACS Group and the Vinci Group signed, effective December 31, 2021, the public deed of sale for the majority of the Industrial business of the Group ACS, which given the size of the business being sold – basically all of ACS' operations and cash flows in this business that could be separated from the rest of the Group's operations – it was decided to recognize the Industrial business being sold to Vinci as a discontinued operation in 2021 under "Profit after tax from discontinued operations" in the ACS Group's income statement.

In addition to the collection of EUR 4,902 million in cash in favor of the ACS Group, there was a maximum earnout of EUR 600 million in cash at a rate of EUR 20 million for each half GW developed by the Industrial activity sold (up to the "ready to build" stage) between March 31, 2021, and up to 7 years after the execution of the sale, which may be extended for an additional 18 months if the Industrial activity sold fails to perform 6 GW in the first 42 months. At December 31, 2022, the ACS Group updated the valuation performed in 2021 based on the best information available, bringing the fair value of the earn-out to EUR 329 million (see Note 06.03). Along with other impacts relating to the sale, this gave rise to a profit of EUR 65.3 million under "Profit after tax from discontinued operations" given that, in accordance with IFRS 5.35, impacts relating to the disposal of discontinued operations in a previous period are classified separately in the information on those discontinued operations. In 2023, EUR 40 million has been collected for the first GW developed, and after the 2023 reporting date an additional EUR 40 million has been collected for the second GW developed (see Note 06.03).

### *01.05. Materiality*

In accordance with IAS 34, in deciding the information to be disclosed on the various items in the financial statements or other matters in the explanatory notes to the financial statements, the Group took into account their materiality in relation to the Condensed Consolidated Financial Statements.

### *01.06. Events after the reporting date*

On January 8, 2024, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 5, 2023. The purpose of the capital increase is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the first capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the first capital increase referred to in the previous paragraph.

The maximum number of new shares to be issued in the first capital increase charged to reserves agreed at the Annual General Meeting held on May 5, 2023 (through which an optional dividend in shares or cash is structured) was set at 3,234,472 on January 16, 2024.

ACS, Actividades de Construcción y Servicios, S.A. agreed to purchase from its shareholders the free allotment rights corresponding to this first capital increase at a price that was set at a fixed gross amount of EUR 0.457 for each right.

After the negotiation period for the free allotment rights corresponding to the first bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 35.45% of the free allotment rights. After the decision-making period granted to the shareholders had elapsed, in January 2024 the following events took place:

– The dividend was determined to be a total gross amount of EUR 45,067,502.86 (EUR 0.457 per share) and was paid on February 6, 2024.
– The final number of shares subject to the share capital increase was 1,875,974 for a nominal amount of EUR 937,987.00, which were redeemed simultaneously for the same amount (see Note 08.02).

On January 30, 2024, with respect to the Supreme Court's judgment, of which notice was served the previous day, ruling on the appeal by ACESA, a subsidiary of Abertis, on the AP 7 agreement, ACS stated that the impact of this ruling on its consolidated accounts is a negative EUR 14.5 million and has been recognized in the 2023 results.

At 15 February 2024, the commitment relating to the capital increase of EUR 390 million (30% of the total EUR 1,300 million commitment) approved by Abertis Holdco's shareholders prior to the reporting date (see Note 05).

The Texas Transportation Commission (USA) met on March 28, 2024 to authorize the creation of a transportation corporation and the possible early termination of the concession contract for the SH-288 highway, currently owned by the ACS Group and Abertis, which has been operating with outstanding success since it came into operation in November 2020. The termination fee maintained by the grantor amounts to approximately US$1,732 million.

However, the Commission has announced that prior to the decision, a six-month period will be opened in which possible alternatives that avoid such early termination and that reflect the interest of the State of Texas and the investor shareholders will be negotiated.

### *01.07. Consolidated statement of cash flows*

The following terms are used in the consolidated statements of cash flows with the meanings specified:

– Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments subject to an insignificant risk of changes in value.
– Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
– Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
– Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

In view of the diversity of its businesses and activities, the Group opted to report cash flows using the indirect method.

In preparing the consolidated statement of cash flows, cash and cash equivalents were considered to be cash on hand, demand deposits at banks and short-term, highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of changes in value.

The breakdown of “Other adjustments to profit (net)” in the consolidated statement of cash flows for 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Financial income | (302,408) | (178,369) |
| Financial costs | 659,141 | 484,152 |
| Ordinary results of companies accounted for using the equity method | (411,880) | (380,918) |
| Non-ordinary results of companies accounted for using the equity method | (3,369) | (4,554) |
| Impairment and gains or losses on disposal of financial instruments | 79,165 | (7,345) |
| Changes in the fair value of financial instruments | (422,436) | (219,220) |
| Impairment and gains or losses on the disposal of non-current assets and other items | 41,142 | 62,455 |
| **Total** | **(360,645)** | **(243,799)** |

The breakdown of “Interest received” in the consolidated statement of cash flows for 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Operative interest received | 213,135 | 150,964 |
| Interest received from bank accounts | 70,977 | 15,914 |
| Other non-operative | 443 | 3,069 |
| **Total** | **284,555** | **169,947** |

In preparing the consolidated statement of cash flows for 2023 and 2022, the acquisitions of ACS treasury shares were included under “Equity instrument proceeds/(and payment)” in the section on cash flows from financing activities (see Note 08.02). In addition, in 2023, cash outflows from the purchase of shares of Hochtief, A.G. amounting to EUR 462.3 million were considered as cash flows from financing activities. In 2022, the amount of the Hochtief 10% capital increase and the subsequent purchases by Hochtief of EUR 543.1 million as well as the cash outflows resulting from Hochtief's tender offer to acquire the remaining Cimic shares in the amount of AUD 1,500 million (EUR 985 million) were included (see Note 08.04).

The payments made in 2023 by Hochtief for the settlement of the CCPP project in Australia and the payments made to resolve the litigation situation on Radials 3 and 5 amounting to a total EUR 233 million were recognized under “Other financing activity proceeds and payables” in the statement of cash flows (see Note 09). This same heading includes the payments made in 2022 by Hochtief in the amount of EUR 278 million for the settlement of the first installment on the CCPP project in Australia, the final payment for the Chilean Alto Maipo project, and the legal costs and financial expenses arising from the litigation relating to the closure of the Seattle project (see Note 16).

In relation to cash flows, in accordance with IFRS 16.50, cash payments for the interest portion of the lease liability are still classified as financing activities by applying the same alternative as that permitted by IAS 7.33 Statement of Cash Flows in force for financial interest.

The reconciliation of the carrying amount of the liabilities arising from financing activities, separately disclosing the changes that generate cash flows from those that do not for 2023 and 2022, is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| **Initial net cash (debt) (Note 10.03)** | **224,005** | **2,008,640** |
| **Cash flows** | | |
| Issue of financial assets / (liabilities) | (3,776,770) | (3,703,193) |
| Payments of financial liabilities | 3,548,723 | 4,080,176 |
| Cash and cash equivalents | (166,267) | (1,992,535) |
| **No Impact of Flows** | | |
| Change in net debt held for sale (Note 01.04) | 183,824 | 772 |
| Exchange difference | (82,576) | 119,335 |
| Reclassifications | 48,545 | (506,339) |
| Change in the consolidation perimeter and others | 420,712 | 217,149 |
| **Final net cash (debt) (Note 10.03)** | **400,196** | **224,005** |

The amount corresponding to reclassifications at December 31, 2022, mainly included the reclassification of the debt arising from the full consolidation of the SH288 highway to non-current assets held for sale and liabilities relating to non-current assets held for sale (see Notes 01.08 and 01.04.01). The changes in the scope of consolidation and others at December 31, 2023, include the impact of the deconsolidation of SH288 following the sale of 56.76% to Abertis Infraestructuras, which was recorded as a non-current asset held for sale, and at December 31, 2022, they mainly included the change in net debt arising from the sale of the non-current assets held for sale of the Industrial business.

### *01.08. Changes in the scope of consolidation*

The main changes in the scope of consolidation of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its Subsidiaries) in the year ended December 31, 2023, are detailed in Appendix I.

#### Acquisitions, sales, and other corporate transactions

SH288

In 2022, the Group entered into certain purchase and sale agreements with four partners of the U.S. company Blueridge Transportation Group (BTG), which was the successful bidder on the operation of the concession of a 17-km. segment of the SH288 highway in Houston, Texas, for the purchase of an additional 56.76% of the highway. After the fulfilment of the conditions precedent on which this purchase depended, the acquisition was recognized in December 2022.

The amount of this acquisition stood at EUR 1,063 million (USD 1,141 million). Following this acquisition, the Group's total interest in the project amounted to 78.38%, giving the Group a majority of the voting rights and, therefore, control of the company, given that it manages its relevant activities. As a result, the company became fully consolidated. The Group previously held a 21.62% stake in this concession, with a carrying amount of approximately EUR 70 million. Considering the fair value resulting from the previous purchase transaction in accordance with accounting standards, and so as to present the originally held stake at fair value, a positive impact of EUR 334.8 million was therefore recognized under "Impairment and gains or losses on disposals of non-current assets" in the consolidated income statement at year-end 2022.

In relation to the application of the standard on business combinations, after assessing the acquisition of control, the date on which control was obtained and whether the acquisition constitutes a business, IFRS 3 establishes that the acquirer will measure the identifiable assets and liabilities assumed at their fair value at the acquisition date. The fair value of the net assets acquired was calculated based on the analysis and valuation performed by Group Management as a result of its extensive knowledge of the concession business. The main impact of the provisional purchase price allocation process consisted of assigning a higher value to the toll road concession asset, net of the tax effect, which was calculated based on the discounted cash flows of the project at a market discount rate of 6.7% until the end of the concession (2068). The business combination resulted in allocated goodwill of EUR 388 million.

The acquired business did not generate a significant amount of revenue or profit for the Group during the period between the takeover and the end of the 2022 reporting period, since control was obtained in December 2022. Had the acquisition taken place on January 1, 2022, the revenue contributed by the concession would have amounted to EUR 67.1 million and profit for the year ended December 31, 2022, at 100% would have amounted to EUR 14.1 million. As at December 31, 2022, the Group had yet to pay the amount of the acquisition, which was fully paid in January 2023.

At year-end 2022, SH288 assets and liabilities were classified under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" given that the Group had formally decided to sell this asset and a plan to sell it had been initiated (see Note 01.04).

Next, on March 31, 2023, Iridium entered into a sale and purchase agreement with Shikun & Binui Ltd. for the acquisition of the remaining 21.62% of the concession operator, giving it a 100% stake. On September 12, 2023, after the fulfilment of the conditions precedent for its materialization, Iridium executed the transaction, giving it a 100% stake in the concession operator. The acquisition price stood at EUR 383 million (USD 410.7 million). Pursuant to the standard on business combinations, the transaction was recognized in accounting as an acquisition of the non-controlling interests by the parent entity. This transaction had practically no impact on reserves, as the acquisition price of the remaining 21.62% of SH288 was in line with the valuation of the Group's stake in the concession operator, which was the result of the acquisition price of the stake at year-end 2022.

Throughout 2023, the Group continued to work on the plan to sell SH288 until an agreement was reached in July 2023. In September, a sale and purchase agreement was entered into the transfer of 56.76% stake in the concession operator to Abertis Infraestructuras, S.A. Specifically, on December 27, 2023, once the required authorizations had been obtained, the stake was transferred for EUR 1,423 million (USD 1,533 million). This gave rise to a gain net of transaction-related expenses, as well as certain commitments and potential contingencies that could arise from the sale agreements, of EUR 180 million, which has been recognized under "Impairment and gains or losses on disposals of non-current assets" in the consolidated income statement at year-end 2023. The Group will regularly reassess these contingencies.

In accordance with the standard on business combinations, once the Group's loss of control of the business had been assessed, its 43.24% stake in SH288 was accounted for using the equity method. The loss of control also made it necessary to recognize a positive impact on the Group's income statement of EUR 262 million, under "Impairment and gains or losses on disposal of non-current assets," as a result of the difference between the previous carrying amount of the investment held (EUR 793 million) and its fair value. The fair value of the net assets acquired as a result of the loss of control was calculated – as was the case with the takeover in 2022 – by measuring the toll road concession asset based on project's the discounted cash flows (the most significant assumptions of which relate mainly to the performance of traffic, tolls and inflation throughout the concession period). This valuation was also the basis for setting the price of the stake that was disposed of.

At December 31, 2023, the Group had formally decided to sell 21.62% of its total stake in the SH288 operator. Hence, at year-end, 21.62% of the investment was classified as "Non-current assets held for sale" (see Note 01.04) and the remaining 21.62% as "Investments in companies accounted for using the equity method" (see Note 05).

### Other transactions

On July 6, 2023, Cimic, through its investee Sedgman Pty Limited, acquired 100% of Novopro Projects Inc. for AUD 17 million (EUR 10.5 million). Novopro is a Canadian engineering and metallurgical company providing the provides services and conducts projects in North America, Europe, Africa, the Middle East and Australia. Its core business and area of specialization is project development and operational optimization in mineral processing for lithium, potash, salt, magnesium and soda ash projects.

In April 2022, Clece Care Services Ltd. (CCS) acquired 100% of the CSN Care Group in the United Kingdom for EUR 23,863 thousand. The first-time consolidation difference generated was negligible.

On July 26, 2022, Thiess announced that it had entered into a bid execution agreement with MACA Limited ("MACA"). Thiess agreed to make an offer to MACA shareholders to acquire all of the issued shares through a conditional off-market takeover bid. Thiess offered MACA shareholders a cash consideration of AUD 1.025 per share. Cimic's takeover bid for MACA was concluded in October 2022 for EUR 242 million. This acquisition is an important part of the strategy that Thiess has for diversifying its operations among commodities, services and geographical areas (see Note 05).

As at December 31, 2021, Cimic had recognized its investment in Ventia as an equity method investment, given that it exercised significant influence. In the first quarter of 2022, Cimic decided, for an initial period of 18 months, until September 2023, to remove its directors appointed to Ventia's board and to waive some of its rights as a significant shareholder under the agreement with Ventia regarding the appointment of directors and other protective rights.

As a result, and in accordance with current accounting regulations, Cimic's management considered that it had lost its significant influence over Ventia, since it no longer had decision-making powers over the financial operating policies of its investment in Ventia. In addition, the protective rights established in the agreement may be exercised by any Ventia shareholder. Ventia has therefore relinquished its status as associate and is now recognized as a financial asset under IFRS 9 at fair value through profit or loss based on Ventia's quoted market price at March 31, 2022 (level 1 of the hierarchy). Consequently, on March 31, 2022, Cimic recognized a profit before tax (without any effect on cash flow) of EUR 338.3 million (AUD 502 million) under "Impairment and gains or losses on disposal of non-current assets" (see Note 16) in the accompanying consolidated income statement. Cimic made an irrevocable election under IFRS 9 to recognize future changes in the value of the financial asset under "Other comprehensive income." At December 31, 2022, the Company's shareholding was 32.8% (see Notes 06 and 16). In 2023, after reclassifying the shareholding as a non-current asset held for sale, the Company proceeded to sell all of Ventia's shares, for an amount of EUR 417 million (see Note 01.04.01).

### *01.09. Currency*

The euro is the currency in which the Condensed Consolidated Financial Statements are presented. Details of sales in the main countries in which the Group operates are set out in Note 13.

### *01.10. Dividends paid by the Parent Company*

On January 9, 2023, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 6, 2022. The purpose of the capital increase is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, ACS's irrevocable commitment to purchase rights was accepted by the holders of 43.29% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in January 2023 the following events took place:

- The dividend was determined to be a total gross amount of EUR 59,041,206.72 (EUR 0.48 per share) and was paid on February 7, 2023.
- The number of final shares subject to the capital increase was 2,331,835 for a nominal amount of EUR 1,165,917.50, which were redeemed simultaneously for the same amount.

As a result of the resolution adopted by the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 5, 2023, on June 21, 2023, it was resolved to carry out the first capital increase, establishing the maximum reference value at EUR 450 million with a charge to reserves of the Company in order for the shareholders to choose whether they wish to be compensated in cash or in the Company's shares. After the negotiation period for the bonus issue rights corresponding to the second bonus issue, ACS's irrevocable commitment to purchase rights was accepted by the holders of 39.8% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, the following events took place:

– The dividend was determined to be a total gross amount of EUR 163,937,784.82 (EUR 1.482 per share) and was paid on July 19, 2023.
– The number of final shares subject to the capital increase was 7,366,418 for a nominal amount of EUR 3,683,209, which were redeemed simultaneously for the same amount.

## *01.11. Earnings per share from ordinary and discontinued activities*

### 01.11.01. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the period, excluding the average number of treasury shares held in the year.

Accordingly:

| | 2023 | 2022 | Change ( % ) |
|---|---|---|---|
| Net profit for the period (Thousands of Euros) | 780,123 | 668,227 | 16.75 |
| Weighted average number of shares outstanding | 260,320,413 | 266,979,163 | (2.49) |
| Basic earnings per share (Euros) | **3.00** | **2.50** | **20.00** |
| Diluted earnings per share (Euros) | **3.00** | **2.50** | **20.00** |
| Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros) | — | 65,333 | (100.00) |
| Basic earnings per share from discontinued operations (Euros) | — | 0.24 | (100.00) |
| Basic earnings per share from continuing operations (Euros) | **3.00** | **2.26** | **32.74** |
| Diluted earnings per share from discontinued operations (Euros) | — | 0.24 | (100.00) |
| Diluted earnings per share from continuing operations (Euros) | **3.00** | **2.26** | **32.74** |

| | Number of shares | |
|---|---|---|
| | 2023 | 2022 |
| Common shares outstanding at 01 January | 258,259,940 | 275,787,918 |
| Effect of own shares | 8,346,254 | 2,972,022 |
| Effect of shares issued | 9,698,253 | 12,180,186 |
| Effect of redeemed shares | (15,698,253) | (32,680,186) |
| Common shares outstanding at 31 December | 260,606,194 | 258,259,940 |
| Weighted average number of shares outstanding at 31 December | 260,320,413 | 266,979,163 |

### 01.11.02. Diluted earnings per share

In calculating diluted earnings per share, the amount of profit attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted to take into account all the dilutive effects inherent in potential ordinary shares (share options, warrants and convertible debt instruments). For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. The execution of the share plan and the ACS share option plan currently in force at December 31, 2023 (see Note 20.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. At December 31, 2023, as a result of the simultaneous share capital increase and reduction decided in 2023 for the same number of shares, basic earnings and diluted earnings per share for continuing operations for the first half of 2023 are the same.

## 02. Intangible assets

### *02.01. Goodwill*

The breakdown of the goodwill, based on the divisions giving rise to it, is as follows:

| | Thousands of Euros | |
|---|---|---|
| | Balance at 31/12/2023 | Balance at 31/12/2022 |
| Parent and others | 558,249 | 554,420 |
| Construction | 2,003,242 | 1,991,912 |
| Services | 173,000 | 169,865 |
| **Total** | **2,734,491** | **2,716,197** |

In accordance with the table above, the most significant goodwill stems from the full consolidation of Hochtief, A.G., amounting to EUR 1,144,226 thousand at December 31, 2023 (EUR 1,144,226 thousand at December 31, 2022), and the result of the merger of the Parent Company with Grupo Dragados, S.A., which amounted to EUR 554,420 thousand at December 31, 2023 (EUR 554,420 thousand at December 31, 2022).

There were no significant changes in 2023. In the 2022 reporting period, there were no significant changes, except for the addition and subsequent transfer to non-current assets held for sale corresponding to the goodwill of the SH288 highway explained in Note 01.04.01.

As regards goodwill, as a general rule on September 30 of each year, the ACS Group compares the carrying amount of the company or cash-generating unit (CGU) against its value in use determined using the discounted cash flow method. The amounts were restated on September 30 in accordance with its accounting policy. There have been no significant changes in the assumptions used when testing the Group's goodwill for impairment that could give rise to a significant risk of recognizing an impairment loss in the future. The market value of the holding in Hochtief (EUR 100.30 per share at December 31, 2023) is higher than its carrying amount.

As regards the goodwill generated by the purchase of Hochtief, A.G. in 2011, in accordance with IAS 36.80, this goodwill was allocated to the main cash-generating units, namely Hochtief Asia Pacific and Hochtief Americas. The goodwill allocated to the business carried out by Hochtief Asia Pacific amounts to EUR 857 million (EUR 857 million at December 31, 2022), while EUR 287 million is allocated to the Hochtief Americas business (EUR 287 million at December 31, 2022). In 2023 and 2022, the ACS Group assessed the recoverability of this goodwill.

In preparing the impairment test of Hochtief's goodwill allocated to the business carried out by Hochtief Asia Pacific, the ACS Group used the following basic assumptions:

- Five-year forecasts used based on internal estimates.
- Weighted perpetual growth rate of 2.49% (2.53% in 2022).

- Weighted discount rate of 11.32% (11.99% in 2022). The discount rate used represents a premium of 662 basis points over the return on the long-term interest rate (10-year bond weighted based on the countries in which it operates) published by Bloomberg on September 30, 2023.

With regard to the sensitivity analysis of the impairment test of the goodwill assigned to Hochtief's Asia Pacific business, the most important aspect is that the goodwill test withstands a discount rate of, approximately, 15.15% which represents a range of approximately 383 basis points. Furthermore, it would withstand an annual drop in cash flows of approximately 43% compared to projected cash flows.

In the case of the Hochtief Americas business, the following basic assumptions were made:

- Five-year forecasts used based on internal estimates.
- Perpetual growth rate of 2.1% (2.3% in 2022).
- Discount rate of 9.29% (9.52% in 2022).

As for the sensitivity analysis of the impairment test on the goodwill allocated to Hochtief’s Americas business, the most relevant aspects are that the goodwill test, even assuming a cash position of zero euros, would withstand a discount rate of more than 45%, and an annual drop in cash flows of more than 80% compared to the projected cash flows.

Along with the goodwill arising from the full consolidation of Hochtief, A.G. mentioned above, the most significant goodwill, which amounted to EUR 554,420 thousand (EUR 554,420 thousand at December 31, 2022), arose from the merger with the Dragados Group in 2003 and related to the amount paid in excess of the value of the assets on the acquisition date. This goodwill was allocated mainly to the Construction cash-generating unit of Dragados.

In 2023, the ACS Group assessed the recoverability of the goodwill allocated to Construction, comparing the carrying amount of the company or CGU to its value in use, determined using the discounted cash flow method and internal projections for each of the companies.

The discount rate used is its weighted average cost of capital. To calculate the discount rate for Dragados, a weighted discount rate by country is used taking into consideration Dragados’ sales in the main countries in which it operates as of September 2023, i.e., the United States, Spain, Canada, Poland, the United Kingdom, Peru and Chile. The following are used to calculate the discount rate for each of the countries: the 10-year bond yield; the unlevered beta of the sector according to Damodaran, relevered by the target debt; and the market risk premium by country according to Damodaran. The cost of the gross debt is the consolidated effective real cost of the debt at September 2023 and the tax rate used is the theoretical rate. The perpetual growth rate (g) used is equal to the increase in the weighted CPI in the countries in which Dragados operates for 2028 based on the IMF’s October 2023 report (2.02%).

The key assumptions used in the valuation of the Dragados Construction CGU are as follows:

- Five-year forecasts used based on internal estimates.
- Weighted perpetual growth rate of 2.02% (1.95% in 2022).
- Weighted discount rate of 9.79% (10.12% in 2022).

The main variables considered in this test did not differ significantly from those considered in the impairment test of the previous year.

After testing the impairment of the CGU to which the goodwill arising from the merger with the Dragados Group in 2003 has been allocated, it has been determined, based on the above assumptions, that under no circumstances is the CGU's estimated recoverable amount less than its carrying amount, as there is no evidence of its impairment.

No reasonable scenario gives rise to the need to recognize an impairment loss. The impairment tests for the Construction CGU showed that it would withstand substantial increases in the discount rates of over 734 basis points and significant negative deviations (over 1.7%) in the budgeted EBITDA without incurring an impairment loss.

Accordingly, the directors consider that the sensitivity ranges of the tests as regards the key assumptions are reasonable, for which reason no impairment was detected in 2023 or 2022.

In relation to the remaining goodwill, excluding that generated by the merger between ACS and the Dragados Group and the goodwill arising from the full consolidation of Hochtief, A.G., in the case of the Services area, the total amount comes to EUR 173,000 thousand (EUR 169,865 thousand at December 31, 2021), corresponding to 24 different companies, the largest of which relates to the purchase of 25% of Clece for EUR 115,902 thousand (EUR 115,902 thousand at December 31, 2022), In which no evidence of impairment whatsoever has been identified.

In the Construction area, the goodwill relating to the acquisitions of Pulice; that of John P. Picone; and that of Schiavone, in the amount of EUR 172,058 thousand (EUR 178,251 thousand at December 31, 2022); as well as that of the Hochtief Group subsequent to the takeover are noteworthy.

In these areas, the impairment tests to calculate the goodwill are based on assumptions similar to those described for each area of activity or in the case of the Dragados Group goodwill, taking into account the necessary adjustments based on the peculiarities, geographical markets and specific circumstances of the companies concerned.

According to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the goodwill is allocated will make it possible to recover the carrying amount of each item of goodwill recognized at December 31, 2023.

As indicated in IAS 36, as of December 31, 2023, the Group has not found any evidence of significant impairment of goodwill and other assets subject to impairment testing. There have been no significant changes in the assumptions used when testing the Group’s goodwill for impairment that could give rise to a significant risk of recognizing an impairment loss in the future.

No impairment losses were recognized in 2023 or 2022 in the ACS Group’s goodwill.

### *02.02. Other intangible assets*

Additions in 2023 amounted to EUR 25,605 thousand (EUR 13,752 thousand in 2022) relating mainly to Hochtief in the amount of EUR 20,623 thousand (EUR 11,653 thousand in 2022).

During the first half of 2023, impairment losses amounting to EUR 66 thousand were recognized under “Other intangible assets” (EUR 572 thousand in the first half of 2022). No reversals for impairment losses were recognized in the consolidated income statement in 2023. In 2022, impairment losses were reversed in the consolidated income statements in the amount of EUR 302 thousand.

## 03. Tangible assets - Property, plant and equipment

In 2023 and 2022 additions of Property, plant and equipment were carried out for EUR 572,478 and EUR 573,263 thousand, respectively. In accordance with IFRS 16, this heading includes the rights to use the leased assets.

In 2023, the most noteworthy acquisitions by division relate mainly to the Construction area in the amount of EUR 430,631 thousand (EUR 470,845 thousand in 2022). These acquisitions consisted mainly of investments by Hochtief for EUR 338,160 thousand (EUR 395,677 thousand in 2022), including, in particular, tunnel boring machines, as well as by Dragados in the amount of EUR 92,471 thousand (EUR

75,168 thousand in 2022), the Concessions area in the amount of EUR 75,619 thousand for the acquisition of land for the construction of a data center (EUR 3,324 thousand in 2022) and the Services area in the amount of EUR 65,137 thousand (EUR 92,956 thousand in 2022), above all for the acquisition of machinery and industrial vehicles.

Assets were also sold in 2023 and 2022 for a total carrying amount of EUR 32,203 thousand and EUR 30,887 thousand, which had a residual effect on the Group's income statement. The most significant disposals in 2023 relate mainly to the Construction area, Dragados, in the amount of EUR 11,777 thousand (EUR 5,955 thousand in 2022) and the sale of Hochtief machinery in the amount of EUR 13,603 thousand (EUR 20,867 thousand in 2022). In the Services area, disposals amounted to EUR 6,591 thousand (EUR 3,447 thousand in fiscal year 2022).

At December 31, 2023, the Group had contractual commitments for the future acquisition of property, plant and equipment for a value of EUR 83,843 thousand (EUR 92,094 thousand at December 31, 2022), relating mainly to commitments to invest in machinery by Dragados amounting to EUR 7,625 thousand (EUR 20,422 thousand at December 31, 2022) and in technical installations by Hochtief amounting to EUR 75,465 thousand (EUR 71,570 thousand at December 31, 2022).

The impairment losses recognized in the consolidated income statement for 2023 amounted to EUR 126 thousand (EUR 349 thousand in 2022). Reversals for impairment losses recognized in the consolidated income statement for 2023 amounted to EUR 8,795 thousand for Hochtief (EUR 371 thousand in 2022).

## Leases

In accordance with IFRS 16 "Leases," at December 31, 2023, EUR 613,042 thousand (EUR 604,626 thousand at December 31, 2022) in net right-of-use assets were recognized under "Property, plant and equipment" in the consolidated statement of financial position. The detail of the right-of-use assets at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | **Balance at 31/12/2023** | **Balance at 31/12/2022** |
| Land and buildings | 1,021,217 | 1,049,081 |
| Plant and machinery | 111,159 | 130,119 |
| Other intangible assets | 198,751 | 184,311 |
| **Total tangible assets - property, plant and equipment** | **1,331,127** | **1,363,511** |
| Accumulated depreciation | (717,882) | (758,495) |
| Impairment losses | (203) | (390) |
| **Total net tangible assets - property, plant and equipment** | **613,042** | **604,626** |

The change in "Right-of-use assets" in 2023 stood at a gross amount of EUR 238,228 thousand, relating mainly to the additions in the Infrastructure area of EUR 190,012 thousand (EUR 251,509 thousand in 2022), with the investments made by Hochtief in the amount of EUR 142,385 thousand (EUR 219,947 thousand in 2022) standing out.

Depreciation and amortization relating to the right to use the assets recognized in accordance with IFRS 16 "Leases" in 2023 amounted to EUR 186,249 thousand (EUR 183,037 thousand in 2022) and the recognition of interest on the lease obligation amounted to EUR 29,497 thousand in 2023 (EUR 23,926 thousand in 2022) included in the consolidated income statement.

"Non-current lease liabilities" and "Current lease liabilities" associated with these "Right-of-use assets" at December 31, 2023 amounted to EUR 543,162 and EUR 160,569 thousand (EUR 550,746 and EUR 155,055 thousand at December 31, 2022), respectively.

Variable lease payments were not material at December 31, 2023 or 2022.

Sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis.

There are assets leased under short-term leases or leases of low-value assets that do not apply IFRS 16 “Leases” since, throughout the Group, there are very short-term leases, generally for three to six months, or ongoing monthly agreements or contracts with termination clauses. For each lease, the Group analyzes and assesses whether it is reasonably safe to extend the lease. These considerations include assessing the requirements of the asset in the project, the scope of the work that is to be carried out with this asset, and other relevant economic aspects to adequately assess the lease term. At December 31, 2023, the expenses accrued in the amount of EUR 513,284 thousand (EUR 442,781 thousand at December 31, 2022) on the above assets were recognized under “Other operating expenses” in the consolidated income statement.

## 04. Non-current assets in projects

The balance of “Non-current assets in projects” in the consolidated statement of financial position at December 31, 2023 includes the costs incurred by the fully consolidated companies in the construction of transport infrastructure, services and power generation centers, the operation of which is the purpose of their respective concessions. These amounts relate to property, plant and equipment associated with projects financed under a project finance arrangement and to concessions identified as intangible assets or to those included as a financial asset according to the criteria discussed in Note 03.04 of the Consolidated Financial Statements at December 31, 2022. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects grouped together, although they are broken down by type of asset (financial or intangible) in this Note.

In 2023, there were no significant changes in Non-current assets in projects.

The most significant changes in this heading in 2022 were the solar thermal power plants associated with the Tonopah renewable energy plants in the United States and Manchasol 1 Central Termosolar Uno, S.L. (see Note 01.04.01).

All the project investments made by the ACS Group at December 31, 2023, are listed below:

| Type of infrastructure | End date of operation | Thousands of Euros | | |
|---|---|---|---|---|
| | | Investment | Accumulated depreciation | Carrying amount of non-current assets in projects |
| Highways / roads | 2026 | 181,930 | (140,960) | **40,970** |
| Solar thermal plants | 2035 - 2040 | 357,584 | (175,794) | **181,790** |
| Other infrastructures | — | 1,865 | (393) | **1,472** |
| **Total** | | **541,379** | **(317,147)** | **224,232** |

The breakdown of this heading by type, in accordance with IFRIC 12, is as follows:

– The concession assets identified as intangible assets, as a result of the Group assuming demand risk at December 31, 2023, are as follows:

| Type of infrastructure | End date of operation | Thousands of Euros | | |
|---|---|---|---|---|
| | | Investment | Accumulated depreciation | Carrying amount of non-current assets in projects |
| Highways / roads | 2026 | 181,889 | (140,920) | **40,969** |
| Other infrastructures | - | 1,865 | (393) | **1,472** |
| **Total** | | **183,754** | **(141,313)** | **42,441** |

- There are no concession assets identified as financial assets, as a result of the Group not assuming demand risk at December 31, 2023.

- The breakdown of the financial assets financed under a project finance arrangement and that do not meet the requirements for recognition in accordance with IFRIC 12 at December 31, 2023 is as follows:

| Type of infrastructure | End date of operation | Thousands of Euros | | |
|---|---|---|---|---|
| | | Investment | Accumulated depreciation | Carrying amount of non-current assets in projects |
| Highways / roads | 2026 | 41 | (40) | **1** |
| Solar thermal plants | 2035 - 2040 | 357,584 | (175,794) | **181,790** |
| **Total** | | **357,625** | **(175,834)** | **181,791** |

In addition, there are concession assets that are not financed under a project finance arrangement, amounting to EUR 45,059 thousand (EUR 5,466 thousand at December 31, 2022), that are recognized as “Other intangible assets”.

No significant investments in projects were made in 2023 or 2022.

In 2023, there were no significant impairment losses. The impairment losses recognized in the consolidated income statement in 2022, amounting to EUR 50,309 thousand, mainly relate to the Tonopah Solar Energy LLC solar thermal power plant. Similarly, no significant impairment losses were reversed or recognized in the consolidated income statements for 2023 or 2022.

At December 31, 2023 and 2022, the Group had no significant contractual commitments for the acquisition of non-current assets in projects.

The financing relating to non-current assets in projects is explained in Note 10. Concession operators are also required to hold restricted cash reserves, known as reserve accounts, included under “Cash and cash equivalents.”

Lastly, the Group has non-current assets in projects classified under “Non-current assets held for sale and discontinued operations” (see Note 01.04).

## 05. Investments accounted for using the equity method

The breakdown, by division, of the investments in companies accounted for using the equity method at December 31, 2023 and 2022 is as follows:

| Line of Business | Thousands of Euros | | | | | |
|---|---|---|---|---|---|---|
| | 31/12/2023 | | | 31/12/2022 | | |
| | Share of net assets | Profit/(Loss) for the year | Total carrying amount | Share of net assets | Profit / (Loss) for the year | Total carrying amount |
| Construction | 1,262,449 | 170,375 | **1,432,824** | 1,384,276 | 168,888 | **1,553,164** |
| Concessions | 4,120,566 | 235,224 | **4,355,790** | 3,073,514 | 201,001 | **3,274,515** |
| Services | 108 | 14 | **122** | 103 | 5 | **108** |
| Corporation, other and adjustments | 310 | (136) | **174** | 184 | 118 | **302** |
| **Total** | **5,383,433** | **405,477** | **5,788,910** | **4,458,077** | **370,012** | **4,828,089** |

“Ordinary results of companies accounted for using the equity method” and “Non-ordinary results of companies accounted for using the equity method” in the consolidated income statement for 2023 also include the profit or loss of companies accounted for using the equity method and that have been classified under “Non-current assets held for sale and discontinued operations,” which amounts to EUR 9,772 thousand (EUR 15,460 thousand in 2022).

– Construction

At December 31, 2023, in the Construction area, the holdings in the Hochtief Group accounted for using the equity method amount to EUR 1,426,987 thousand (EUR 1,545,232 thousand as of December 31, 2022). In the latter case, Thiess is accounted for as a joint venture using the equity method in the amount of EUR 806 million (EUR 812 million as of December 31, 2022).

In addition, the changes in investments accounted for using the equity method in 2022 most notably included Ventia’s interest in Cimic, which since March 31, 2022, has been recognized as a non-current financial asset instead of being accounted for using the equity method (see Notes 01.08 and 06.02).

The carrying amount of investments accounted for using the equity method in the Construction Division has decreased due to both translation differences and distributed dividends, mainly relating to Hochtief.

– Concessions

At December 31, 2023, in the Concessions area, the ownership interest in Abertis stood at EUR 3,523,574 thousand (EUR 2,971,045 thousand at December 31, 2022), relating to the ACS Group’s 50% stake (through both Hochtief and ACS Actividades de Construcción y Servicios, S.A.). The net contribution to Abertis' consolidated profit/(loss) by the ACS Group in 2023 amounted to a profit of EUR 179,229 thousand (EUR 142,964 thousand in profit in 2022) once amortization of the existing "purchase price allocation" had been taken into account.

In addition, at December 31, 2023, the remaining 21.62% of the SH288 highway has been recognized (see Note 01.08).

## Material associates and joint ventures

In accordance with IFRS 12, the associates and joint ventures that are considered to be material at December 31, 2023 and 2022, are Abertis Holdco, S.A. and its Subsidiaries and Thiess Joint Venture, respectively.

### Abertis

On July 27, 2023, the ACS Group and Mundys (formerly Atlantia) reached a new strategic collaboration agreement for Abertis mainly intended to strengthen their global leadership in transport infrastructure concessions, committing to promote an investment plan that would allow them to expand their portfolio of assets under management. The agreement also includes a new governance scheme that does not modify Abertis's accounting method.

At December 31, 2023, the ACS Group owns 50% of Abertis Holdco, S.A, giving the ACS Group significant influence in Abertis Holdco, S.A. within the meaning of IAS 28. Therefore, Abertis is accounted for as an associate using the equity method in these Consolidated Annual Accounts.

The table below shows the information on the companies considered material under this heading of the consolidated statement of financial position:

| Abertis Holdco, S. A. and Subsidiaries | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| | 100% | 100% |
| Non-current assets | 44,678,613 | 39,369,912 |
| Current assets | 7,117,217 | 5,597,077 |
| Of which: Cash and cash equivalents | 4,251,163 | 4,085,008 |
| Asset held for sale | — | — |
| Non-current liabilities | 34,752,133 | 30,636,521 |
| Of which: Financial liabilities | 28,925,137 | 25,018,447 |
| Current liabilities | 4,377,053 | 3,880,021 |
| Of which: Financial liabilities | 2,608,979 | 2,316,464 |
| Liabilities associate to assets held for sale | — | — |
| **Net assets** | **12,666,644** | **10,450,447** |
| Minority interests | 3,897,632 | 2,800,606 |
| **Equity attributable to the parent company** | **8,769,012** | **7,649,841** |
| Hybrid bond | (1,974,204) | (1,960,091) |
| **Equity attributable homogenized to owners of the Company** | **6,794,808** | **5,689,750** |
| Group's share of net assets (50%) | 3,397,404 | 2,844,875 |
| Capitalized acquisition-related costs | 126,170 | 126,170 |
| **Carrying amount of the investment** | **3,523,574** | **2,971,045** |

| Abertis Holdco, S. A. and Subsidiaries | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| | 100% | 100% |
| Turnover | 5,532,094 | 5,101,815 |
| Profit or loss from continuing operations | 802,517 | 346,164 |
| Post-tax profit/(loss) from discontinued operations | 11,276 | — |
| **Profit / (loss) for the period** | **813,793** | **346,164** |
| Non-controlling interest | 416,500 | 12,844 |
| Profit/(loss) for the year attributable to owners of the company | 397,293 | 333,320 |
| **Other comprehensive income** | **64,076** | **866,195** |
| Minority interests other comprehensive income | 85,887 | 230,647 |
| Other comprehensive income attributable to the parent company | (21,811) | 635,548 |
| **Total comprehensive income** | **877,869** | **1,212,359** |
| Minority interests total comprehensive income | 502,387 | 243,491 |
| Total comprehensive income attributable to the parent company | 375,482 | 968,868 |
| **Group's share in total comprehensive income (50%)** | **187,741** | **484,434** |
| **in profit or loss** | **198,646** | **166,660** |
| **in other comprehensive income** | **(10,905)** | **317,774** |

In 2023, the ACS Group received dividends from Abertis Holdco, S.A. amounting to EUR 296,845 thousand (EUR 296,845 thousand in 2022). At December 31, 2023, the irrevocable commitment relating to the capital increase of EUR 650 million (50% of the total EUR 1,300 million commitment) approved by Abertis Holdco’s shareholders prior to the reporting date was recognized and it was paid on February 15, 2024.

In 2023, to assess whether there is evidence of impairment of the ownership interest in Abertis, the Group estimated the fair value of this interest. Consequently, the fair value of Abertis was restated at year-end 2023, in accordance with the Group's policies. The recoverable amount for Abertis from using the equity method was compared with the carrying amount, and no impairment was detected. The ACS Group compared the carrying amount of the CGU, including goodwill, with the fair value obtained using the discounted cash flow method (Abertis Holdco, S.A. and Subsidiaries). In accordance with IAS 36, the ACS Group considered that the most appropriate methodology for calculating the fair value corresponds to the assessment of a projected finite period of 5 years (2024-2028) together with the estimate of a residual value.

Based on the budgets and latest long-term projections, the impairment test on the Abertis goodwill as at December 31, 2023, was prepared based on:

- The cash projections obtained from the income and expense projection for the entire Abertis Group for the period (2024-2028) carried out by Abertis.
- To determine the terminal value, a growth rate of 2.0% was applied to the operating free cash flow after taxes for the last projected year, i.e. 2028, and, additionally, a cash outflow for investments in perpetuity was considered equivalent to the amortization over this period.

The discount rate (WACC) applied to the cash flow projections was 5.95% and, in the case of the terminal value, the WACC applied was increased by 2.0%.

In relation to the result of the impairment test as a result of Abertis's use of the equity method, the recoverable amount obtained (determined based on the fair value as indicated above) exceeds the carrying amount of the goodwill and the assets, such that the carrying amount of the investment in Abertis recognized at December 31, 2023, by the ACS Group can be recovered.

Based on the sensitivity analysis performed, the impairment test shows a certain leeway as regards the carrying amount and is sensitive to changes in the discount rate and cash flows in perpetuity. Therefore, a drop in net operating profit after tax of more than 10% and an increase in the WACC by more than 50 basis points could result in the need to recognize an impairment loss on the consolidated carrying amount of Abertis.

As in the previous year, investments in associates are not subject to any restrictions.

### Thiess

On December 31, 2020, the Group finalized an agreement with funds managed by Elliott for Elliott's acquisition of a 50% interest in Thiess's share capital. According to the terms of the sale agreement, ACS Group no longer controls Thiess, which is jointly controlled by Cimic and Elliott.

The table below shows the information on Thiess, which is considered a material joint arrangement under this heading of the consolidated statement of financial position:

| Thiess Joint Venture | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| | 100% | 100% |
| Non-current assets | 3,207,697 | 3,232,540 |
| Current assets | 1,077,103 | 1,024,156 |
| Of which: Cash and cash equivalents | 170,816 | 162,366 |
| Non-current liabilities | 1,475,675 | 1,449,316 |
| Of which: Financial liabilities | 1,284,382 | 1,270,382 |
| Current liabilities | 898,231 | 873,515 |
| Of which: Financial liabilities | 247,924 | 190,277 |
| **Net assets** | **1,910,894** | **1,933,865** |
| Minority interests | 10,515 | 10,769 |
| **Equity attributable to the parent company** | **1,900,379** | **1,923,096** |
| **Group's share of net assets (50%) ( * )** | **805,875** | **811,895** |

( * ) The carrying amount of the interest differs from a 50/50 stock split in Thiess owing to the preferred dividend for Elliott and the Class C preference shares issued by Thiess.

| Thiess Joint Venture | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| | 100% | 100% |
| Turnover | 3,610,738 | 2,606,236 |
| Other expenses | (2,711,204) | (1,846,702) |
| Depreciation and amortisation | (506,565) | (408,340) |
| Share of profits and losses of joint ventures | 61 | (66) |
| Financial income | 2,447 | 1,056 |
| Financial expenses | (133,600) | (97,466) |
| **Profit / (loss) before tax** | **261,877** | **254,718** |
| Income tax | (68,941) | (69,354) |
| **Profit / (loss) for the period** | **192,936** | **185,364** |
| Profit attributable to minority interests | (1,346) | (2,244) |
| Profit/(loss) attributable to parent company | 191,590 | 183,120 |
| **Other comprehensive income** | **(2,508)** | **41,441** |
| Minority interests other comprehensive income | (1,162) | 20,721 |
| Other comprehensive income attributable to the parent company | (1,346) | 20,720 |
| **Total comprehensive income** | **190,428** | **226,805** |
| Minority interests total comprehensive income | (2,508) | 18,477 |
| Total comprehensive income attributable to the parent company | 190,244 | 208,328 |
| **Group's share in total comprehensive income (50%)** | **52,302** | **78,593** |
| **in profit or loss ( * )** | **53,464** | **57,872** |
| **in other comprehensive income** | **(1,162)** | **20,721** |

( * ) The Thiess shareholder agreement establishes a minimum distribution to each shareholder of AUD 180.0 million (EUR 110.1 million) per year during the first six years. In addition, Thiess issued Class C preference shares (see Note 11) providing a coupon yield above all other equity instruments in the amount of EUR 14.0 million (EUR 3.2 million in 2022) for the Group’s shareholding. Accordingly, the returns are attributable, firstly, to both the Class C preference shares held by the Group and by Elliott and then to Elliott’s minimum distribution. The Group’s share of the profit for the period thus amounted to EUR 53.5 million (EUR 57.9 million in 2022). The amounts of insufficient returns for the Group include protection rights, which would be recovered through future profits.

In 2023, the ACS Group received dividends from Thiess amounting to EUR 29,974 thousand (EUR 59,083 thousand in 2022).

Cimic and Elliott financed the acquisition of MACA Limited (Australia) in 2022 through Thiess by subscribing new Thiess Class C preference shares. Cimic invested AUD 191.3 million (EUR 126.2 million). The preference shares were issued to the two investors in equal proportions and under the same conditions, and offer a coupon yield above all other equity instruments. These Class C preference shares are considered a non-current investment in Thiess not accounted for using the equity method in accordance with IAS 28; therefore, the equity instrument measured at fair value through profit or loss in accordance with IFRS 9.4.1.4 is presented under the subheading Non-current equity instruments within Non-current financial assets (see Note 06.02). The coupon, in the form of a dividend, is recognized as cash flow from operating activities.

# 06. Financial Assets

## *06.01. Composition and breakdown*

In accordance with IFRS 9, the classification of financial assets at December 31, 2023 and 2022, is as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Value at 31/12/2023 | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost |
| **Non-current financial assets** | **1,026,224** | **252,311** | **3,617** | **770,296** |
| Equity securities at long-term | 227,061 | 223,444 | 3,617 | — |
| Loans to group and associates companies at long-term | 194,324 | — | — | 194,324 |
| Loans to third parties at long-term | 323,713 | — | — | 323,713 |
| Debt securities at long-term | 28,867 | 28,867 | — | — |
| Long-term cash collateral deposits | 25,695 | — | — | 25,695 |
| Other financial assets at long-term | 32,059 | — | — | 32,059 |
| Non-current financial assets in operating receivables | 194,505 | — | — | 194,505 |
| **Other current financial assets** | **1,163,599** | **99,302** | **624,102** | **440,195** |
| Equity securities at short-term | 157,486 | — | 157,486 | — |
| Loans to group and associates companies to short-term | 137,628 | — | — | 137,628 |
| Loans to third parties at short-term | 64,071 | — | — | 64,071 |
| Debt securities at short-term | 574,488 | 99,302 | 466,616 | 8,570 |
| Other financial assets at short-term | 229,572 | — | — | 229,572 |
| **Trade receivables for sales and services** | **7,920,935** | **—** | **—** | **7,920,935** |
| **Other receivable** | **1,183,069** | **—** | **—** | **1,183,069** |
| **Cash and cash equivalents** | **9,087,289** | **—** | **—** | **9,087,289** |

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Value at 31/12/2022 | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost |
| **Non-current financial assets** | **1,435,060** | **539,694** | **431,428** | **463,938** |
| Equity securities at long-term | 601,588 | 170,160 | 431,428 | — |
| Loans to group and associates companies at long-term | 167,070 | — | — | 167,070 |
| Loans to third parties at long-term | 365,607 | 328,936 | — | 36,671 |
| Debt securities at long-term | 35,214 | 35,214 | — | — |
| Long-term cash collateral deposits | 405 | — | — | 405 |
| Other financial assets at long-term | 39,422 | 5,384 | — | 34,038 |
| Non-current financial assets in operating receivables | 225,754 | — | — | 225,754 |
| **Other current financial assets** | **1,180,617** | **190,096** | **477,786** | **512,735** |
| Equity securities at short-term | 164,593 | 106,836 | 57,757 | — |
| Loans to group and associates companies to short-term | 96,502 | — | — | 96,502 |
| Loans to third parties at short-term | 87,104 | — | — | 87,104 |
| Debt securities at short-term | 489,194 | 66,834 | 420,029 | 2,331 |
| Other financial assets at short-term | 343,224 | 16,426 | — | 326,798 |
| **Trade receivables for sales and services** | **7,383,175** | **—** | **—** | **7,383,175** |
| **Other receivable** | **1,006,282** | **—** | **—** | **1,006,282** |
| **Cash and cash equivalents** | **9,419,987** | **—** | **—** | **9,419,987** |

### *06.02. Equity instruments*

Non-current and current equity instruments include those of Hochtief amounting to EUR 190,496 thousand and EUR 155,969 thousand, respectively, at December 31, 2023 (EUR 576,129 thousand and EUR 163,639 thousand at December 31, 2022). The decrease in the amount of non-current equity instruments with respect to December 31, 2022, is due to the reclassification in 2023 of Ventia's interest in Cimic as a non-current asset held for sale (see Note 01.08) and the subsequent sale of it entirely this year. In addition, the Thiess Class C preference shares are recognized under this heading in an amount of EUR 131.7 million (AUD 214.2 million) at December 31, 2023 (see Note 05).

### *06.03. Loans to Associates and Third-Party Loans*

At December 31, 2023, this line item included, in particular, the loans granted by Hochtief to its associates in the amount of EUR 234,288 thousand (EUR 161,568 thousand at December 31, 2022). Of the long-term loans granted by Iridium, the most important include the subordinated loan granted to Road Management (A13) Plc. for an amount of EUR 51,116 thousand (EUR 47,779 thousand at December 31, 2022), the subordinated loan granted to Celtic Road Group (Portlaoise) in the amount of EUR 23,233 thousand (EUR 23,233 thousand at December 31, 2022), the subordinated loan granted to Gorey to Enniscorthy M11 PPP Limited in the amount of EUR 13,203 thousand (EUR 13,227 thousand at December 31, 2022), the subordinated loan granted to New Ross N25 By Pass Designity in the amount of EUR 8,343 thousand (EUR 8,385 thousand at December 31, 2022) and the subordinated loan granted to Iridium Hermes Road, S.L. in the amount of EUR 5,614 thousand (EUR 6,552 thousand at December 31, 2022).

The Group regularly assesses the recoverability of the loans to associates in conjunction with investments, making the necessary provisions when required. These loans bear interest at market rates.

At December 31, 2023, "Loans to third parties" under "Non-current financial assets" in the consolidated statement of financial position includes the earn-out relating to the sale of most of the Industrial activity carried out in 2021, which amounts to EUR 295,596 thousand (EUR 328,936 thousand at December 31, 2022) following the collection of EUR 40 million in 2023 relating to the first GW developed (see Note 01.04.02). After the 2023 reporting date, an additional EUR 40 million was collected for the second GW developed.

### 06.04. Debt securities

At December 31, 2023, this heading included the investments in securities maturing in the short term relating mainly to securities, investment funds and fixed-income securities maturing at more than three months, and which it does not intend to hold until maturity, from Hochtief for EUR 470,946 thousand (EUR 424,157 thousand at December 31, 2022) and from Dragados for EUR 94,971 thousand (EUR 62,706 thousand at December 31, 2022).

### 06.05. Other financial assets

At December 31, 2023, “Other financial assets” included the short-term deposits for EUR 218,123 thousand (EUR 296,552 thousand at December 31, 2022) and the deposits in the amount of EUR 7,151 thousand (EUR 36,572 thousand) as a result of the cash available after the sale of the Industrial activity.

In addition, at December 31, 2023, the amount mentioned in the previous paragraph includes EUR 163,406 thousand (EUR 218,139 thousand at December 31, 2022) held as collateral to secure the derivatives arranged by the Group (see Note 11), recognized under “Other current financial assets” in the accompanying consolidated statement of financial position.

### 06.06. Trade and other receivables

The breakdown of the carrying amount of Trade and other receivables at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | Balance at 31/12/2023 | Balance at 31/12/2022 |
| Trade receivables for sales and services | 7,885,807 | 7,348,898 |
| Receivable from group companies and associates | 35,128 | 34,277 |
| Other receivables | 1,183,069 | 1,006,282 |
| Current tax assets | 340,987 | 175,196 |
| **Total** | **9,444,991** | **8,564,653** |

The detail of "Trade receivables for sales and services" and the balance of net trade receivables, at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | Balance at 31/12/2023 | Balance at 31/12/2022 |
| Trade receivables and notes receivable | 5,169,502 | 4,645,370 |
| Completed work pending certification | 2,878,917 | 2,871,361 |
| Allowances for doubtful debts | (162,612) | (167,833) |
| **Total assets from receivables** | **7,885,807** | **7,348,898** |
| Advances received on orders | (3,095,157) | (2,892,282) |
| **Total liabilities from receivables** | **(3,095,157)** | **(2,892,282)** |
| **Total net trade receivables balance** | **4,790,650** | **4,456,616** |

Should the amount of output from inception, measured at the amount to be billed, of each project be greater than the amount billed up to the date of the statement of financial position, the difference between the two amounts relates to contractual assets recognized under “Completed work pending certification” under “Trade and other receivables” on the asset side of the consolidated statement of financial position.

Should the amount of output from inception be lower than the amount of the progress billings, the difference relates to contractual liabilities recognized under “Customer advances” under “Trade and other payables” on the liability side of the consolidated statement of financial position. Therefore, the balances are presented on the basis of each project/work at both December 31, 2023 and December 31, 2022.

“Total contract liabilities” includes both “Customer advances” and “Pre-certified construction work customers.”

Incremental costs are not significant in relation to the total contract assets with customers.

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The reduced balance of receivables amounted to EUR 1,106,441 thousand at December 31, 2023 (EUR 1,063,190 thousand at December 31, 2022).

Substantially all the risks and rewards associated with the receivables, and control over them, were transferred through the sale and assignment of the receivables, since there are no repurchase agreements between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the above conditions were derecognized in the consolidated statement of financial position. The Group companies continued to manage collection during the year.

### *06.07. Impairment losses*

There were no significant impairment losses in 2023 or 2022. There were no significant reversals of impairment losses on financial assets in 2023 financial year or in 2022.

### *06.08. Cash and cash equivalents.*

“Cash and cash equivalents” includes the Group’s cash and short-term bank deposits with an initial maturity of three months or less, and other short-term, highly liquid investments (maturing within less than three months) that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

The carrying amount of these assets, amounting to EUR 390,824 thousand at December 31, 2023 (EUR 484,221 thousand at December 31, 2022), reflects their fair value and there are no restrictions as to their use.

## 07. Inventories

The detail of “Inventories” at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| Merchandise | 163,680 | 163,692 |
| Raw materials and other supplies | 339,911 | 353,696 |
| Work in progress | 211,509 | 213,064 |
| Finished goods | 27,754 | 23,952 |
| Others | 47,150 | 74,564 |
| **Total** | **790,004** | **828,968** |

The balance of inventories at December 31, 2023 relates mainly to the Hochtief Group in the amount of EUR 370,287 thousand (EUR 369,900 thousand at December 31, 2022).

This heading of the statement of financial position includes property assets (land and buildings) in the amount of EUR 297,098 thousand at December 31, 2023, relating mainly to Comunidades Gestionadas, S.A. (Cogesa) in the amount of EUR 188,934 thousand (EUR 197,189 thousand at December 31, 2022) and to the Hochtief Group in the amount of EUR 85,248 thousand (EUR 120,342 thousand at December 31, 2022).

The Group had no inventories subject to restrictions at December 31, 2023, or December 31, 2022. Aside from the above restrictions, inventories have been not pledged and/or mortgaged as security for the repayment of debts either at December 31, 2023 or at December 31, 2022.

Impairment losses on inventories recognized and reversed in the consolidated income statement, relating to the various ACS Group companies, amounted to EUR 55 thousand and EUR 61 thousand in 2023, respectively (EUR 410 thousand and EUR 180 in 2022).

## 08. Equity

### *08.01. Share capital*

As at December 31, 2023, the share capital of the Parent Company amounted to EUR 139,082 thousand (EUR 142,082 thousand at December 31, 2022) and was represented by 278,164,594 shares (284,164,594 shares at December 31, 2022) fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights.

On March 23, 2023, in accordance with the resolution passed at the Annual General Meeting held on May 6, 2022, the Board of ACS, Actividades de Construcción y Servicios, S.A. resolved to reduce the share capital through the retirement, with a charge to profit or unrestricted reserves, of 6 million of the Company's treasury shares for a nominal amount of EUR 3 million, making the corresponding provision, for the same amount, with a charge to reserves as indicated in section 335.c) of the Spanish Corporate Enterprises Act (see Note 08.02).

In 2022, the Board of Directors of the Parent, on successive occasions, redeemed a total of 20,500,000 shares under the resolutions adopted by the General Meeting, reducing share capital by a nominal amount of EUR 10,250,000, by redemption, through profit or free reserves, by redeeming 20.5 million ACS treasury shares, making the corresponding provision with a charge to reserves as indicated in section 335.c) Corporate Enterprises Act (see Note 08.02).

Expenses directly attributable to the issue or acquisition of new shares are recognized in equity as a deduction from the amount of equity.

The Annual General Meeting held on May 8, 2020, agreed to delegate to the Board, in accordance with section 297.1(b) of the revised Text of the Spanish Corporate Enterprises Act, the power to increase, on one or more occasions, the share capital of the Company up to a maximum of 50% of the share capital, as of the date of the Meeting, within a maximum period of five years from the date of the above General Meeting.

The share capital increase(s) may be carried out, with or without a share premium, either by increasing the par value of the existing shares with the requirements set forth in the law, or by issuing new shares, ordinary or preferential, with or without voting rights, or redeemable shares, or any other type of shares permitted by law or several types at the same time, consisting of a consideration for the new shares or an increase in the par value of the existing ones, in terms of monetary contributions.

It was also resolved to authorize the Board of Directors so that, in all matters not provided for, it can set the terms of the share capital increases and the characteristics of the shares, and freely offer the new unsubscribed shares within the term(s) for exercising the pre-emption right. The Board may also establish that, if the issue is undersubscribed, the share capital will be increased only by the amount of the shares subscribed, and the corresponding article of the Articles of Association will be reworded regarding the share capital and number of shares.

The Board is expressly granted the power to exclude, in whole or in part, the pre-emption right up to a maximum nominal amount equal, collectively, to 20% of the share capital at the time of authorization in relation to all or any of the issues agreed upon on the basis of this authorization, in line with section 506 of the Spanish Corporate Enterprises Act, also including the exclusions of the pre-emption rights made in the framework of securities issues in accordance with the agreement approved at the Annual General Meeting of May 10, 2019.

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 5, 2023, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. The Company resolved to increase the share capital to a maximum of EUR 580 million with a charge to unrestricted reserves, with the first capital increase not to exceed EUR 450 million and the second increase not to exceed EUR 130 million, granting, without distinction, the Executive Committee, the Chair of the Board and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the Annual General Meeting held in 2023 and, in the case of the second increase, within the first quarter of 2024, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend. As regards the capital reduction, the resolution passed by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the above capital increase was effectively carried out. The Board is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases (see Note 08.02).

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 6, 2022, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. The Company resolved to increase the share capital to a maximum of EUR 600 million with a charge to unrestricted reserves, with the first capital increase not to exceed EUR 460 million and the second increase not to exceed EUR 140 million, granting, without distinction, the Executive Committee, the Chair of the Board and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the Annual General Meeting held in 2022 and, in the case of the second increase, within the first quarter of 2023, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend. As regards the capital reduction, the resolution passed by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the above capital increase was effectively carried out. The Board is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases (see Note 08.02).

The shares representing the capital of ACS, Actividades de Construcción y Servicios, S.A. are admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are listed on the continuous market.

The company, in addition to the Parent Company, included in the scope of consolidation whose shares are listed as of December 31, 2023, on stock exchanges is Hochtief, A.G., which is listed on the Frankfurt Stock Exchange (Germany).

### *08.02. Treasury shares*

The changes in "Treasury Shares" in 2023 and 2022 were as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number of shares | Thousands of Euros | Number of shares | Thousands of Euros |
| **At beginning of the reporting period** | **25,904,654** | **622,170** | **28,876,676** | **691,916** |
| Purchases | 7,351,999 | 228,610 | 29,708,164 | 709,781 |
| Depreciation and sales | (15,698,253) | (384,862) | (32,680,186) | (779,527) |
| **At end of the reporting period** | **17,558,400** | **465,918** | **25,904,654** | **622,170** |

On January 9, 2023, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 6, 2022, and also to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital resulting from the second capital increase through the retirement of the necessary treasury shares. The final number of shares covered by the capital increase was 2,331,835 for a nominal amount of EUR 1,165,917.50, which were retired simultaneously for the same amount (see Note 01.10) and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 1,165,917.50, as provided for in section 335.c) of the Spanish Corporate Enterprises Act.

On June 21, 2023, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on May 5, 2023, such that once the process was concluded, in July 2023, the final number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 7,366,418, and the nominal amount of the related capital increase was EUR 3,683,209. On the same date, ACS, Actividades de Construcción y Servicios, S.A. reduced the share capital by EUR 3,683,209 through the retirement of 7,366,418 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 3,683,209, as provided for in section 335.c) of the Spanish Corporate Enterprises Act (see Note 08.01).

On January 3, 2022, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 7, 2021, and also to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital resulting from the second capital increase through the retirement of the necessary treasury shares. The final number of shares covered by the capital increase was 3,047,466 for a nominal amount of EUR 1,523,733.00, which were retired simultaneously for the same amount (see Note 01.10) and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 1,523,733.00, as provided for in section 335.c) of the Spanish Corporate Enterprises Act.

On June 20, 2022, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on May 6, 2022, such that once the process was concluded, in July 2022, the final number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 9,132,720, and the nominal amount of the related capital increase was EUR 4,566,360. On the same date, ACS, Actividades de Construcción y Servicios, S.A. reduced the share capital by EUR 4,566,360 through the retirement of 9,132,720 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,566,360, as provided for in section 335.c) of the Spanish Corporate Enterprises Act (see Note 08.01).

On March 23, 2023, in accordance with the resolution passed at the Annual General Meeting held on May 6, 2022, the Board of ACS, Actividades de Construcción y Servicios, S.A. resolved to reduce the share capital through the retirement, with a charge to profit or unrestricted reserves, of treasury shares of Company for a nominal amount of EUR 3 million (EUR 10,250,000 in 2022 under the resolutions passed by the Annual General Meeting) through the retirement of 6 million ACS treasury shares (20,500,000 shares in 2022), making the corresponding provision with a charge to reserves as indicated in section 335.e) of the Spanish Corporate Enterprises Act (see Note 08.01).

At December 31, 2023, the Group held 17,558,400 treasury shares of the Parent Company, with a par value of EUR 0.5 each, representing 6.3% of the share capital, with a consolidated net carrying amount of EUR 465,918 thousand which is recognized in equity under “Treasury shares” in the consolidated statement of financial position. At December 31, 2022, the Group held 25,904,654 treasury shares of the Parent Company, with a par value of EUR 0.5 each, representing 9.1% of the share capital, with a consolidated net carrying amount of EUR 622,170 thousand that was recognized in equity under “Treasury shares” in the consolidated statement of financial position.

In 2023, ACS notified the CNMV of the changes made to the treasury share buyback program, which at year-end included a maximum of 18,450,000 shares to be acquired and a maximum investment of up to EUR 553.5 million, with a maximum term of up to July 31, 2024.

The average purchase price of ACS shares in 2023 was EUR 31.09 per share (EUR 23.89 per share in 2022).

### *08.03. Adjustments for changes in valuer*

The net changes in the balance of this heading in 2023 and 2022 were as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| **Beginning balance** | **380,957** | **(170,918)** |
| Hedging Instruments | (90,352) | 416,443 |
| Available-for-sale financial assets | (16,062) | (53,170) |
| Exchange differences | 46,522 | 188,602 |
| **Ending balance** | **321,065** | **380,957** |

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and classified as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting, mainly from the interest in Abertis.

The changes relating to financial assets through other comprehensive income include the unrealized gains or losses arising from changes in their fair value net of the related tax effect.

### *08.04 Non-controlling interests*

“Non-controlling interests” mainly relates, at December 31, 2023, to the consolidation of Hochtief, which includes both the minority interests of its non-controlling shareholders and the non-controlling interests included in the German company’s statement of financial position, amounting to EUR 30,787 thousand at December 31, 2023 (EUR 95,674 thousand at December 31, 2022).

In 2023, a 7.29% interest in Hochtief, A.G. was acquired, amounting to EUR 461.3 million, at an average price of EUR 81.47 per share, increasing the interest in Hochtief, A.G. at the end of 2023 to 75.93% of the shares representing the share capital without discounting treasury shares, and to 78.48% when treasury shares are discounted.

Hochtief, A.G. decided on June 8, 2022, to increase its share capital by slightly less than 10% through a monetary contribution making use of the authorized capital, issuing 7,064,593 new shares at EUR 57.50 each, excluding the shareholders' subscription right. ACS, Actividades de Construcción y Servicios, S.A., was assigned 85% of the total number of new shares, which increased its interest in Hochtief, A.G. from 50.41% to 53.55% of the shares representing the share capital. Cash from the capital increase was used to repay part of the financing obtained for the acquisition of Cimic (see Note 01.07).

In addition, in 2022 additional shares in Hochtief, A.G. were acquired for an amount of EUR 604 million, increasing the shareholding in this company at the end of 2022 to 68.64% of the shares representing the share capital, without discounting treasury stock, and to 70.94%, when treasury shares are discounted.

In 2022, Hochtief, Cimic’s majority shareholder, with a 78.6% interest, announced on February 23 a tender offer to acquire the remaining shares of Cimic for AUD 22 per share, giving Hochtief a 100% interest with the purchase of all Cimic shares held by third parties and its delisting from the stock exchange that year (see Note 01.07).

The reduction in the balance between 2022 and 2023 is mainly due to the deconsolidation of the SH288 highway following the sale of 56.76% in December 2023 (see Note 01.08).

## 09. Non-current provisions

The breakdown of this heading at December 31, 2023 and 2022, is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| Provision for pensions and similar obligations | 295,536 | 258,631 |
| Personnel-related Provisions | 141,874 | 113,866 |
| Provision for third-party liability, taxes and for actions on infrastructure | 1,451,569 | 1,176,594 |
| **Total** | **1,888,979** | **1,549,091** |

The change in the provision for pensions and similar obligations was mainly due to the change in the discount rate used to measure Hochtief's pension obligations in Germany, the United States and the United Kingdom to 3.51%, 5.50 % and 4.80 %, respectively, at December 31, 2023 (4.16%, 5.10% and 5.05% at December 31, 2022).

Notes 20 and 36.02 to the ACS Group's Consolidated Financial Statements for the year ended December 31, 2022, describe the main disputes, including the main tax and legal litigation affecting the Group at that date.

As for litigation-related payments made by the ACS Group in 2023, payments made to resolve the litigation situation on Radials 3 and 5 and the last payment relating to the CCPP Ichthys project in Australia amounted to a total of EUR 233 million (see Note 01.07).

## 10. Financial Liabilities

The classification of financial liabilities in accordance with IFRS 9 at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Value at 31/12/2023 | Fair value through profit or loss | Fair value through other comprehensive income (equity) | Amortized cost |
| **Long Term Financial Liabilities** | **8,301,487** | **—** | **—** | **8,301,487** |
| Debentures and other negotiable securities | 3,933,655 | — | — | 3,933,655 |
| Payables to credit institutions | 4,089,245 | — | — | 4,089,245 |
| Payables on lease of goods | 7,543 | — | — | 7,543 |
| Project financing and debt with limited resources | 175,649 | — | — | 175,649 |
| Other long-term financial payables not in banks | 74,473 | — | — | 74,473 |
| Long-term payables to group and associated companies | 20,922 | — | — | 20,922 |
| **Short Term Financial Liabilities** | **1,574,900** | **—** | **—** | **1,574,900** |
| Debentures and other negotiable securities | 37,914 | — | — | 37,914 |
| Payables to credit institutions | 1,377,169 | — | — | 1,377,169 |
| Payables on lease of goods | 4,948 | — | — | 4,948 |
| Project financing and debt with limited resources | 29,814 | — | — | 29,814 |
| Other short-term financial payables not in banks | 121,762 | — | — | 121,762 |
| Short-term payables to group and associated companies | 3,293 | — | — | 3,293 |

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Value at 31/12/2022 | Fair value through profit or loss | Fair value through other comprehensive income (equity) | Amortized cost |
| **Long Term Financial Liabilities** | **8,878,681** | **—** | **—** | **8,878,681** |
| Debentures and other negotiable securities | 3,920,911 | — | — | 3,920,911 |
| Payables to credit institutions | 4,634,740 | — | — | 4,634,740 |
| Payables on lease of goods | 9,418 | — | — | 9,418 |
| Project financing and debt with limited resources | 205,476 | — | — | 205,476 |
| Other long-term financial payables not in banks | 90,485 | — | — | 90,485 |
| Long-term payables to group and associated companies | 17,651 | — | — | 17,651 |
| **Short Term Financial Liabilities** | **1,498,323** | **—** | **—** | **1,498,323** |
| Debentures and other negotiable securities | 107,740 | — | — | 107,740 |
| Payables to credit institutions | 1,331,988 | — | — | 1,331,988 |
| Payables on lease of goods | 5,689 | — | — | 5,689 |
| Project financing and debt with limited resources | 33,666 | — | — | 33,666 |
| Other short-term financial payables not in banks | 16,750 | — | — | 16,750 |
| Short-term payables to group and associated companies | 2,490 | — | — | 2,490 |

The derivative financial instruments are broken down in Note 11.

### *10.01. Debentures and other marketable securities*

At December 31, 2023, the ACS Group had debentures and bonds issued amounting to EUR 3,933,655 thousand in non-current issues and EUR 37,914 thousand in current issues (EUR 3,920,911 thousand in non-current issues and EUR 107,740 thousand in current issues at December 31, 2022) from Hochtief, Cimic, ACS, Actividades de Construcción y Servicios, S.A. and Dragados, S.A.

The most significant changes at December 31, 2023 are as follows:

- In 2023, ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) program for a maximum amount of EUR 750 million, which was registered on the Irish Stock Exchange. Through this program, ACS may issue notes maturing at between 1 and 364 days, thus enabling the diversification of financing channels in the capital market. At December 31, 2023, the issues outstanding under these programs amounted to EUR 9,400 thousand (EUR 55,000 thousand at December 31, 2022).
- ACS also renewed its debt issue program, called the Euro Medium-Term Note Programme (EMTN Programme), for a maximum amount of EUR 1,500 million, which was approved by the Central Bank of Ireland).
- ACS, Actividades de Construcción y Servicios, S.A. also renewed the Negotiable European Commercial Paper (NEU CP) program in 2023 for EUR 500 million, with a maximum issue term of 365 days, under the regulation of the Bank of France (pursuant to section D.213-2 of the French Monetary and Financial Code) and listed on the Luxembourg Stock Exchange. At December 31, 2023, the issues outstanding under the above programs amounted to EUR 4,984 thousand. At December 31, 2022, there were no outstanding issues under these programs.

The detail of the ACS Group's main bonds at December 31, 2023 and 2022, is as follows:

| Bonds | Carrying amount 31/12/2023 | Carrying amount 31/12/2022 | Price 31/12/2023 | Price 31/12/2022 | Principal (Millions of Euros) | Coupon (%) | Initial term (in years) | Maturity |
|---|---|---|---|---|---|---|---|---|
| ACS 750 | 753,818 | 752,767 | 97.09% | 92.12% | 750 | 1.375% | 5 | June 2025 |
| ACS 50 | 50,230 | 37,051 | n.a. | n.a. | 50 | 4.750% | 4 | November 2026 |
| ACS 50 | — | 28,011 | n.a. | n.a. | 28 | 0.785% | 4.11 | June 2023 |
| DRAGADOS GREEN BOND 750 | 593,771 | 594,043 | 96.80% | 90.94% | 588 | 1.875% | 8 | April 2026 |
| HOCHTIEF 500 | 503,558 | 503,022 | 97.40% | 94.65% | 500 | 1.750% | 7 | July 2025 |
| HOCHTIEF 50 CHF | 54,179 | 50,930 | n.a. | n.a. | 54 | 0.769% | 6 | June 2025 |
| HOCHTIEF 50 | 50,660 | 50,646 | n.a. | n.a. | 50 | 2.300% | 15 | April 2034 |
| HOCHTIEF 500 | 498,323 | 497,642 | 91.23% | 81.73% | 500 | 0.500% | 8 | September 2027 |
| HOCHTIEF 1000 NOK | 89,579 | 95,743 | n.a. | n.a. | 90 | 1.700% | 10 | July 2029 |
| HOCHTIEF 250 | 249,747 | 249,580 | 83.89% | 65.83% | 250 | 1.250% | 12 | September 2031 |
| HOCHTIEF 500 | 497,331 | 496,415 | 86.84% | 74.92% | 500 | 0.625% | 8 | April 2029 |
| CIMIC 625 | 616,055 | 617,797 | 86.46% | 74.43% | 625 | 1.500% | 8 | May 2029 |

### *10.02. Bank borrowings*

In relation to bank loans, the most relevant matters during the period are as follows:

- ACS, Actividades de Construcción y Servicios, S.A. has a syndicated loan in the amount of EUR 2,100,000 thousand divided into two tranches (tranche A of the loan, drawn down in full, in the amount of EUR 950,000 thousand, and tranche B, a liquidity facility, in the amount of EUR 1,150,000 thousand), which matures on October 13, 2026 (except for EUR 10 million maturing in 2025). No amount has been drawn down on the liquidity facility of tranche B at December 31, 2023 and 2022. There have been no changes as regards the other terms.
- On June 29, 2017, the Company (Dragados, S.A.) and its investee (Dragados Construction USA, Inc.), as "Borrowers," signed a syndicated loan agreement with a group of international financial institutions, amounting to USD 270,000 thousand (EUR 248,482 thousand), which was drawn down in full by Dragados Construction USA, Inc. On June 22, 2021, an agreement was reached to roll over the above loan agreement. Hence, the amount of the loan was simultaneously repaid in part and increased, resulting in a tranche A of USD 232,750 thousand (EUR 214,200 thousand) and a tranche B of USD 62,250 thousand (EUR 57,289 thousand). Dragados Construction USA, Inc. used USD 37,250 thousand (EUR 34,281 thousand) of tranche B to partially repay the initial amount. Both tranches were fully drawn down at December 31, 2023. The total amount of the loan was USD 295,000 thousand (EUR 266,968 thousand). In addition, the maturity date was extended to June 28, 2026, date on which it will be fully repaid, with the rest of the terms unchanged. The principal on this loan earns interest referenced to the USD-SOFR.
- On December 20, 2018, Dragados, S.A. executed a syndicated transaction for a total of EUR 323,800 thousand, which was divided into a tranche A as a loan amounting to EUR 161,900 thousand, and a tranche B as a credit line for the same amount as tranche A. Subsequently, on December 19, 2019, a novation of this agreement was executed, whereby tranches A and B were increased by EUR 70,000 thousand each, reaching a total of EUR 463,800 thousand. On December 15, 2022, an agreement was reached to roll over the financing agreement, extending by one year its previously maturity until December 20, 2024. Lastly, on November 30, 2023, the contract was rolled over, extending the final maturity date to June, 19, 2026, and increasing the financing granted to EUR 465,000 thousand (EUR 232,500 thousand for tranche A and EUR 232,500 thousand for tranche B). Following the adhesion of a new entity in January 2024, the amount stands at EUR 470,000 thousand (EUR 235,000 thousand in each tranche). At December 31, 2023, EUR 232,500 thousand of tranche A had been drawn down. The principal of the loan accrues interest tied to the LIBOR rate.

- Hochtief refinanced, before maturity, the existing long-term syndicated loan of EUR 1,700 million maturing in 2024 and obtained another EUR 300 million for future corporate purposes, including the refinancing of existing credit facilities. Hochtief and an international banking syndicate agreed on a credit line with a five-year term starting on March 30, 2023, and with extension options for up to two additional years. The total amount is broken down into EUR 1,200 million in guarantee facilities, EUR 500 million in credit facilities and EUR 300 million in loans.
- Cimic substituted, ahead of time, the AUD 1,000 million (EUR 612 million) syndicated credit facility maturing in July 2025 and repaid it in early October, using two tranches of AUD 693 million (EUR 424 million) and USD 239 million (EUR 231 million) with five-year maturities.
- In addition, in early October 2023, Cimic repaid, ahead of time, its AUD 950 million (EUR 581 million) credit facility. In the process, Cimic subscribed a new credit facility for an amount of AUD 625 million (EUR 383 million) with a three-year term and a credit facility for an amount of AUD 522 million (EUR 319 million) with a five-year term. Altogether, Cimic thus succeeded in increasing its liquidity reserves by more than AUD 267 million (EUR 164 million).
- In November 2023, Cimic signed a three-year bonding syndicated facility for AUD 1.3 million (EUR 0.8 million). This facility replaces the AUD 1.4 million (EUR 0.9 million) facility that matured in March 2024 and covers the Cimic Group's operating-guarantee requirements in addition to the existing bilateral guarantee and bonding mechanisms.
- "Project finance with limited recourse" on the liability side of the consolidated statement of financial position mainly includes the amount of the financing relating to infrastructure projects (see Note 04).

The breakdown of this heading, by type of financed asset, at December 31, 2023, is as follows:

| | Thousands of Euros | | |
|---|---|---|---|
| | Current | Non-current | Total |
| Highways | 16,643 | 7,842 | **24,485** |
| Solar thermal plants | 13,045 | 160,094 | **173,139** |
| Other infrastructures | 126 | 7,713 | **7,839** |
| **Total** | **29,814** | **175,649** | **205,463** |

The breakdown of this heading, by type of financial asset, at December 31, 2022, was as follows:

| | Thousands of Euros | | |
|---|---|---|---|
| | Current | Non-current | Total |
| Highways | 15,892 | 24,231 | **40,123** |
| Solar thermal plants | 13,336 | 173,677 | **187,013** |
| Other infrastructures | 4,438 | 7,568 | **12,006** |
| **Total** | **33,666** | **205,476** | **239,142** |

In 2023 and 2022, the ACS Group satisfactorily met its bank borrowing payment obligations on maturity.

Note 21 of the financial statements for 2022 details the main financial risks to which the ACS Group is exposed (interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk of listed shares). The most significant changes in 2023 with respect to the ACS Group's financial risks detailed in the Consolidated Annual Accounts for 2022 are:

- ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) program for a maximum amount of EUR 750 million, the Negotiable European Commercial Paper (NEU CP) program for EUR 500 million, and the debt issuance program known as Euro Medium-Term Note Programme (EMTN Programme) for a maximum amount of EUR 1,500 million.
- Hochtief refinanced, before maturity, the existing long-term syndicated loan of EUR 1,700 million maturing in 2024 and obtained another EUR 300 million for future corporate purposes, including the

refinancing of existing credit facilities. Hochtief and an international banking syndicate agreed on a credit line with a five-year term starting on March 30, 2023, and with extension options for up to two additional years. The total amount is broken down into EUR 1,200 million in guarantee facilities, EUR 500 million in credit facilities and EUR 300 million in loans.

- In early October 2023, Cimic repaid, ahead of time, its AUD 950 million (EUR 581 million) credit facility. In the process, Cimic subscribed a new credit facility for an amount of AUD 625 million (EUR 383 million) with a three-year term and a credit facility for an amount of AUD 522 million (EUR 319 million) with a five-year term. Altogether, Cimic thus succeeded in increasing its liquidity reserves by more than AUD 267 million (EUR 164 million).
- In November 2023, Cimic signed a three-year bonding syndicated facility for AUD 1.3 million (EUR 0.8 million). This facility replaces the AUD 1.4 million (EUR 0.9 million) facility that matured in March 2024 and covers the Cimic Group's operating-guarantee requirements in addition to the existing bilateral guarantee and bonding mechanisms.

In April 2023, Standard and Poor's (S&P) gave ACS, Actividades de Construcción y Servicios, S.A. a long-term corporate credit rating of BBB- and a short-term rating of A-3, with a stable outlook. Hochtief and Cimic also received the same credit rating.

At December 31, 2023, "Other current financial assets" in the consolidated statement of financial position (see Note 06) amounts to EUR 1,163,599 thousand (EUR 1,180,617 thousand at December 31, 2022), of which EUR 957,248 thousand (EUR 986,911 thousand at December 31, 2022) could be liquidated in less than three months, if the Group elected to do so, due to the instrument's own liquid nature or its term. In addition, the fair value of the forward contracts (settled by differences) relating to ACS shares amounting to EUR 520,057 thousand at December 31, 2023 (EUR 239,178 thousand at December 31, 2022) is considered to be liquid, since they may be disposed of at any time (see Note 11).

The amount corresponding to "Other financial liabilities" in the consolidated statement of financial position mainly includes the financing obtained from public bodies in various countries to carry out certain infrastructure projects, which most notably includes the participating loan from the Spanish State granted to Autovía Medinaceli-Calatayud Sociedad Concesionaria del Estado, S.A., with an outstanding amount at December 31, 2023, of EUR 52,498 thousand (EUR 52,498 thousand at December 31, 2022) to finance the rebalancing achieved in 2011, and which matures during the remaining term of the concession (2026).

### *10.03. Capital management*

The ACS Group's capital management objectives are to maintain an optimum financial and equity structure to reduce the cost of capital and at the same time safeguard the Group's ability to continue to operate with sufficiently sound debt ratios.

The capital structure is controlled mainly through the debt/equity ratio, calculated as equity divided net financial debt, with net financial debt taken to be:

+ Net debt with recourse:
  + Non-current bank borrowings
  + Current bank borrowings
  + Issue of bonds and debentures
  – Cash and other current financial assets

+Debt from project finance and debt with limited recourse.

The Group's directors consider that the leverage ratio at December 31, 2023 and 2022 was adequate, as detailed below:

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| **Net recourse debt / (cash)** | **(605,659)** | **(463,147)** |
| Non-current bank borrowings (Note 17.02) | 4,096,788 | 4,644,158 |
| Current bank borrowings (Note 17.02) | 1,382,117 | 1,337,676 |
| Issue of bonds and debentures (Note 17.01) | 3,971,569 | 4,028,652 |
| Other financial liabilities (Note 19) | 220,449 | 127,376 |
| Long term deposits, other current financial assets and cash | (10,276,582) | (10,601,009) |
| **Project financing (Note 18)** | **205,463** | **239,142** |
| **Net financial debt** | **(400,196)** | **(224,005)** |
| **Equity (Note 15)** | **5,630,571** | **6,375,877** |

## 11. Financial derivative instruments

The details of these financial instruments at December 31, 2023 and 2022 are as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | 31/12/2023 | | 31/12/2022 | |
| | Assets | Liabilities | Assets | Liabilities |
| Hedges | 84,269 | 24,322 | 112,187 | 16,985 |
| Non-qualified hedges | — | 6,051 | 3 | 6,584 |
| **Non-current** | **84,269** | **30,373** | **112,190** | **23,569** |
| Hedges | 4,405 | 6,514 | 12,991 | 765 |
| Non-qualified hedges | 523,642 | 1,505 | 239,848 | 130,772 |
| **Current** | **528,047** | **8,019** | **252,839** | **131,537** |
| **Total** | **612,316** | **38,392** | **365,029** | **155,106** |

Assets and liabilities designated as hedging instruments include the amount corresponding to the effective part of the changes in fair value of these instruments designated and classified as cash flow hedges. They relate mainly to interest rate hedges (interest rate swaps) and foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting.

The assets and liabilities relating to derivative financial instruments not qualified as hedges include the fair value of the derivatives that do not meet hedging conditions.

In the second half of 2023, a new ACS share option plan and an ACS share plan for the next 5 years (Plan 2023-2028) has been established and has been outsourced to a financial institution (see Note 20.03). The financial institution holds these shares for delivery to executives who are beneficiaries of the plan in accordance with the conditions set out in it and at the exercise price of the option (EUR 31.55 per share). These derivatives do not meet the accounting requirements to qualify for hedge accounting; therefore, their measurement is recorded through changes in the consolidated income statement. The change in fair value of these instruments is included under "Changes in the fair value of financial instruments" in the accompanying consolidated income statement (see Note 17). Pursuant to the contracts with the financial institutions, the latter assume no risk arising from the drop in the share price below the exercise price. Since ACS's share price at December 31, 2023 is higher than the exercise price of the option, no liability in this connection has been recognized in the consolidated statement of financial position at December 31, 2023

(EUR 129,962 thousand recognized on the liability side of "Current derivative financial instruments" at December 31, 2022).

At 31 December 2023, ACS, Actividades de Construcción y Servicios, S.A. has a forward derivative contract, settled by differences, on its own shares with a financial institution for a maximum total of 12,731,731 shares, adjustable on the basis of future dividends, and 111 maturities, with the last maturity date in February 2025 at a rate of 114,700 shares per session. In addition, at 31 December 2023 the Company had another forward derivative contract, settled by differences, on 12,705,666 shares, adjustable on the basis of future ACS dividends, with the last maturity date in August 2024, at a rate of 115,117 shares per session. After the reporting date, ACS, Actividades de Construcción y Servicios, S.A. renewed the latter contract, to be settled, also by differences, between 27 February 2025 and 5 August 2025 at 115,094 shares per session.

The positive fair value of the forward contracts (settled by differences) relating to ACS shares amounted to EUR 520,057 thousand at December 31, 2023 (EUR 239,178 thousand at December 31, 2022), recognized under "Current derivative financial instruments" on the asset side of the accompanying consolidated statement of financial position, following the impact of the re-strike of the forward in the amount of EUR 80 million. The effect on the income statement in 2023 is a profit of EUR 360,885 thousand (a profit of EUR 123,737 thousand in 2022) included under “Changes in fair value of financial instruments” in the accompanying consolidated income statement (see Note 17).

The amounts provided as security (see Note 06.05) relating to the above derivatives arranged by the Group amounted to EUR 163,406 thousand at December 31, 2023 (EUR 218,139 at December 31, 2022).

As part of the divestment of Thiess, the transaction agreement included a put option for Elliott to sell all or part of its 50% interest in Thiess class A preference or ordinary shares to Cimic after the third year, i.e., four to six years after the sale on December 31, 2020. The exercise price will be the lower of the cost price or a price tied to changes in the S&P/ASX 200 Total Return Index plus the cumulative value of any shortfall in the minimum agreed distributions. This option has no current impact on the control of the company.

The put option is accounted for as a derivative financial instrument in accordance with IFRS 9 and is therefore recognized at fair value through profit or loss in the ACS Group’s consolidated financial statements.

The fair value of the put option cannot be assessed using the market price. A probability-weighted expected return methodology is used to obtain the value of the income from the put option based on future potential payments if the option is exercised, adjusted for minimum annual distributions as per the shareholders’ agreement, and compared with the estimated exercise price to determine a fair value. The company has resorted to an independent external advisor to determine the fair value of the put option. At December 31, 2023, the fair value of the put option was determined to be AUD 0, equivalent to EUR 0 (AUD 4.35 million, equivalent to EUR 2.77 million at December 31, 2022).

The entry parameters assumed for the valuation were an expected exercise period of 0 to 3 years, an EBITDA multiplier of 3x to 5x and discount rates of between 10% and 15%. There were no significant interrelations among the non-observable figures materially affecting the fair value. The changes to these figures had no material effect on the total overall results, total assets and liabilities or equity.

As indicated in Note 5, Thiess issued Class C preference shares in 2022 providing a coupon yield above all other equity instruments in the amount of EUR 14.0 million (EUR 3.2 million in 2022) for the Group’s shareholding. Therefore, there are agreements relating to Thiess Class C preference shares. Under the agreement, Elliott has the option to sell its Class C preference shares to Cimic within 42 months. The term begins six months after the period for exercising the put option expires or six months after the date on which Elliott ceases to hold class A preference shares or ordinary shares or announces that it will exercise the option to sell all remaining shares (the “Thiess option”).

Cimic has a call option to purchase Elliott’s Class C preference shares for a period of 42 months, which begins at the end of the period for exercising the put option or the date on which Elliott ceases to hold the shares.

The Thiess option is accounted for as a derivative financial instrument in accordance with IFRS 9 and is therefore recognized at fair value through profit or loss. The company has resorted to an independent external advisor to determine the fair value of the Thiess option.

The fair value of the Thiess option cannot be assessed using the market price. The Thiess option is measured using the net present value methodology taking into account the probability-based outcomes of both the put and the call options. The assumptions used for the measurement were an expected exercise period of three to seven years and discount rates of between 10% and 15%. There were no significant interrelationships between unobservable inputs that could have a material effect on fair value. Changes in these parameters did not have a material effect on total comprehensive income, total assets and liabilities, or equity.

At December 31, 2023, the fair value of the Thiess put option was determined to be AUD 1.62 million, equivalent to EUR 1 million (AUD 1.68 million, equivalent to EUR 1.07 million at December 31, 2022).

The Group has recognized both its own credit risk and that of the counterparty based on each derivative for all derivative instruments measured at fair value through profit or loss, in accordance with IFRS 13.

In relation to assets and liabilities measured at fair value, the ACS Group followed the hierarchy defined in IFRS 7:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Value at 31/12/2023 | Level 1 | Level 2 | Level 3 |
| **Assets** | **1,591,648** | **632,234** | **745,419** | **213,995** |
| Equity instruments | 384,547 | 161,103 | 9,449 | 213,995 |
| Loans to third parties | — | — | — | — |
| Debt securities | 594,785 | 470,946 | 123,839 | — |
| Other financial assets | — | — | — | — |
| Derivative financial instruments | | | | |
| Non-current | 84,269 | — | 84,269 | — |
| Current | 528,047 | 185 | 527,862 | — |
| **Liabilities** | **38,392** | **194** | **37,202** | **996** |
| Derivative financial instruments | | | | |
| Non-current | 30,373 | 30 | 30,343 | — |
| Current | 8,019 | 164 | 6,859 | 996 |

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Value at 31/12/2022 | Level 1 | Level 2 | Level 3 |
| **Assets** | **2,004,033** | **1,020,410** | **471,421** | **512,202** |
| Equity instruments | 766,181 | 596,036 | 8,689 | 161,456 |
| Loans to third parties | 328,936 | — | — | 328,936 |
| Debt securities | 522,077 | 424,157 | 97,920 | — |
| Other financial assets | 21,810 | — | — | 21,810 |
| Derivative financial instruments | | | | |
| Non-current | 112,190 | 3 | 112,187 | — |
| Current | 252,839 | 214 | 252,625 | — |
| **Liabilities** | **155,106** | **609** | **150,655** | **3,842** |
| Derivative financial instruments | | | | |
| Non-current | 23,569 | — | 19,727 | 3,842 |
| Current | 131,537 | 609 | 130,928 | — |

The changes in financial instruments included under Level 3 in 2023 are as follows:

| | Thousands of Euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | 31/12/2022 | Additions | Reductions | Valuation adjustments | Transfer Level 2 | Others | 31/12/2023 |
| **Assets - Equity instruments and derivative financial instruments** | **512,202** | 17,766 | (61,810) | 41,433 | — | (295,596) | **213,995** |
| **Liabilities - Derivative financial instruments** | **3,842** | — | — | (2,846) | — | — | **996** |

The changes in financial instruments included under Level 3 in 2022 were as follows:

| | Thousands of Euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | 01/01/2022 | Additions | Reductions | Valuation adjustments | Transfer Level 2 | Others | 31/12/2022 |
| **Assets - Equity instruments and derivative financial instruments** | **379,704** | 105,500 | (59,099) | 86,010 | — | 87 | **512,202** |
| **Liabilities - Derivative financial instruments** | **8,325** | — | — | (4,483) | — | — | **3,842** |

No derivative instruments measured at fair value through profit or loss were transferred between levels 1 and 2 of the fair value hierarchy in 2023 or in 2022.

The Group has not broken down the fair value of certain financial instruments, such as "Trade receivables for sales and services" and "Payables," given that the Group considers their carrying amount to be an approximation of their fair value.

# 12. Tax matters

## *12.01. Deferred tax assets and liabilities*

The breakdown of the deferred tax assets at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | | | | | |
|---|---|---|---|---|---|---|
| | 31/12/2023 | | | 31/12/2022 | | |
| | Tax Group in Spain | Other companies | Total | Tax Group in Spain | Other companies | Total |
| Credit for tax loss | 9,991 | 307,597 | **317,588** | — | 372,704 | **372,704** |
| Other temporary differences | 287,023 | 187,323 | **474,346** | 275,950 | 123,162 | **399,112** |
| Tax credits and tax relief | 55,050 | 4,437 | **59,487** | 63,711 | 3,740 | **67,451** |
| **Total** | **352,064** | **499,357** | **851,421** | **339,661** | **499,606** | **839,267** |

The deferred tax assets were recognized in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

At December 31, 2023, deferred tax assets and liabilities arising from temporary differences totaling EUR 493,970 thousand (EUR 484,145 thousand at December 31, 2022) have been offset. The offsetting was at the level of the same company or tax group and most of the offsetting arises in the Hochtief Group.

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| **Deferred tax assets** | **1,345,391** | **1,323,412** |
| Compensations of deferred tax assets/liabilities | (493,970) | (484,145) |
| **Total deferred tax assets** | **851,421** | **839,267** |
| | | |
| **Deferred tax liabilities** | **825,961** | **778,491** |
| Compensations of deferred tax assets/liabilities | (493,970) | (484,145) |
| **Total deferred tax liabilities** | **331,991** | **294,346** |

The deferred tax liabilities, amounting to EUR 331,991 thousand (EUR 294,346 thousand at December 31, 2022), have not substantially changed with respect to December 31, 2022, as the effect of the amendment to IAS 12, the application of which is mandatory since January 1, 2023, is not material.

### *12.02. Change in income tax expense*

The main areas which affect the quantification of tax expenditure at December 31, 2023 and 2022 are as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Consolidated profit/(loss) before tax | 1,127,229 | 1,008,651 |
| Profit or loss of companies accounted for using the equity method | (415,249) | (385,472) |
| | **711,980** | **623,179** |
| Tax charge at 25% | 177,995 | 155,795 |
| Effect of long-term differences | 18,666 | (85,390) |
| Deductions for tax incentives | (5,446) | (5,849) |
| Effect of the difference between applicable national rates | 25,488 | 11,337 |
| Expenses for non-recognition of deferred tax assets generated during the fiscal year, and other adjustments from prior fiscal years | (17,619) | 125,307 |
| **Income tax expense / (income)** | **199,084** | **201,200** |

The effect of the spread between national tax rates against the reference tax rate of 25% is due to the fact that the nominal Spanish rate used to calculate this table is lower than the average of nominal rates in the relevant countries in which the Group operates.

In 2023, the Spanish Tax Group received notice of initiation of tax audits for the periods from 2018 to 2021 for corporation tax and June 2019 to December 2021 for VAT and withholdings. The Parent Company's directors do not foresee any consequences that could significantly affect the Group's consolidated financial statements.

The ACS Group’s directors consider that the tax returns have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax law in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the Condensed Consolidated Financial Statements.

On December 15, 2022, the European Council approved Directive 2022/2523 establishing a minimum level of taxation for large groups of domestic and multinational enterprises. The objective of this rule, which would first be applicable is 2024, is for large enterprise groups to pay tax in all jurisdictions in which they operate at a minimum rate of 15%. Although the Directive has yet to be transposed in Spain, it has been transposed in Germany, where it is fully in force.

Because the ACS Group falls within the scope of application of this new tax, the impact it will have according to the most recent information available from the Country by Country Report, as well as the 2023 financial information, has been assessed. According to this information, the effect is expected to be quite limited, given that nearly all of the jurisdictions in which the Group operates have tax rates above the minimum 15%. Nevertheless, the ACS Group will continue to evaluate this matter in its future financial statements.

## 13. Business Segments

In accordance with the ACS Group’s internal organizational structure and, consequently, its internal reporting structure, the Group carries on its business activities in 2023 through lines of business, which are the operating reporting segments as indicated in IFRS 8.

The Group’s main areas in 2023 and 2022 are divided into:

### *a) Construction*

The Construction business segment includes the construction activities through Dragados and Hochtief (including Cimic) and is aimed at carrying out all types of civil construction projects (activities related to developing infrastructure, such as highways, railways, maritime projects and airports), building projects (residential buildings, social infrastructure and facilities) and infrastructure services (railway, transport, communications and technology, sectors, such as data centers, energy, such as battery factories, resources, water and defense). The geographic regions with the greatest exposure in this area are North America, Asia Pacific and Europe, where operations are mainly conducted in developed markets that are safe from a geopolitical, economic and legal perspective.

### *b) Concessions*

The Concessions segment comprises Iridium's activity and ownership interest in Abertis and is aimed at developing and operating transport concessions. These projects are carried out either through direct construction models for institutional or private clients or through public–private partnership models, in which the ACS Group covers the entire concession business value chain from project design through financing, construction and start-up to operation. The geographic regions with the greatest exposure in this area are Europe, Latin America and North America.

### *c) Services*

This area includes only Clece’s business activity, which offers comprehensive maintenance services for buildings, public places and organizations, and assistance to people. This area is mainly based in Spain but is also beginning to grow in the European market. Although this segment does not meet the quantitative thresholds established in IFRS 8, the Group considers that it should be reported as a differentiated segment since the nature of the goods and services it provides is wholly differentiated and identifiable, it reports independently to the Group, and this presentation is considered to be more useful to the users of the financial statements.

### *d) Corporation*

This includes the activity of the Group’s Parent Company, ACS, Actividades de Construcción y Servicios, S.A., in addition to other activities that cannot be assigned to the other business segments that are presented separately, such as the real estate assets developed by Cogesa and renewable energy and water assets, plus the effects of consolidation.

The detail of the assets and liabilities by segment at December 31, 2023 and 2022 is as follows:

| | Thousands of Euros | | | |
|---|---|---|---|---|
| | Assets | | Liabilities | |
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| Construction | 26,865,971 | 25,484,331 | 23,554,324 | 21,964,396 |
| Concessions | 4,294,708 | 5,617,813 | 1,188,390 | 2,708,743 |
| Services | 1,615,743 | 1,620,838 | 802,195 | 817,364 |
| Corporation, others and adjustments | 3,721,848 | 4,857,318 | 5,322,790 | 5,713,920 |
| **Total** | **36,498,270** | **37,580,300** | **30,867,699** | **31,204,423** |

The distribution of revenue in 2023 and 2022 by segment corresponding to the Group's ordinary activities is as follows:

| Business segments | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Construction | 33,356,996 | 31,432,887 |
| Concessions | 186,750 | 96,410 |
| Services | 1,928,066 | 1,818,792 |
| (-) Corporation, others, adjustments and eliminations of ordinary inter-segment income | 265,947 | 267,145 |
| **Total** | **35,737,759** | **33,615,234** |

Inter-segment sales are made at market prices.

The reconciliation of the profit/(loss) from operations, by segment, with consolidated profit/(loss) before tax at December 31, 2023 and 2022 is as follows:

| Business segments | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Construction | 555,608 | 530,902 |
| Concessions | 410,529 | 218,211 |
| Services | 29,541 | 27,816 |
| **Total profit / (loss) of the segments reported upon** | **995,678** | **776,929** |
| (+/-) Non-assigned profit | (67,533) | 95,855 |
| (+/-) Income tax and / or profit / (loss) from discontinued operations | 199,084 | 135,867 |
| **Profit / (Loss) before tax** | **1,127,229** | **1,008,651** |

Revenue, by geographic area, at December 31, 2023 and 2022 is as follows:

| Revenue by Geographical Area | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Domestic market | 3,356,407 | 3,170,387 |
| Foreign market | 32,381,352 | 30,444,847 |
| a) European Union | 2,063,605 | 2,032,978 |
| a.1) Euro Zone | 924,902 | 960,027 |
| a.2) Non Euro Zone | 1,138,703 | 1,072,951 |
| b) Rest of countries | 30,317,747 | 28,411,869 |
| **Total** | **35,737,759** | **33,615,234** |

Revenue amounting to EUR 35,737,759 thousand in 2023 (EUR 33,615,234 thousand in 2022) includes performance obligations recognized mainly through the application of the product method in the construction businesses (civil construction, PPP, etc.), concessions and services (including “construction management,” and comprehensive maintenance services for buildings, public places and organizations, together with assistance to people).

Revenue by type for 2023 is as follows:

| | Construction/PPP | | Construction Management/Services | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % |
| Construction | 13,861,174 | 38.8 % | 19,109,093 | 53.5 % | 386,729 | 1.1 % | 33,356,996 | 93.3% |
| Concessions | — | 0.0 % | 186,750 | 0.5 % | — | 0.0 % | 186,750 | 0.5% |
| Services | — | 0.0 % | 1,928,076 | 5.4 % | (10) | 0.0 % | 1,928,066 | 5.4% |
| Corporate, others and adjustments | — | 0.0 % | 250,683 | 0.7 % | 15,264 | 0.0 % | 265,947 | 0.7% |
| **Total** | **13,861,174** | **38.8 %** | **21,474,602** | **60.1 %** | **401,983** | **1.1 %** | **35,737,759** | **100.0%** |

Revenue by type for 2022 was as follows:

| | Construction/PPP | | Construction Management/Services | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % |
| Construction | 12,739,511 | 37.9 % | 18,341,687 | 54.6 % | 148,412 | 0.4 % | 31,432,887 | 93.5% |
| Concessions | — | 0.0 % | 96,410 | 0.3 % | — | 0.0 % | 96,410 | 0.3% |
| Services | — | 0.0 % | 1,818,802 | 5.4 % | (10) | 0.0 % | 1,818,792 | 5.4% |
| Corporate, others and adjustments | — | 0.0 % | 252,444 | 0.8 % | 14,701 | 0.0 % | 267,145 | 0.8% |
| **Total** | **12,739,511** | **37.9 %** | **20,509,343** | **61.0 %** | **163,103** | **0.5 %** | **33,615,234** | **100.0%** |

The distribution of revenue relating to the Group’s ordinary operations for 2023 and 2022, by the main countries where it operates, is as follows:

| Revenue by Countries | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| United States | 20,106,805 | 18,837,354 |
| Australia | 7,228,784 | 6,350,306 |
| Spain | 3,356,407 | 3,170,387 |
| Canada | 1,900,222 | 1,919,322 |
| Germany | 837,643 | 858,833 |
| Poland | 486,809 | 404,078 |
| United Kingdom | 405,786 | 471,525 |
| Czech Republic | 228,885 | 167,751 |
| Other | 1,186,418 | 1,435,678 |
| **Total** | **35,737,759** | **33,615,234** |

The backlog by line of business at December 31, 2023 and 2022, was as follows:

| | Thousands of Euros | |
|---|---|---|
| | 31/12/2023 | 31/12/2022 |
| Construction | 70,624,891 | 66,083,785 |
| Services | 2,913,418 | 2,912,176 |
| **Total** | **73,538,309** | **68,995,960** |

The backlog by type at December 31, 2023, is as follows:

| | Construction/PPP | | Construction Management/Services | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % |
| Construction | 31,994,220 | 43.5 % | 38,562,866 | 52.4 % | 67,805 | 0.1 % | 70,624,891 | 96.0% |
| Services | — | 0.0 % | 2,913,418 | 4.0 % | — | 0.0 % | 2,913,418 | 4.0% |
| **Total** | **31,994,220** | **43.5 %** | **41,476,284** | **56.4 %** | **67,805** | **0.1 %** | **73,538,309** | **100.0%** |

Backlog by type at December 31, 2022, was as follows:

| | Construction/PPP | | Construction Management/Services | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % | Thousands of Euros | % |
| Construction | 28,931,332 | 41.9 % | 37,090,385 | 53.8 % | 62,067 | 0.1 % | 66,083,784 | 95.8% |
| Services | — | 0.0 % | 2,912,176 | 4.2 % | — | 0.0 % | 2,912,176 | 4.2% |
| **Total** | **28,931,332** | **41.9 %** | **40,002,561** | **58.0 %** | **62,067** | **0.1 %** | **68,995,960** | **100.0%** |

The backlog would be equivalent to approximately 23 months of activity at December 31, 2023 (23 months at December 31, 2022).

## 14. Financial expenses

Although financial expenses have a limited impact since most of the Group's debt is hedged against interest rate fluctuations, ordinary financial results have risen due to higher interest rates financing of short-term working capital, as well as financing derived from Iridium's purchase of SH288.

## 15. Average headcount

The breakdown of the average number of employees, by professional category and gender, in 2023 and 2022 is as follows:

| By professional category | Average number of employees | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Men | Women | Total | Men | Women | Total |
| University graduates | 12,333 | 4,800 | **17,133** | 11,563 | 4,591 | **16,154** |
| Junior college graduates | 1,948 | 2,233 | **4,181** | 1,793 | 2,182 | **3,975** |
| Non-graduate line personnel | 10,597 | 7,444 | **18,041** | 10,080 | 7,246 | **17,326** |
| Clerical personnel | 1,874 | 2,609 | **4,483** | 1,826 | 2,699 | **4,525** |
| Other employees | 32,503 | 57,549 | **90,052** | 29,251 | 55,555 | **84,806** |
| **Total** | **59,255** | **74,635** | **133,890** | **54,513** | **72,273** | **126,786** |

## 16. Impairment and gains or losses on the disposal of non-current assets and financial instruments, other operating expenses and other gains or losses

### *a) Impairment and gains or losses on the disposal of non-current assets*

In 2023, "Gains or losses on the disposal of non-current assets" mainly includes the recognition of the gain on the sale of 56.76% of the SH288 highway to Abertis Infraestructuras (see Note 01.08) for EUR 180 million and, in accordance with standard on business combinations, the positive impact (with no effect on cash flows) of the revaluation of the 43.24% portion retained at fair value, amounting to EUR 262 million. For its part, "Impairment losses/reversal on plant, property and equipment" includes the amounts associated with provisions made to mitigate certain operational risks of the Group that were reevaluated at year-end 2023.

In 2022, "Gains or losses on disposal of non-current assets" mainly included:

- The recognition of the capital gain relating to the purchase of an additional 56.76% of the SH288 highway which, together with the 21.62% previously held, enabled the Group to obtain control of the highway and manage its relevant activities. Therefore, its consolidation changed from the equity method to full consolidation at fair value of the transaction, and, consequently, the portion originally held by the Group was measured at fair value, with a positive impact in the amount of EUR 334.8 million (see Note 01.08).
- The effects of the deconsolidation of Ventia in Cimic in the first quarter of 2022 as a result of the loss of its status as associate, as a result of which it was recognized as a financial asset under IFRS 9 at fair value with changes in other comprehensive income, taking the market price of Ventia at that date as the reference. This entailed recording profit (without an effect on cash flow) of EUR 331.2 million (AUD 502 million), as indicated in Note 01.08.
- On April 11, 2022, Cimic entered into an agreement with its consortium partners and JKC on all matters relating to the CCPP contract, with a negative impact on Cimic's income statement, in the amount of EUR 325 million (AUD 493 million), which is recorded under "Other operating expenses" in the accompanying Consolidated Income Statement. As a consequence, Cimic paid EUR 127 million in 2022 and EUR 183.5 million in 2023.
- The results of the agreements reached with the Vinci Group to modify certain carve out transactions, such as the 24.99% holding of Zero-E Euro Assets, S.A., those relating to the photovoltaic energy development projects in Spain, the sale of the Vientos del Pastorale, S.A. and Parque Eólico Kiyú, S.A. wind farms in Uruguay, and the Hidromanta hydroelectric plant in Peru owned by Spinning Assets, S.L.U. (see Note 01.04).

### *b) Impairment and gains or losses on disposal of financial instruments*

The breakdown of “Impairment and gains or losses on the disposal of financial instruments” in 2023 and 2022 is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Impairment of financial instruments | (72,445) | (428) |
| Gains or losses on disposal of financial instruments | (6,720) | 7,773 |
| **Total** | **(79,165)** | **7,345** |

### *c) Other results*

This heading includes any gains or losses recognised by the Group that are considered to be non-recurring, mainly arising from the final settlement of lawsuits and disputes involving projects related termination agreements and extraordinary work completed and indemnities relating to work concluded on various international projects for a net loss of EUR 155 million in 2023 after taking into consideration the net use of certain provisions for risks amounting to EUR 79 million (a loss of EUR 278 million in 2022).

## 17. Changes in the fair value of financial instruments

This heading includes the effect on the consolidated income statement of derivative instruments that do not meet the efficiency criteria set out in IAS 39, or that are not hedging instruments. The most important outcome in 2023 is the positive impact of derivatives on ACS shares (forward contracts settled by differences), which resulted in a profit of EUR 360,885 thousand (EUR 123,737 thousand in 2022). Also taken into account is the effect of the derivatives of Actividades de Construcción y Servicios, S.A. on the share options, which gave rise to a profit of EUR 62,975 thousand (EUR 40,992 thousand in 2022), as described in Note 11.

## 18. Related party balances and transactions

Transactions with related parties are carried out in accordance with the criteria set out in Spanish Law 5/2021, of 12 April, which transposes into Spanish law Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, included in the revised text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, which, among other matters, determines the rules applicable to transactions that listed companies or their subsidiaries enter into with parties related to the listed company and that are regulated in sections 529 vicies to 529 tervicies of the Corporate Enterprises Act (see Note 19).

## 19. Transactions between individuals, companies or Group entities related to Group shareholders or directors

The following transactions were performed in 2023:

| 2023 Related transactions<br>Management or collaboration contracts | Other related parties | |
|---|---|---|
| | Others | Total |
| | Thousands of Euros | |
| Services rendered | 171 | **171** |
| Sale of goods | 1,336 | **1,336** |
| **Income** | **1,507** | **1,507** |

The following transactions were performed in 2022:

| 2022 Related transactions<br>Management or collaboration contracts | Other related parties | |
|---|---|---|
| | Others | Total |
| | Thousands of Euros | |
| Services rendered | 156 | **156** |
| **Income** | **156** | **156** |

The transactions with other related parties are listed due to the relationship of certain board members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or senior executives.

All these commercial transactions were carried out on an arm’s length basis in the ordinary course of business, and related to ordinary Group company transactions.

Transactions between companies forming part of the consolidated ACS Group were eliminated in the consolidation process and form part of the ordinary business conducted by these companies in terms of their purpose and contractual conditions. Transactions are carried out on an arm's length basis and disclosure is not required to present a true and fair view of the Group's equity, financial position and results.

## 20. Board of Directors and Senior Executives

### *20.01. Remuneration of the Board of Directors*

In 2023 and 2022, the Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the Board of the Parent or as members of the boards or senior executive of Group companies:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Remuneration for membership of the Board and / or Commissions | 3,791 | 3,637 |
| Wages | 5,176 | 4,937 |
| Variable cash remuneration | 9,862 | 7,954 |
| Payment systems based on financial instruments | 1,664 | 484 |
| **Total** | **20,493** | **17,012** |

The amount charged to the consolidated income statement in relation to shares and share options of ACS (see Note 20.03) granted in 2018 and 2023 to Board members with executive duties was EUR 989 thousand (EUR 278 thousand in 2022). This amount relates to the proportion of the value of the plan at the date on which it was granted.

The amounts paid to Board members relating to mutual funds, pension plans and life insurance at December 31, 2023 and 2022 are as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Long-term savings systems | 2,518 | 2,564 |
| Other concepts | 87 | 75 |
| **Total** | **2,605** | **2,639** |

The ACS Group does not have any balances with and has not granted any advances, loans or guarantees to any of the Board members at December 31, 2023 or 2022.

### *20.02. Remuneration of Senior Executives*

The remuneration of the Group's senior executives who are not also executive directors, for the periods ended December 31, 2023 and 2022, is as follows:

| | Thousands of Euros | |
|---|---|---|
| | 2023 | 2022 |
| Salary remuneration (fixed and variable) | 32,030 | 22,952 |
| Pension plans | 2,239 | 2,062 |
| Life insurances | 53 | 52 |

The amount recognized in the consolidated income statement in 2023 as a result of the shares and share options of ACS (see Note 20.03 granted to the Group's senior executives in July 2018 and July 2023 was EUR 1,960 thousand (EUR 2,757 thousand in 2022). These amounts are not included in the remuneration referred to above. Similarly, as indicated in the case of directors, these amounts relate to the proportion of the value of the plan on the date it was granted.

The ACS Group as no balances with and has granted no advances, loans or guarantees to any of the senior executives at December 31, 2023 or 2022.

### *20.03. Share-based remuneration systems*

#### ACS

On July 27, 2023, the Board of ACS, Actividades de Construcción y Servicios, S.A., using the authorization granted by the Company's Annual General Meeting held on May 5, 2023, and following a favorable report from the Remuneration Committee, approved the Long-Term Incentive Plan for ACS Group executives, covering a period of five years (2023-2028). The main characteristics of the plan are as follows:

a. Plan involving shares of ACS, Actividades de Construcción y Servicios, S.A. (Long-Term Incentive Plan 1, "LTIP1") or purchase options for the Company's own shares (Long-Term Incentive Plan 2, "LTIP2"). Specifically, LTIP1, a share-based plan, is limited to executives of ACS and Group subsidiaries who have no other long-term incentive plan in their compensation scheme (as is the case of Hochtief and its subsidiaries); by contrast, LTIP2, a share option plan, is offered to executives throughout the Group, including the main subsidiaries in which the Group has operational control.
b. The number of shares covered by LTIP1 is 1,120,000. The beneficiaries are 131 executives with rights to receive from 100,000 to 1,150 shares.
c. A maximum of 10,000,000 shares will be covered by the share option plan (LTIP2). The beneficiaries are 229 executives with the right to exercise from 590,000 to 5,000 options.
d. In the case of shares (LTIP1), the price is considered the last list price before the delivery date. The acquisition price of the options will be EUR 31.55 per share. This price will change by the respective amount in the event of a dilution.
e. Beneficiaries may exercise their rights in the two last years and must always do so subject to a service condition.
f. The period for exercising the rights will be up to June 30, 2028:
    i. In LTIP1, the shares will be delivered in two installments: the first half in July 2026 and the second half in July 2027.
    ii. In LTIP2, the options may be exercised in two equal parts, and are cumulative if the beneficiary so chooses, during the fourth and fifth years, up to July 1, 2023, inclusive.
g. For each beneficiary to receive shares or exercise options granted, the operational, financial and sustainability performance of the ACS Group during the calculation period must meet the Group's objectives, and in addition a service condition must be met. The criteria chosen for meeting these objectives are:
    1. With a weighting of 40%, the Total Shareholder Return (TSR) in the period (2023-2025) must be higher than the median of the main companies in the sector with a stock market capitalization and an international status comparable to ACS (detailed in Appendix 1). In this case, the executive receives 100% of the rights in this section. If the TSR in this period is below the 25th percentile of the comparable sample, the executive receives no rights for this section. If the TSR is between the 25th and 50th percentile of the sample, the executive will receive a number of rights proportional to the interpolation of the required limits (0% for the 25th percentile and 100% for the 50th percentile).
    2. With a weighting of 40%, the average return on equity (ROE) of the ACS Group in 2023-2025, measured as the percentage net profit over equity for the previous year (Net

Profit n / Equity n-1), must above 10%. In the case of a lower result, the executive will be granted no rights.

3. With a weighting of 20%, the average percentile obtained in the DJSI in 2023-2025 must be above 85%. In this case, the executive receives 100% of the rights in this section. If the average DJSI percentile in the measurement period is lower than the 60th percentile, the executive receives no rights in this section. If the average result is between the 60th and 85th percentile of the sample, the executive will receive a number of rights proportional to the interpolation of the required limits (0% for the 60th percentile and 100% for the 85th percentile).

Tax withholdings, expenses and the taxes payable as a result of exercising the shares and the share options will be borne exclusively by the beneficiaries.

The ACS Group's previous share option plan (granted in fiscal year 2018) ended in June 2023 without the shares being exercised.

Share-based compensation, which is recognized as staff expenses in the consolidated income statement with a balancing entry in equity, amounts to EUR 6,946 thousand in 2023, of which EUR 4,710 thousand relate to the 2023-2028 plan and EUR 2,236 thousand to the 2018-2022 plan (EUR 4,471 million in 2022). The stock market price of ACS shares at December 31, 2023 and 2022 was EUR 40.16 and EUR 26.77 per share, respectively.

Within the Hochtief Group, there are also share-based payment remuneration systems for the Group’s management. All of these share option plans form part of the remuneration system for senior executives of Hochtief and long-term incentive plans. The total amount provisioned through these share-based payment plans at December 31, 2023, is EUR 3,363 thousand (EUR 3,768 thousand at December 31, 2022). EUR 4,851 thousand was taken to the consolidated income statement in this connection in 2023 (EUR 1,007 thousand in 2022). To hedge the risk of exposure to changes in the market price of the Hochtief shares, Hochtief has a number of derivatives not considered accounting hedges.

## 21. Other contingent liabilities

In the course of its activities, the ACS Group is subject to various types of contingent liabilities that arise from litigation or administrative proceedings. It is reasonable to consider that they will not have a material effect on the economic and financial position or on the solvency of the Group, and provisions have been made insofar as they may have a material adverse effect.

**In relation to the ACS Group's investment in Alazor (Highways R3 and R5))**, on March 10, 2023, Alazor Inversiones, S.A.’s creditor funds and banks entered into a settlement agreement with ACS, Actividades de Construcción y Servicios, S.A.; Desarrollo de Concesiones Viarias Uno, S.L.; Autopistas, C.E.S.A.; and Iberpistas, S.A., in the presence of the insolvency administrators, with respect to all the proceedings relating to successive lawsuits filed by Alazor‘s financial creditors against said shareholders and guarantors (the Settlement Agreement).

The lawsuits that were the subject of this settlement are:

1. The declaratory judgment filed in May 2019 by Haitong Bank S.A. Sucursal en España, acting as an agent of the financial syndicate, invoking section 4.8 of the Support Agreement, in which it is sued for the direct payment of EUR 562.5 million plus interest (of which EUR 132.8 million plus interest related to the ACS Group). Court of the First Instance No. 26 of Madrid found in favor of the plaintiffs in a judgment dated November 2, 2021, ruling against Alazor's shareholders and their respective guarantors. The plaintiff’s filed an appeal on December 20, 2021, which is to be ruled on by the Madrid Provincial Appellate Court.

   The Provincial Court of Madrid ruled in favor of the joint request of the signatories of the Settlement Agreement in order to agree on the termination of this lawsuit through an out-of-court settlement and without a requirement that court costs be paid through an order dated November 23, 2023. The Litigation was thus terminated for ACS, the CV1, Autopistas e Iberpistas, and continued only for the funds and for Sacyr. Subsequent to year-end, a total of EUR 50,627 thousand was received in accordance with the Settlement Agreement reached between the creditor funds and banks of Alazor Inversiones, S.A. and ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno (DCV1), S.L.".

2. The declaratory action filed in January 2019 by the creditor funds and banks invoking section 2 and section 5 of the Support Agreement to claim contributions in favor of Alazor for excessive expropriation costs and compliance with refinancing ratios, for a total amount of EUR 757 million plus interest (of which EUR 169 million would relate to the ACS Group). Court of the First Instance no. 13 of Madrid dismissed the lawsuit in its entirety through a judgment dated November 7, 2022, acquitting the shareholders and guarantors. The funds filed an appeal on December 13, 2022, which the Court deemed filed on June 15, 2023, although the records have not yet been forwarded to the Madrid Provincial Court.

   In this case, the request for the termination because of an out-of-court settlement in accordance with the Settlement Agreement was filed with the Court on March 15, 2023, and a ruling on it was pending, following the holding of a hearing.

3. The claim filed by the shareholders and guarantors before Court of the First Instance No. 51 of Madrid for damages caused after the Provincial Court's revocation of the enforcement order issued in February 2014 in the first lawsuit relating to section 4.8 of the Support Agreement.

   The Court found in favor of the respective request for termination through an order dated March 21, 2023.

**In relation to the ACS Group's investment in Irasa (highway R2),** through a declaratory action of which noticed was served in September 2019, the creditor funds invoked sections 2.1.2 and 2.1.4 of the Shareholders' Commitment Agreement to claim the payment of EUR 471.8 million of principal, plus EUR 79.7 million in interest (of which EUR 165.1 million and EUR 27.9 million would correspond to the ACS Group, respectively), for excessive construction and expropriation costs, as well as contingent contributions. This claim was dismissed, with in order to pay court costs, by Madrid Court of the First Instance no. 37 through a judgment dated July 14, 2022.,In the appeal against this ruling filed by the funds, the court also ruled against the plaintiffs, with an order to pay court costs,  which was ruled on by Section 10 of the Madrid Provincial Court through a judgment dated December 21, 2023. The funds have filed a cassation appeal against the latter judgment (the National Court deemed it filed on February 12, 2024). The parties were awaiting a decision by the Admissions Section of the First Division of the Supreme Court on whether it would leave grant leave to proceed.

**In relation to the insolvency proceedings of highways R2 and highways R3 - R5,** (Henarsa, Irasa, Accesos de Madrid and Alazor), they were all declared to be not at fault. The Henarsa and Accesos de Madrid insolvency administrators handed over the operation of highways R2, R3 and R5 to the State in documents dated February 28 and May 9, 2018, respectively, with the Ministry of Transport, Mobility and Urban Agenda now assuming management, through SEITTSA — the State-owned land transport infrastructure company — under an agreement signed in August 2017, which was initially extended until 2022, and was once again extended until 2032.

**In relation to the concession agreement for the Lima Metro Line 2 Project in Peru, the concession operator, Metro de Lima Línea 2, S.A.** (in which Iridium Concesiones de Infraestructuras, S.A. holds a 25% interest), filed the following requests for arbitration:

<u>ICSID Arbitration 1:</u> On January 16, 2017, a request for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Centre for Settlement of Investment Disputes between States and Nationals of other States (ICSID) for serious breach by the Republic of Peru of the concession agreement, mainly consisting of: (i) the failure to deliver the Concession Area according to the deadlines and conditions established in the concession agreement, and (ii) the lack of approval and late approval of the Detailed Engineering Studies (ICSID 1).

In 2018, several briefs were filed requesting an extension of the term of execution of the Project works and compensation for damages in excess of USD 700 million, which include damages incurred by different participants in the Project (concession operator, construction group, rolling stock supplier, etc.). The Republic of Peru rejected the claims made and included a counterclaim against the concession operator, requesting an amount in excess of USD 700 million for socioeconomic and environmental damages.

Both the claim brought by the concession operator against Peru and the counterclaim by Peru against the concession operator have been consolidated into a single arbitration proceeding with the ICSID. The legal process having followed its normal course, in the first half of May 2019, the evidentiary hearing was held in Washington, at which various witnesses testified. Two rounds of briefs were presented in June and July 2019 in relation to issues raised during the evidentiary hearing. And final pleadings were presented by both the concession operator and the State of Peru on September 20, 2019.

On July 6, 2021, the Court issued a partial award through the "Decision on Jurisdiction and Liability,” which dismissed the counterclaim of the Republic of Peru and found in favor of virtually all of the claims of the concession operator, with the final award yet to be handed down on the amount of damages and court costs of the proceedings. In particular, the Decision declares that (1) the Republic of Peru has breached its obligation to deliver most of the Areas of Stage 1A and all of the Areas of Stages 1B and 2 within the periods agreed, and (2) the Republic of Peru has breached its contractual obligations regarding the procedure for overseeing and approving the Detailed Engineering Studies, and has failed to properly exercise its contractual supervisory role. The Court found fully in favor of the claim for damages due to delays in relation to Stages 2 and 1B and partially in favor of it Stage 1A. On August 11, 2021, the Court issued Procedural Order No. 8 instructing the experts of the concession operator and of Peru to perform additional calculations based on the findings set forth in the Decision. On October 11, 2021, following the Court’s procedural order, based on the delays determined by the Court in the Decision, the concession operator reduced its claim from USD 109.0 million to USD 84.7 million and the other members of the consortium, aside from the concession operator, also made an adjustment to the damages initially claimed. On December 30, 2021, the concession grantor submitted to the Court its reply to the concession operator’s adjusted damage calculations, contesting most of these damages claimed and submitting much lower alternative calculations. On January 31, 2022, the parties submitted a joint WACC Calculator to the Arbitration Court and, subsequently, each party has submitted its own "instructions" for using the calculator. The Arbitral Tribunal sent a notice on June 27, 2023, inviting the parties to file their written submissions on court costs. The award for damages is expected to be issued in the second quarter of 2024.

<u>ICSID Arbitration 2</u>: On August 2, 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. As in the case of ICSID 1, this claim is mainly for serious breach by the Republic of Peru of the Concession Agreement for (i) the failure to deliver the concession area, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies under the terms established in Addendum 2 to the Concession Agreement, and the updated cost overruns, and damages incurred after the cut-off dates considered in ICSID 1 ("ICSID 2").

On May 16, 2022, the ICSID Secretary General reported that the three arbitrators had accepted their respective appointments, for which reason the Arbitration Court was duly constituted and the procedure initiated. The first session of the tribunal was held on June 17, 2022, and an agreement was reached on Procedural Order no. 1, which regulates, among other matters, the procedural timetable. On December 16, 2022, the concession operator filed a Statement of Claim with the ICSID. The Republic of Peru submitted the Counter-Memorial on October 2, 2023.

<u>ICSID Arbitration 3</u>: On November 15, 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. The claim filed against Peru concerns the dispute over (i) the lack of approval of the Polynomial Formulas for the adjustment to the Work Progress and Provision Progress, (ii) the delay in the certification and payment of the adjustments arising from the application of these Polynomial Formulas, and (iii) the economic and financial loss due to the delay in payment of the adjustments ("ICSID 3").

The expert has prepared the draft preliminary expert report, which is currently being reviewed by the working group. On April 11, 2023, the ICSID Secretary General reported that the three arbitrators had accepted their respective appointments, for which reason the Arbitration Court was duly constituted and the procedure initiated. On May 29, 2023, the first session of the Arbitral Tribunal was held. The concession operator submitted the Claim Memorial on September 29, 2023.

**On October 1, 2018, a claim was brought against Dragados and other companies for possible infringements of Section 1 of the Spanish Competition Law (Ley de Defensa de la Competencia) and Article 101 of the Treaty on the Functioning of the European Union** consisting of agreements and exchanges of information between these companies on tenders carried out by the various public authorities in Spain for the construction and refurbishment of infrastructure and buildings. On July 16, 2020, the claim was declared to have lapsed, although on August 6, 2020, a new claim was brought in relation to the same events as of those referred to in the lapsed claim. On September 16, 2020, Dragados filed an appeal for judicial review against the ruling ordering the opening of a new claim, which was admitted on October 9, 2020, with the claim being filed on December 16, 2020. On July 6, 2021, the Competition Division of Spain's National Markets and Competition Commission [Comisión Nacional de los Mercados y la Competencia - CNMC] served notice of a draft ruling on the new claim with a proposed penalty of EUR 58 million, indicating that the company could also be banned from entering into contracts with public authorities. The corresponding pleadings have been submitted against this preliminary ruling. On July 15, 2022, the CNMC served noticed that a ruling had been handed down imposing a fine of EUR 57.1 million on Dragados. This fine was appealed before the National Court and on January 19, 2023, the National Court handed down its decision to suspend payment of the fine in exchange for the provision of a guarantee, which occurred in February 2023. Court. Dragados and its external advisers consider that the action that was the subject of the sanction is not unlawful and did not restrict competition, and that the fine is disproportionate and lacking merit. The Group's Management considers that the final ruling on this matter is unlikely to have a significant effect on the Group.

As regards the proceedings in progress described above, the directors, with the support of their legal advisors, do not expect any material liabilities in addition to those recognized in the Consolidated Annual Accounts to arise from the transactions or the results of the proceedings described in this note.

## 22. Explanation added for translation to English

These condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 1.1). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform to other generally accepted accounting principles and rules.

# APPENDIX I

**CHANGES IN THE CONSOLIDATION PERIMETER**

**The main companies included in the consolidation perimeter are as follows:**

DCX Heiligenhaus GmbH & Co. KG
DCX Heiligenhaus Verwaltungs GmbH
Flatiron/Lts 1, A JV
Flatiron/Lts 2, A JV
Turner ImbuTec II
Turner - Janey II JV
Turner-Janey III JV
Turner Azteca JV
Turner-Mahogany JHU Henrietta Lacks JV
Turner Carcon Source JV
Turner Carcon TM Source JV
Turner FS360 III A JV
Turner FS360 IV A JV
Turner Byrne Straight Line JV
Turner-DA Everett a JV
Turner Yates Project Kansas JV
Turner Lendlease a Joint Venture
Central Street Consortium
Innovative Asset Solutions Pty Ltd
Leighton India Holdings 2 Pte Ltd
Leighton-First Balfour Joint Venture
SH 288 Capital, LLC
SH 288 Property, LLC
Hellenic Fast Charging Service A.E.
EWE Hochtief Ladepartner GmbH & Co. KG
Skanska/Flatiron, Jv
LightHorse Innovation Corporation (Formerly: 1887719 Alberta Ltd.)
Palmetto Tri-Venture
3CI-Turner Joint Venture
TMP Joint Venture
Barton Malow Turner Dixon a Joint Venture
15148791 Canada Inc.
Hochtief Operations Hellas S.A.
DCX Heiligenhaus Verwaltungs GmbH
EWE Hochtief Ladepartner Verwaltungs-GmbH
EWE Go Hochtief Ladepartner Errichtungs-ARGE GbR
Flatiron/Lane, A Jv
BOW Transit Connectors General Partnership
Barnard Flatiron GP, Ltd.
Barnard Flatiron Limited Partnership
Lathrop Ozanne a Joint Venture
Turner Barton Malow A Joint Venture LLC
TAC JV
Tennessee Builders Alliance
CPB Contractors Pty Limited & DT Infrastructure Pty Ltd Joint Venture
CPB Contractors Pty Limited & Ghella Pty Ltd Joint Venture
Premium Care Holdings Limited
Premium Care (Sheffield) Limited
P.L.M. Facility Mangement Unipessoal, Lda

ACS DC Infra S.L.U.
595 O&M Company LLC
ACS Infra Tech&Mobility, S.L.
Hopeland Solar Farm Pty Ltd
Hopeland Solar Farm Trust
Hopeland Solar Holdings Pty Ltd
Leighton Contractors (Philippines) Corp.
Canberra Metro 2A Holding Trust
Canberra Metro 2A Holdings Pty Ltd
Canberra Metro 2A Pty Ltd
Canberra Metro 2A Trust
Spark North East Link Holding Pty Limited
Spark North East Link Pty Limited
Jupiter Ionics Shares
Vulcan Energy
Acciona Construction Australia Pty Ltd & Cpb Contractors Pty Limited & Ghella Pty Ltd
AECOM Australia Pty Ltd & BG&E Pty Limited & Georgiou Group Pty Ltd & GHD Pty Ltd & CPB Contractors Pty Limited
CPB Contractors Pty Limited & DT Infrastructure Pty Ltd (NEWest Alliance)
First Balfour-Leighton Joint Venture
Leighton-First Balfour Joint Venture
Funkenberg Quartier GmbH & Co. KG
Projektgesellschaft Herne mbH
Hochtief Scl Holdco Ltd.
Staffordshire Campus Living LLP
EWE Go Hochtief Ladepartner Betriebsgesellschaft mbH & Co. KG
Hochtief Offshore Development Solutions S. À R.L.
TSIB Re, Inc.
TSIB Cell 1 IC
Clark/ Scott Builders Inc
Canadian Borealis Holdings Inc.
Clark Builders (British Columbia) Inc.
Clark Builders (Manitoba) Inc.
Frontier Employees Inc.
Turner Promethean Joint Venture
AOP Formed by TPMI, Meinhardt and MGA
TWF Builders JV
Turner EE Cruz A JV
Weitz/Turner, A Joint Venture
Flatiron Greenline Canada Limited
Flatiron Greenline (DB) Canada Limited
Flatiron/Herzog Jv
Cf Constructors Jv
Flatiron/Herzog Md
Skanska/Flatiron LBN JV
BOW Transit Connectors General Partnership
Barnard Flatiron GP, Ltd.
Barnard Flatiron Limited Partnership

**The main companies that are no longer included in the scope of consolidation are as follows:**

Perfect Care (Holdings) Limited
Consorcio Dragados Conpax Dos, S.A.
Flatiron Electric Group (vormals: Terno, Inc.)
Audubon Bridge Constructors

Flatiron-Lane, a Joint Venture
Saddleback Constructors
Flatiron/Parsons, a JV
Flatiron/Goodfellow Top Grade JV
West Coast Rail Constructors
Dragados/Flatiron/Sukut, a Joint Venture
Topgrade/Flatiron
Topgrade/Flatiron/Gallagher
Tidewater Skanska/Flatiron
Sukut/Flatiron Joint Venture
E.E. Cruz/NAB/Frontier
E.E. Cruz/Nicholson Joint Venture LLC
Nicholson/E.E. Cruz, LLC
Devine Sa Land Pty Ltd
Leighton Contractors (Philippines) Corp.
Leighton International Limited
Spark North East Link Holding Pty Limited
Spark North East Link Pty Limited
Newark Real Estate Holdings Inc.
Tesca Ingenieria del Ecuador, S.A.
Gravitas Offshore Ltd.
Aberdeen Holdco III LLC
Leighton Offshore Faulkner Pte Ltd
Sedgman South Africa Holding (Pty) Ltd
Loftwerk Eschborn GmbH & Co. KG
Turner-SG Contracting
Martin Harris-Turner, a Joint Venture
Devine Queensland No. 10 Pty Ltd
Baulderstone Leighton Joint Venture
PA Conex Sp. z.o.o.
Altomira Eólica S.L.
Diamond Quality Care Services Limited
R & L Healthcare, Ltd.
Aspen Hamilton Limited
Horsham & Crawley Care Limited
Teapot Home Care, Ltd.
Desarrollo de Concesionarias Viarias Dos, S.L.
SH 288 Holding, S.A.
SH 288 Holdings, LLC
SH 288 Investment Inc.
SH 288 Capital, LLC
Elaboración de Cajones Pretensados, S.L.
Vias USA Inc.
Madrid caminos, escuela de ingeniería, S.A.U.
Dycasa Sociedad Anónima
Leighton India Holdings 2 Pte Ltd
Leighton Companies Management Group Llc
Port Wakefield to Port Augusta Regional Projects Alliance
Westgo Finance Pty Ltd
Ventia Services Group Pty. Ltd.
Heron Resources Ltd.
Yield Fund – JFI Yield Fund
CPB & Bombardier JV
Hochtief Offshore Development Solutions S. À R.L.

Constructora Cheves S.A.C.
SIA "Hochtief Solutions Baltics“
Verwaltung Projektgesellschaft Quartier 21 mbH
Hochtief Offshore Development Solutions S. À R.L.
WohnArt-Verwaltungsgesellschaft mbH
LightHorse Innovation Corporation (Formerly: 1887719 Alberta Ltd.)
Kiewit-Turner JV

# Individual financial statements

## Basis of presentation of the Individual Abridged Financial Information

### Accounting standards app

The Individual Abridged Financial Information (the “Abridged Financial Information”) has been prepared in accordance with commercial legislation in force and the National Chart of Accounts approved by Spanish Royal Decree 1514/2007, of November 16, and its subsequent amendments, adapted to the summary models set forth in Spanish Royal Decree 1362/2007, and with Circular 5/2015, of October 28, of the National Securities Market Commission [Comisión Nacional del Mercado de Valores- CNMV].

This Abridged Financial Information does not include all the information required for individual complete financial statements prepared according to generally accepted accounting principles and Spanish accounting regulations. Specifically, the attached Abridged Financial Information has been prepared with the necessary content for compliance with the requirements of individual abridged financial information established in regulation two of the Circular 1/2008 for cases in which the issuer is required, in application of the regulations in force, to include Condensed Consolidated Financial Statements in the report submitted. Consequently, the abridged financial information shall be read together with the financial statements of the corresponding Company for the year ended December 31, 2022 and together with the Condensed Consolidated Financial Statements for January 1, 2023, to December 31, 2023.

In relation to the preparation of the Individual Abridged Financial Information, in accordance with the consultation published by the Institute of Accounting and Accounts Auditing [Instituto de Contabilidad y Auditoría de Cuentas - ICAC] in its Official Gazette number 79 September 2009, dividends received and interest accrued from the financing granted to investees are included as part of the net amount of revenue.

The breakdown of the revenue generated is as follows:

| | Thousands of Euros | |
|---|---|---|
| | **2023** | **2022** |
| Dividends from Group companies and Associates | 784,561 | 347,160 |
| Dividends from long-term financial investments | 22 | 436 |
| Financial income form Group companies and Associates | 1,309 | 11 |
| Services rendered | 17,306 | 15,600 |
| **Total** | **803,198** | **363,207** |

This Individual Abridged Financial Information has been prepared in relation to the publication of the half-yearly financial report required under section 35 of Act 24/1998, of July 28, of the Spanish Securities Market Law (Mercado de Valores), implemented through Royal Decree 1362/2007 of October 19.

## Declaration of Responsibility

The directors state that, to the best of their knowledge, the condensed accounts submitted for 2023 have been prepared in accordance with the applicable accounting principles and present fairly the equity, financial position and results of ACS, Actividades de Construcción y Servicios, S.A. and the companies included in the consolidation taken as a whole and that the directors' report includes a fair view of the required information.

Date of the declaration: April 4, 2024.

| | |
|---|---|
| Florentino Pérez Rodríguez<br>(Executive Chairman) | Pedro López Jiménez<br>(Vice Chairman) |
| Juan Santamaría Cases<br>(Chief Executive Officer) | Antonio Botella García<br>(Board member) |
| Javier Echenique Landiríbar<br>(Board member) | Carmen Fernández Rozado<br>(Board member) |
| Lourdes Fraguas Gadea<br>(Board member) | María José García Beato<br>(Board member) |
| Emilio García Gallego<br>(Board member) | Mariano Hernández Herreros<br>(Board member) |
| Lourdes Máiz Carro<br>(Board member) | Catalina Miñarro Brugarolas<br>(Board member) |
| María Soledad Pérez Rodríguez<br>(Board member) | José Eladio Seco Domínguez<br>(Board member) |
| José Luis del Valle Pérez<br>(Director and General Secretary) | |

## Declaration of Responsibility

The directors state that, to the best of their knowledge, the condensed accounts submitted for 2023 have been prepared in accordance with the applicable accounting principles and present fairly the equity, financial position and results of ACS, Actividades de Construcción y Servicios, S.A. and that the directors' report includes a fair view of the required information.

Date of the declaration: April 4, 2024.

| | |
|---|---|
| Florentino Pérez Rodríguez<br>(Executive Chairman) | Pedro López Jiménez<br>(Vice Chairman) |
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| Javier Echenique Landiríbar<br>(Board member) | Carmen Fernández Rozado<br>(Board member) |
| Lourdes Fraguas Gadea<br>(Board member) | María José García Beato<br>(Board member) |
| Emilio García Gallego<br>(Board member) | Mariano Hernández Herreros<br>(Board member) |
| Lourdes Máiz Carro<br>(Board member) | Catalina Miñarro Brugarolas<br>(Board member) |
| María Soledad Pérez Rodríguez<br>(Board member) | José Eladio Seco Domínguez<br>(Board member) |
| José Luis del Valle Pérez<br>(Director and General Secretary) | |