

**Audit Report on Annual Accounts  
issued by an Independent Auditor**

**FCC Aqualia, S.A.  
Annual Accounts and Director' Report  
for the year ended  
December 31, 2023**

## **AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR**

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 25)

To the shareholders of FCC Aqualia, S.A.:

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### **Opinion**

We have audited the financial statements of FCC Aqualia, S.A. (the Company), which comprise the balance sheet as at December 31, 2023, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

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### **Basis for opinion**

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

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## Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

### *Recognition of unbilled accrued revenue from water supply contracts*

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**Description** One of the Company's main activities is the supply of water to its customers, the scheduled billing for this service is stipulated in each contract and based on readings of customer water consumption.

“Trade and other receivables” on the balance sheet as at December 31, 2023 includes 48.052 thousands of euros relating to unbilled revenue recognized as revenue from this service at the relevant reporting date.

Unbilled accrued revenue from supplied water is recognized and measured by estimating the volume of consumed water from the date of the last meter reading up to the reporting date, this requires that Company’s Management make judgments and assumptions regarding these estimates.

Given the complexity of making the estimates to determine customer consumption referred to above, and due to the relevance of the amount unbilled recognized as revenue as at December 31, 2023, we determined this to be a most relevant audit issue.

The information related to the valuation policies and principal assumptions applied when determining the volumes of water consumed from the date of the last meter reading up to the reporting date, as well as disclosures related to the amounts pending to be billed, is provided in Notes 2.4, 4.10 and 10.1 of the accompanying financial statements.

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### **Our response**

In relation to this matter, our audit procedures included:

- Understanding the process designed by Company’s Management to recognise unbilled accrued revenue from water supply, assessing the design and implementation of the relevant controls in place in that process, and verifying the operating effectiveness of those controls in collaboration with our information system specialists.
- Examination of the transactions carried out during the fiscal year by the Company, reviewing the correlation of revenues, accounts receivable and associated collections, as well as the performance of analytical procedures consisting of a review of the evolution of the gross margin throughout the year.
- Assessing the reasonableness of the unbilled revenue amounts recorded for a selected sample of contracts, considering trends observed in comparable prior years.
- Reviewing the disclosures made in the notes to the financial statements in conformity with the applicable regulatory financial reporting framework.

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### **Other information: directors' report**

Other information refers exclusively to the 2023 directors' report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the directors' report. Our responsibility for the directors' report, in conformity with prevailing audit regulations in Spain, entails:

- a. Checking only that the non-financial statement has been provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the directors' report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the directors' report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the directors' report is consistent with that provided in the 2023 financial statements and its content and presentation are in conformity with applicable regulations.

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### **Directors' responsibilities for the financial statements**

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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### **Auditor's responsibilities for the audit of the financial statements**

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

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

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


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

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Company's directors, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

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

ERNST & YOUNG, S.L.  
(Registered in the Official Register of  
Auditors under No. S0530)



Alfonso Balea López  
(Registered in the Official Register of  
Auditors under No. 20970)

March 15, 2024

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



## **FCC Aqualia, S.A.**

**ANNUAL ACCOUNTS AND MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



## **ANNUAL ACCOUNTS**

- Financial Statements
  - Balance Sheet
  - Profit and loss account
  - Statement of Changes in Equity
  - Statement of Cash Flows
  
- Memory

## **MANAGEMENT REPORT**

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



## FCC Aqualia, S.A.

### **BALANCE SHEET AS AT 31 DECEMBER 2023 AND 2022**

(Thousands of Euros)

ACTIVE	Notes from the Memory	Exercise 2023	Exercise 2022
<b>NON-CURRENT ASSETS</b>		<b>2.300.941</b>	<b>2.475.683</b>
<b>Intangible assets</b>	<b>Note 5</b>	<b>455.394</b>	<b>484.835</b>
Development		90	-
Concessions		426.907	446.928
Concession agreements financial activation		11.481	12.140
Goodwill		16.553	24.829
Other intangible assets		363	938
<b>Tangible fixed assets</b>	<b>Note 6</b>	<b>81.204</b>	<b>61.796</b>
Land and buildings		2.011	1.805
Technical installations and other tangible fixed assets		77.341	59.430
Fixed assets under construction and advances		1.852	561
<b>Investments in group and associated companies long-term</b>		<b>1.667.942</b>	<b>1.821.385</b>
Equity instruments	<b>Note 7.1</b>	773.780	778.114
Loans to companies	<b>Note 7.2 and 8</b>	894.162	1.043.271
<b>Long-term financial investments</b>	<b>Note 8</b>	<b>85.759</b>	<b>94.067</b>
Equity instruments		8.996	10.167
Loans to third parties		48.346	57.080
Other financial assets	<b>Note 8.3</b>	28.417	26.820
<b>Deferred tax assets</b>	<b>Note 16</b>	<b>10.642</b>	<b>13.600</b>
<b>CURRENT ASSETS</b>		<b>819.679</b>	<b>570.267</b>
<b>Stocks</b>		<b>21.313</b>	<b>18.966</b>
Commercial		3.000	1.099
Raw materials and other supplies		14.301	14.376
Advances to suppliers		4.012	3.491
<b>Trade and other receivables</b>		<b>296.623</b>	<b>249.337</b>
Customers for sales and services	<b>Note 10.1</b>	153.423	135.969
Customers, group companies and associates	<b>Note 10.2</b>	79.681	67.252
Staff		215	222
Sundry debtors		10.648	8.068
Current tax assets	<b>Note 16</b>	76	566
Other receivables from general government	<b>Note 16</b>	52.580	37.260
<b>Short-term investments in group and associated companies</b>	<b>Note 9 and 8.3</b>	<b>354.278</b>	<b>132.526</b>
Loans to companies	<b>Note 9.1</b>	347.367	124.531
Other financial assets	<b>Note 8.3</b>	6.911	7.995
<b>Short-term financial investments</b>	<b>Note 9 and 8.3</b>	<b>19.804</b>	<b>17.611</b>
Loans to third parties	<b>Note 9.2</b>	13.526	12.691
Other financial assets	<b>Note 8.3</b>	6.278	4.920
<b>Short-term accruals</b>		<b>2.549</b>	<b>2.488</b>
<b>Cash and cash equivalents</b>	<b>Note 11</b>	<b>125.112</b>	<b>149.339</b>
Treasury		125.112	149.339
<b>TOTAL ASSETS</b>		<b>3.120.620</b>	<b>3.045.950</b>

The accompanying Notes 1 to 25 are an integral part of the financial statements for 2023.



Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



## FCC Aqualia, S.A.

### **BALANCE SHEET AS AT 31 DECEMBER 2023 AND 2022**

(Thousands of Euros)

EQUITY AND LIABILITIES	Notes from the Memory	Exercise 2023	Exercise 2022
<b>NET WORTH</b>	<b>Note 12</b>	<b>711.732</b>	<b>691.710</b>
<b>OWN FUNDS</b>		<b>703.401</b>	<b>684.379</b>
<b>Capital</b>		<b>145.000</b>	<b>145.000</b>
Assessed capital		145.000	145.000
<b>Share premium</b>		<b>79.481</b>	<b>79.481</b>
<b>Reservations</b>	<b>Note 12.3</b>	<b>455.504</b>	<b>341.302</b>
Legal and statutory		29.000	29.000
Other reservations		426.504	312.302
<b>Result for the year</b>	<b>Note 3</b>	<b>53.866</b>	<b>118.596</b>
<b>Interim dividend</b>		<b>(30.450)</b>	<b>-</b>
<b>ADJUSTMENTS FOR CHANGES IN VALUE</b>	<b>Note 12.4</b>	<b>3.808</b>	<b>4.978</b>
<b>GRANTS, DONATIONS AND LEGACIES</b>	<b>Note 13</b>	<b>4.523</b>	<b>2.353</b>
Grants, donations and legacies received		4.523	2.353
<b>NON-CURRENT LIABILITIES</b>		<b>1.922.002</b>	<b>1.914.501</b>
<b>Long-term provisions</b>	<b>Note 14</b>	<b>120.524</b>	<b>120.137</b>
Long-term employee benefit obligations		106	144
Other provisions		120.418	119.993
<b>Long-term debts</b>	<b>Note 15</b>	<b>1.790.110</b>	<b>1.788.274</b>
Bonds and other marketable securities		648.654	648.284
Amounts owed to credit institutions		1.096.112	1.095.830
Other financial liabilities		45.344	44.160
<b>Long-term debt with group and associated companies</b>		<b>1.594</b>	<b>-</b>
<b>Deferred tax liabilities</b>	<b>Note 16</b>	<b>6.944</b>	<b>2.697</b>
<b>Long-term accruals</b>	<b>Note 17</b>	<b>2.830</b>	<b>3.393</b>
<b>CURRENT LIABILITIES</b>		<b>486.886</b>	<b>439.739</b>
<b>Short-term provisions</b>	<b>Note 14</b>	<b>9.042</b>	<b>7.732</b>
<b>Short-term debts</b>	<b>Note 15</b>	<b>25.424</b>	<b>27.255</b>
Interest on bonds, debentures and other securities neg.		9.691	9.691
Amounts owed to credit institutions		1.346	1.010
Other financial liabilities		14.387	16.554
<b>Current payables to group companies and associates</b>	<b>Note 15.3</b>	<b>144.255</b>	<b>78.582</b>
<b>Trade and other payables</b>	<b>Note 15</b>	<b>306.054</b>	<b>322.811</b>
Suppliers		103.650	115.313
Suppliers, group companies and associates	<b>Note 15.4</b>	26.113	26.476
Sundry creditors		74.916	85.118
Staff		5.147	3.978
Current tax liabilities	<b>Note 16</b>	5.703	4.998
Other debts to public administrations	<b>Note 16</b>	80.649	78.687
Customer advances		9.876	8.241
<b>Short-term accruals</b>		<b>2.111</b>	<b>3.359</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3.120.620</b>	<b>3.045.950</b>

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



**FCC Aqualia, S.A.**  
**PROFIT AND LOSS ACCOUNT FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2008**  
**ENDED 31 DECEMBER 2023 AND 2022**  
(Thousands of Euros)

	Notes from the Memory	Exercise 2023	Exercise 2022
<b>CONTINUING OPERATIONS</b>			
<b>Net turnover</b>	<b>Note 19.1</b>	<b>921.321</b>	<b>854.954</b>
Sales		921.321	854.954
<b>Work carried out by the company for its assets</b>		<b>3.249</b>	<b>1.557</b>
<b>Procurement</b>	<b>Note 19.3</b>	<b>(358.976)</b>	<b>(333.328)</b>
Consumption of goods		(103.449)	(96.909)
Consumption of raw materials and other consumables		(125.313)	(128.684)
Work carried out by other companies		(130.214)	(107.735)
<b>Other operating income</b>		<b>43.729</b>	<b>30.128</b>
Ancillary and other current revenues		15.254	13.331
Operating subsidies included in profit or loss for the year	<b>Note 13</b>	28.475	16.797
<b>Staff costs</b>		<b>(250.009)</b>	<b>(230.245)</b>
Wages, salaries and similar		(182.105)	(169.387)
Social charges	<b>Note 19.7</b>	(63.891)	(57.511)
Provisions		(4.013)	(3.347)
<b>Other operating expenses</b>		<b>(149.480)</b>	<b>(144.356)</b>
External services	<b>Note 19.4</b>	(140.245)	(131.899)
Tributes		(3.594)	(6.339)
Losses, impairment and changes in provisions for trading operations	<b>Note 19.11</b>	(2.653)	(3.513)
Other current administrative expenditure	<b>Note 19.12</b>	(2.988)	(2.605)
<b>Depreciation of fixed assets</b>	<b>Notes 5 and 6</b>	<b>(73.586)</b>	<b>(66.201)</b>
<b>Allocation of grants for non-financial fixed assets and others</b>	<b>Note 13</b>	<b>790</b>	<b>521</b>
<b>Excess provisions</b>		<b>1.994</b>	<b>20.478</b>
<b>Impairment and gains/losses on disposal of fixed assets</b>		<b>(545)</b>	<b>(1.338)</b>
Gains/losses on disposals and other		(545)	(1.338)
<b>OPERATING RESULT</b>		<b>138.487</b>	<b>132.170</b>
<b>Financial income</b>		<b>4.883</b>	<b>4.510</b>
Marketable securities and other financial instruments		4.883	4.510
- In third parties		4.883	4.510
<b>Financial expenses</b>	<b>Note 19.8</b>	<b>(70.220)</b>	<b>(35.926)</b>
Payable to group and associated companies	<b>Notes 15 and 19.2</b>	(689)	(106)
For debts owed to third parties	<b>Note 15</b>	(67.159)	(33.633)
For updating provisions		(2.372)	(2.187)
<b>Exchange rate differences</b>	<b>Note 19.9</b>	<b>(3.007)</b>	<b>(9.323)</b>
<b>Impairment and gain or loss on disposal of financial instruments</b>	<b>Note 19.10</b>	<b>1.100</b>	<b>44.889</b>
Impairments and losses		1.100	44.889
<b>FINANCIAL RESULT</b>		<b>(67.244)</b>	<b>4.150</b>
<b>PROFIT BEFORE TAX</b>		<b>71.243</b>	<b>136.320</b>
Profit tax	<b>Note 16</b>	(17.377)	(17.724)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>53.866</b>	<b>118.596</b>
<b>RESULT FOR THE YEAR</b>		<b>53.866</b>	<b>118.596</b>

The accompanying Notes 1 to 25 are an integral part of the financial statements for 2023.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



**FCC Aqualia, S.A.**  
**RELATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**  
**(thousands of euros)**

**A) STATEMENT OF RECOGNISED REVENUE AND EXPENDITURE FOR THE YEARS ENDED 31 DECEMBER 2023 and 2022**

	Note from the report	2023
<b>A) Profit and loss account result</b>		<b>53.866</b>
Income and expenses recognised directly in equity		
III. Grants, donations and legacies received	13	4.008
V. Tax effect		(1.159)
<b>B) Total income and expenses recognised directly in equity</b>		<b>2.849</b>
Transfers to the profit and loss account		
VI. For valuation of financial instruments		(1.170)
1. Financial assets at fair value		(1.170)
VIII. Grants, donations and legacies received	13	(790)
IX. Tax effect		112
<b>C) Total transfers to the profit and loss account</b>		<b>(1.848)</b>
<b>TOTAL RECOGNISED INCOME AND EXPENDITURE (A + B + C)</b>		<b>54.867</b>

	Note from the report	2022
<b>A) Profit and loss account result</b>		<b>118.596</b>
Income and expenses recognised directly in equity		
III. Grants, donations and legacies received	13	-
V. Tax effect		-
<b>B) Total income and expenses recognised directly in equity</b>		<b>-</b>
Transfers to the profit and loss account		
VI. For valuation of financial instruments		-
1. Financial assets at fair value		-
VIII. Grants, donations and legacies received	13	(521)
IX. Tax effect		109
<b>C) Total transfers to the profit and loss account</b>		<b>(412)</b>
<b>TOTAL RECOGNISED INCOME AND EXPENDITURE (A + B + C)</b>		<b>118.184</b>

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**FCC Aqualia, S.A.**  
**RELATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**  
**(THOUSANDS OF EUROS)**

**B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

	CAPITAL (Note 12)	ISSUANCE PREMIUM (Note 12)	RESERVES (Note 12)	RESULT FOR THE YEAR	INTERIM DIVIDEND	TOTAL OWN FUNDS	VALUE ADJUSTMENT S	SUBSIDIES (Note 13)	TOTAL
<b>BALANCE AT 31 DECEMBER 2021</b>	<b>145.000</b>	<b>79.481</b>	<b>296.863</b>	<b>74.889</b>	-	<b>596.233</b>	<b>4.978</b>	<b>2.764</b>	<b>603.975</b>
I.Total recognised income and expenditure	-	-	-	118.596	-	118.596	-	(412)	118.184
II. Transactions with partners or owners	-	-	(30.450)	-	-	(30.450)	-	-	(30.450)
(-) Dividend distribution	-	-	(30.450)	-	-	(30.450)	-	-	(30.450)
III. Implementation of the result	-	-	74.889	(74.889)	-	-	-	-	-
IV. Other changes in equity	-	-	-	-	-	-	-	-	-
<b>BALANCE AT 31 DECEMBER 2022</b>	<b>145.000</b>	<b>79.481</b>	<b>341.302</b>	<b>118.596</b>	-	<b>684.379</b>	<b>4.978</b>	<b>2.353</b>	<b>691.710</b>
I.Total recognised income and expenditure	-	-	-	53.866	-	53.866	(1.170)	2.171	54.867
II. Transactions with partners or owners A	-	-	-	-	(30.450)	(30.450)	-	-	(30.450)
(-) Dividend distribution	-	-	-	-	(30.450)	(30.450)	-	-	(30.450)
III. Implementation of the result	-	-	118.596	(118.596)	-	-	-	-	-
IV. Other changes in equity	-	-	(4.394)	-	-	(4.394)	-	-	(4.394)
<b>BALANCE AT 31 DECEMBER 2023</b>	<b>145.000</b>	<b>79.481</b>	<b>455.504</b>	<b>53.866</b>	<b>(30.450)</b>	<b>703.401</b>	<b>3.808</b>	<b>4.523</b>	<b>711.732</b>

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**FCC Aqualia, S.A.**  
**STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

(thousands of euros)	Note from the report	2023	2022
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES OPERATING ACTIVITIES</b>			
<b>1. Profit for the year before tax</b>		<b>71.243</b>	<b>136.320</b>
<b>2. Adjustments to the result</b>		<b>74.654</b>	<b>(20.446)</b>
a) Depreciation of fixed assets (+)	5 y 6	73.586	66.201
b) Valuation adjustments for impairment (+/-)		(1.929)	(45.040)
c) Change in provisions (+/-)		1.551	(18.763)
d) Imputation of subsidies (-)	13	(790)	(521)
e) Results from retirements and disposals of fixed assets (+/-)		507	300
f) Financial income and dividends (-)		(71.498)	(67.871)
g) Financial charges (+)	19.8	70.220	35.925
h) Exchange rate differences (+/-)	19.9	3.007	9.323
<b>3. Changes in working capital</b>		<b>(57.153)</b>	<b>(40.596)</b>
a) Inventories, other receivables and current assets (+/-)		(45.125)	(33.209)
b) Other current assets (+/-)		(61)	(575)
c) Creditors and other accounts payable (+/-)		(10.072)	(9.612)
d) Other current liabilities (+/-)		(1.332)	2.986
e) Other non-current assets and liabilities (+/-)		(563)	(186)
<b>4. Other cash flows from operating activities</b>		<b>(13.148)</b>	<b>11.082</b>
a) Interest payments (-)		(66.138)	(35.479)
b) Dividend receipts (+)		17.680	27.082
c) Interest receipts (+)		51.026	38.184
d) Income tax receipts (payments) (+/-)		(15.716)	(18.705)
<b>5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)</b>		<b>75.596</b>	<b>86.360</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES INVESTING ACTIVITIES</b>			
<b>6. Payments for investments (-)</b>		<b>(174.867)</b>	<b>(704.773)</b>
a) Group companies and associates		(84.735)	(621.453)
b) Intangible assets and tangible fixed assets		(71.938)	(54.063)
c) Other financial assets		(18.194)	(29.257)
d) Other assets		-	-
<b>7. Divestment proceeds (+)</b>		<b>37.790</b>	<b>82.838</b>
a) Group companies and associates		15.301	40.390
b) Intangible assets and tangible fixed assets		63	278
c) Other financial assets		22.426	41.463
d) Other assets		-	707
<b>8. Cash flows from investing activities (7-6)</b>		<b>(137.077)</b>	<b>(621.935)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES FINANCING ACTIVITIES</b>			
<b>10. Receivables and payments for financial liability instruments</b>		<b>37.495</b>	<b>225.009</b>
(a) Issue		43.267	1.664.773
1. Bonds and other negotiable securities (+)		369	735
2. Amounts owed to credit institutions (+)		282	1.622.496
3. Payable to group and associated companies (+)		39.034	36.717
4. Other debts (+)		3.582	4.825
(b) Repayment and amortisation of		(5.772)	(1.439.764)
1) Bonds and other negotiable securities (-)		-	(700.000)
2) Amounts owed to credit institutions (-)		-	(726.667)
3) Payable to group and associated undertakings (-)		-	(10.546)
4) Other debts (-)		(5.772)	(2.551)
<b>11. Payments for dividends and remuneration of other equity instruments</b>		-	<b>(30.450)</b>
<b>12. Cash flows from financing activities (+/-9+/-10-11)</b>		<b>37.495</b>	<b>194.559</b>
<b>(D) EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(241)</b>	<b>(1.712)</b>
<b>(E) NET INCREASE IN CASH OR CASH EQUIVALENTS (+/-5+/-8+/-12+/-12+/-D)</b>		<b>(24.227)</b>	<b>(342.728)</b>
Cash or cash equivalents at beginning of the year		149.339	492.067
Cash or cash equivalents at year end		125.112	149.339

The accompanying Notes 1 to 25 are an integral part of the Financial Statements for 2023.



## **FCC AQUALIA, S.A.**

### **Annual Report for the year ended 31 December 2023**

#### **NOTE 1. BUSINESS OF THE COMPANY**

FCC Aqualia, S.A. (hereinafter the Company or FCC Aqualia) is a company incorporated in Spain in accordance with the Spanish Companies Act. It was incorporated in 1980 under the name Seragua, S.A. In July 2002 it adopted the corporate name Aqualia Gestión Integral del Agua, S.A. and on 2 April 2014 the agreement to change its corporate name to FCC Aqualia, S.A. was made public.

The Company's corporate purpose is to carry out the following activities, both in Spain and in any other country:

- The provision and performance of sanitation and cleaning services of all kinds for the treatment, recovery, disposal and purification of solid or liquid waste, drinking water supply or industrial process water, urban or industrial waste water and all kinds of related works and ancillary equipment.
- The manufacture, purchase and sale, assembly, supply, representation and distribution of machinery, vehicles and mechanical and electrical equipment and all the main or accessory apparatus necessary for the treatment and purification of waste and water, as well as the execution of all kinds of civil works related to the aforementioned activities, exploiting and marketing patents, models, trademarks and licences.
- The construction, installation, operation, maintenance, management, repair, purchase, sale and development, for its own account or for the account of others, of all kinds of stations, plants and equipment for the treatment, recovery or elimination of waste, and water purification and of all those installations whose purpose is the treatment thereof.
- The purchase and sale of treated, purified or potabilised water or any other kind of water.
- The formulation, performance and advice of all kinds of reports, studies and projects, as well as the provision and execution of all kinds of services related to the activities described above.
- The performance of any task of collaboration inherent to the collection management of any of the Public Administrations, which does not involve the exercise of authority or the custody of public funds, which was awarded to it by such Administrations.
- Supply, piping and distribution of any type of fuel gases, as well as regasification, liquefaction and storage activities. Performance, execution and maintenance of all types of works, infrastructures and facilities related to the aforementioned activities.



- The execution and maintenance of all types of civil and building works and facilities of any kind, both public and private and on its own account and on behalf of third parties, including the operation of sports facilities, swimming pools, sports centres and leisure and recreation centres in general.
- Management of the complete water cycle; collection, transport, treatment and distribution of water, technical, administrative and computer work for customer management, meter reading, invoicing, bill collection management services, conservation and maintenance of water and sewerage networks, conservation and integral maintenance of water treatment plants, detection of leaks in networks, sanitisation, disinfection, disinsectisation and rat extermination, in buildings, premises, mountains and gardens, sewerage, water networks and water treatment plants, maintenance and repair of electrical and electronic equipment and installations, maintenance and repair of electrical and electronic equipment and installations, maintenance and repair of electrical and electronic equipment and installations, disinsectisation and rat extermination in buildings, premises, forests and gardens, sewerage, water networks and sewage treatment plants, maintenance and repair of electrical and electronic equipment and installations, maintenance and repair of plumbing equipment and installations, water and gas pipes, treatment and incineration of waste, sludge and urban waste and cleaning services in general.
- The performance of any activity related to the analysis and control of water, drinking and waste water in the Company's laboratories and facilities.

The Company may carry on all the aforementioned activities, either on its own or by participating in other companies, whether domestic or foreign, with the same or a similar object. Such participation shall include the subscription, purchase or acquisition, by any legally valid means, of commercial securities conferring an interest in the share capital or profits of such companies, as well as any form of association between companies. All activities for the exercise of which the law imposes special requirements that are not met by this company are excluded.

During 2018, Fomento de Construcciones y Contratas, S.A., until then the sole shareholder of FCC Aqualia, S.A., sold 49% of its share capital to Global Infraco Spain, S.L.U., owned by the investment fund IFM Global Infrastructure Fund, sold 49% of its share capital to Global Infraco Spain, S.L.U., owned by the investment fund IFM Global Infrastructure Fund, with the FCC Group retaining the majority of the voting rights at the General Shareholders' Meeting and on the Board of Directors, and therefore control of FCC Aqualia, S.A. The FCC Group also incorporated two companies (FCC TOPCO, S.a.r.l and its subsidiary FCC MIDCO, S.A.), having contributed to the latter 10% of the shares held by the FCC Group in FCC Aqualia, S.A., which are pledged as security for certain obligations assumed by FCC with respect to IFM under the shareholders' agreement signed by the latter in relation to its investee FCC Aqualia, S.A.

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a) The Temporary Joint Ventures in which FCC Aqualia participates carry out the same activity and are detailed below:

• **2023:**

DENOMINATION	PARTICIPATING PARTNERS	TAX AND LEGAL DOMICILE	COUNTRY	% PARTICIPATION	OPERATING FUND (thousands of euros)
UTE Abastecimiento Picadas Almoiguera	FCC Aqualia, S.A. - Barahona Obras Y Serv. S.L	C/ Federico Salmón, 13. Madrid	SPAIN	95%	-
UTE Aguas de Alcalá	FCC Aqualia, S.A. - Canal de Isabel II.	C/ Federico Salmón, 13. Madrid	SPAIN	50%	3
UTE Aguas del Doramás	FCC Aqualia, S.A. - Eicoh Explot. S.L. - E. Maspalomas, S.A.	C/ Bentago Semidán, 2. Gáldar (Gran Canaria)	SPAIN	50%	3
UTE Alcantarillado Alcoy	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	C/Balmes, 36. Barcelona	SPAIN	50%	8
UTE Alcantarillado Burgos	FCC Aqualia, S.A. - FCC, S.A.	C/ Fernando Dancausa S/N. Poligono industrial Gamonal-Villimar. Burgos	SPAIN	40%	-
UTE Alcantarillado Madrid Lot D	FCC Aqualia, S.A.	Camino Hormigueras 131.	SPAIN	99,99%	-
UTE Alkhorayef	FCC Aqualia, S.A. - Alkhorayef Water & Power	Al Riyadh C Al Yarmook C. Riyadh.	SAUDI ARABIA	51%	-
UTE Expansion Edam Granadilla	FCC Aqualia, S.A. - Satocán S.A.	Cobon ravine. Granadilla de Abona (Tenerife)	SPAIN	60%	-
UTE Expansion Idam Melilla	FCC Aqualia, S.A. - Arpo empresa constr.	Carretera de Aguadú S/N Melilla	SPAIN	50%	8
UTE Oviedo	FCC Aqualia, S.A. - Soc. Española de Aguas Filtradas, S.A.	Plaza América, 10. Oviedo (Asturias)	SPAIN	95%	6
Aqualia Riofabar Piloña Joint Venture	FCC Aqualia, S.A.	C/ Muñoz Degrain, 4-6. Oviedo (Asturias)	SPAIN	100%	6
UTE Badajoz East Zone	FCC Aqualia, S.A. - Sistema Automatismo Control, S.A.U.	C/ Rasero, 11. Zafra (Badajoz)	SPAIN	50%	3
UTE Badajoz Zona Oeste	FCC Aqualia, S.A. - Sistema Automatismo Control, S.A.U.	Avda. Martinez Barrio, 4. Sevilla	SPAIN	50%	3
Granadilla de Abona Sports Centre UTE	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	99%	-
UTE C.H. Talave II	FCC Aqualia, S.A. - Matinsa	Nelva, plta.7 Torre A Murcia	SPAIN	80%	5
UTE Copero Environmental Complex	FCC Aqualia, S.A. - FCC Medio Ambiente S.A. - Heliopol S.A.U.	Avda. Padre García Tejero 9. Sevilla	SPAIN	34%	-
UTE Consorcio Louro	FCC Aqualia, S.A. - Civis Global, S.L.	C/Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	99%	6
UTE Consorcio PTAR Arraiján	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/ Nicanor Obarrio 50, Edificio Torre Global Bank.	PANAMA	50%	-
UTE Costa Tropical	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4. Motril (Granada)	SPAIN	51%	-
Ute Costa Tropical II	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4. Motril (Granada)	SPAIN	51%	-
Ute Costa Tropical III	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4. Motril (Granada)	SPAIN	51%	-
Aqualia Inima Joint Venture (Western Almeria sewage treatment)	FCC Aqualia, S.A. - Inima, S.A.	C/ Rrez. de Arellano, 15 Madrid	SPAIN	75%	7
UTE Depuracion San Roque	FCC Aqualia, S.A. - FCC Construcción, S.A. - Heliopol S.A.U.	Avenida Kansas city, 9 Sevilla	SPAIN	30%	6
UTE Depuradoras Lot 1	FCC Aqualia, S.A. - Barahona Obras y Servicios, S.L.	C/ Federico Salmón, 13. Madrid	SPAIN	95%	-
UTE EDAM Santa Eulalia	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/ Gral. Ramírez de Madrid, 8. Madrid.	SPAIN	99%	3
UTE EDAR A Guarda 2013	FCC Aqualia, S.A. - Depuración, Mantenimiento e Instalaciones, S.L.	C/Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	50%	3
UTE EDAR A Guarda 2022	FCC Aqualia, S.A. - Depuración, Mantenimiento e Instalaciones, S.L.	Carretera Madrid 221. Vigo (Pontevedra)	SPAIN	50%	3
UTE EDAR Albuñol	FCC Aqualia, S.A. - FCC Construcción, S.A.	C/Hilera, 10. Albuñol. Granada.	SPAIN	50%	3
UTE Edar Galindo	FCC Aqualia, S.A. - Ansareo obras Constr. Y conserv S.A. - Altuna y Uría, S.A.	Pseo. Campo Volantín, 24-5-DP3. Bilbao.	SPAIN	50%	-
UTE EDAR La Ranilla	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/Balmes, 36. Barcelona	SPAIN	75%	9



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DENOMINATION	PARTICIPATING PARTNERS	TAX AND LEGAL DOMICILE	COUNTRY	% PARTICIPATION	OPERATING FUND (thousands of euros)
UTE Estaciones Perales	FCC Aqualia, S.A. - Aqualia Intech, S.A.	Camino Hormigueras 131.	SPAIN	80%	-
UTE Fuentes de Cádiz	FCC Aqualia - FCC S.A. - FCC M.A.	Ana de Viya 3, Cádiz	SPAIN	50%	8
UTE Garrucha	FCC Aqualia - FCC S.A. - Talleres y Gruas González S.L.	C/ González Garbin 32. Almería	SPAIN	85%	-
UTE Gestión Cangas	FCC Aqualia, S.A. - Civis Global, S.L.	C/ Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	70%	4
UTE Groupement Solidaire Jerba	FCC Aqualia, S.A. - Aqualia Intech, S.A. - Inima	C/ Federico Salmón, 13. Madrid	TUNISIA	20%	1
Guadiana Pueblonuevo Joint Venture	FCC Aqualia, S.A. - OPS INFR Y SERV HIDR	Pza. de España 13, Badajoz	SPAIN	51%	-
UTE HIDC-HIDR-INV. do centr. ACE	FCC Aqualia, S.A. - Lena Ambiente-Gestao de Resíduos, S.A.	Urb. Dos Plátanos-lote 2D-loja B F.de Alferrarede - Concelho de Abrantes.	PORTUGAL	50%	-
UTE Ibiza	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Berlín, 38-48. Barcelona	SPAIN	50%	2
UTE Idam Janubio	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/Hermano Pedro, 15, Adeje (Santa Cruz de Tenerife).	SPAIN	99%	-
Ute IDAM Santa Eulalia	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands.	SPAIN	50%	3
Ute IDAM Santa Eulalia II	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands.	SPAIN	50%	3
Ute IDAM Santa Eulalia III	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands.	SPAIN	50%	3
UTE Idam Santa Eulalia Iv	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands.	SPAIN	50%	-
UTE Lot 1 Sanea Plan	FCC Aqualia, S.A. - FCC Construcción, S.A.	Camino Hormigueras 131.	SPAIN	60%	-
UTE Louro	FCC Aqualia, S.A. - Movex Vial, S.L.	C/ Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	65%	4
Mancomunidad de Órbigo Joint Venture	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	99%	-
UTE Improvements San Isidro Park	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	Camino Hormigueras 131.	SPAIN	1%	0,06
UTE Obra Edar Argamasilla De Calatrava	FCC Aqualia, S.A. - Barahona Obras Y Serv. S.L	C/ Federico Salmón, 13. Madrid	SPAIN	70%	-
El Endrinal Wastewater Treatment Works Joint Venture	FCC Aqualia, S.A. - FCC Construcción, S.A.	Av. Camino de Santiago 40, Madrid	SPAIN	33,33%	-
UTE OYM Cap Djinet	FCC Aqualia, S.A. - Inima, S.A.	C/ Ulises, 18. Madrid	ALGERIA	50%	3
UTE OYM Mostaganem	FCC Aqualia, S.A. - Inima, S.A.	C/ Gobelas, 35-37. Madrid	ALGERIA	50%	3
UTE Qatar	FCC Aqualia, S.A. - GEC Contracting Serv-Power Water Energy Tech	Off 723 7th. Floor Gatemall, Tower2. Doha.	QATAR	51%	-
UTE Redondela	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59.	SPAIN	99,99%	6
UTE Pipe Renovation Lot 7	FCC Aqualia, S.A. - FCC Construcción, S.A.	Camino Hormigueras 131.	SPAIN	60%	-
UTE Reparaciones Lot 9	FCC Aqualia, S.A.	Camino Hormigueras 131.	SPAIN	100%	-
UTE Saneamiento EMASA	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	C/Cortes de la Frontera. Málaga	SPAIN	50%	3
UTE Vigo	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	99,99%	28.978
UTE Sevilla Territorial Areas	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	C/ Gramil, 27. Sevilla	SPAIN	50%	3
UTE Sollano Zalla	FCC Aqualia, S.A. - Ansareo Servicios Integrales	Pº Campo Volantín, 24. Bilbao	SPAIN	50%	-
UTE Tic Lillo	FCC Aqualia, S.A. - FCC Industrial e Infr. Energ., S.A.U.	C/ Federico Salmón, 13. Madrid	SPAIN	99%	-
UTE TSE Riyadh	FCC Aqualia, S.A. - Alkhorayef Water & Power	Al Riyadh - Assahafah - Al Imam Saud Bin Faisal Road. Riyadh.	SAUDI ARABIA	51%	-
UTE Ussa A 17	FCC Aqualia, S.A. - Iragaz Watin, S.A.	Pº Campo Volantín, 24-5-3 Bilbao	SPAIN	100%	4
UTE Zafra	FCC Aqualia, S.A. - Magenta, S.A.U.	Avda. Americo Vespucio, 5. Sevilla	SPAIN	65%	2
UTE Zaragoza Sewerage	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	Ctra. Castellón, KM. 2,7. Zaragoza	SPAIN	50%	-

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• 2022:

DENOMINATION	PARTICIPATING PARTNERS	TAX AND LEGAL DOMICILE	COUNTRY	% PARTICIPATION	OPERATING FUND (thousands of euros)
UTE Abastecimiento Picadas Almuquera Supply Joint Venture	FCC Aqualia, S.A. - Barahona Obras Y Serv. S.L	C/ Federico Salmón, 13. Madrid.	SPAIN	95%	-
UTE Agua Santo Domingo	FCC Aqualia, S.A. - Agua Energía and MSI SL	C/ San Pedro, 3. Nájera La Rioja.	SPAIN	70%	-
UTE Aguas de Alcalá	FCC Aqualia, S.A. - Canal de Isabel II.	C/ Federico Salmón, 13. Madrid.	SPAIN	50%	3
UTE Aguas del Doramás	FCC Aqualia, S.A. - Eicoh Explot. S.L. - E. Maspalomas, S.A.	C/ Bentago Semidán, 2. Gáldar (Gran Canaria).	SPAIN	50%	3
UTE Alcantarillado Alcoy	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	C/Balmes, 36. Barcelona.	SPAIN	50%	8
UTE Alcantarillado Burgos	FCC Aqualia, S.A. - FCC, S.A.	C/ Fernando Dancausa S/N. Polig. Ind. Gamonal Burgos	SPAIN	40%	-
UTE Alcantarillado Madrid Lot D	FCC Aqualia, S.A.	Camino Hormigueras 131.	SPAIN	100%	-
UTE Alkhorayef	FCC Aqualia, S.A. - Alkhorayef Water & Power	Al Riyadh C Al Yarmook C. Riyadh. Saudi Arabia.	SAUDI ARABIA	51%	-
UTE Expansion Idam Melilla	FCC Aqualia, S.A. - Arpo empresa constr.	Carretera de Aguadú S/N Melilla	SPAIN	50%	8
UTE Oviedo	FCC Aqualia, S.A. - Soc. Española de Aguas Filtradas, S.A.	Plaza América, 10. Oviedo (Asturias)	SPAIN	95%	6
Aqualia Riofabar Piloña Joint Venture	FCC Aqualia, S.A.	C/ Muñoz Degrain, 4-6. Oviedo (Asturias)	SPAIN	100%	6
UTE Badajoz East Zone	FCC Aqualia, S.A. - Sistema Automatismo Control, S.A.U.	C/ Rasero, 11. Zafra (Badajoz)	SPAIN	50%	3
UTE Badajoz Zona Oeste	FCC Aqualia, S.A. - Sistema Automatismo Control, S.A.U.	Avda. Martinez Barrio, 4. Sevilla	SPAIN	50%	3
UTE Bombeo Zona Sur	FCC Aqualia, S.A. - FCC, S.A.	Camino Hormigueras 131.	SPAIN	99%	-
UTE C.H. Talave	FCC Aqualia, S.A. - Soc. Española de Aguas Filtradas, S.A.	C/Balmes, 36. Barcelona	SPAIN	50%	3
UTE C.H. Talave II	FCC Aqualia, S.A. - Matinsa	Nelva, plta.7 Torre A Murcia	SPAIN	80%	5
UTE Cruz Street	FCC Aqualia, S.A. - Const. Y O.P. Luis Vazquez e Hijos S.L.	Avda. General Luxán 2. Castuera (Badajoz)	SPAIN	80%	-
Granadilla de Abona Sports Centre UTE	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	99%	-
UTE Copero Environmental Complex	FCC Aqualia, S.A. - FCC Medio Ambiente S.A. - Heliopol S.A.U.	Avda. Padre García Tejero 9. Sevilla	SPAIN	34%	-
UTE Consorcio Louro	FCC Aqualia, S.A. - Civis Global, S.L.	C/Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	99%	6
UTE Consorcio PTAR Arraiján	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/ Nicanor Obarrio 50, Ed. Torre Global Bank. Panama	PANAMA	50%	-
UTE Costa Tropical	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4. Motril (Granada)	SPAIN	51%	-
Ute Costa Tropical II	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4. Motril (Granada)	SPAIN	51%	-
Ute Costa Tropical III	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nueva, 4. Motril (Granada)	SPAIN	51%	-
UTE Denia	FCC Aqualia, S.A.	C/ José Luis Goyoaga, 36 Erandio (Vizcaya)	SPAIN	100%	6
Aqualia Inima Joint Venture (Western Almeria Wastewater Treatment)	FCC Aqualia, S.A. - Inima, S.A.	C/ Rrez. de Arellano, 15 Madrid	SPAIN	75%	7
UTE Depuradoras Lot 1	FCC Aqualia, S.A. - Barahona Obras y Servicios, S.L.	C/ Federico Salmón, 13. Madrid	SPAIN	95%	-
UTE EDAM Santa Eulalia	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/ Gral. Ramírez de Madrid, 8. Madrid.	SPAIN	99%	3
UTE EDAR A Guarda 2013	FCC Aqualia, S.A. - Depuración, Mantenimiento e Instalaciones, S.L.	C/Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	50%	3
UTE EDAR A Guarda 2022	FCC Aqualia, S.A. - Depuración, Mantenimiento e Instalaciones, S.L.	Carretera Madrid 221. Vigo (Pontevedra)	SPAIN	50%	3
UTE EDAR Albuñol	FCC Aqualia, S.A. - FCC Construcción, S.A.	C/Hilera, 10. Albuñol. Granada.	SPAIN	50%	3
UTE Edar Galindo	FCC Aqualia, S.A. - Ansareo obras Constr. Y conserv S.A. - Altuna y Uría, S.A.	Pseo. Campo Volantin, 24-5-DP3. Bilbao.	SPAIN	50%	-
UTE EDAR La Ranilla	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/Balmes, 36. Barcelona	SPAIN	75%	9

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DENOMINATION	PARTICIPATING PARTNERS	TAX AND LEGAL DOMICILE	COUNTRY	% PARTICIPATION	OPERATING FUND (thousands of euros)
UTE EDAR Reinosa	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	99%	-
UTE EDAR Tablada	FCC Aqualia, S.A. - Magenta, S.A.U.	Avda. Americo Vespucio, 5. Sevilla	SPAIN	50%	6
UTE Estaciones Perales	FCC Aqualia, S.A. - Aqualia Intech, S.A.	Camino Hormigueras 131.	SPAIN	80%	-
UTE Fuentes de Cádiz	FCC Aqualia - FCC S.A.- FCC M.A.	Ana de Viya 3, Cádiz	SPAIN	50%	8
UTE Garrucha	FCC Aqualia - FCC S.A.- Talleres y Gruas González S.L.	C/ González Garbin 32. Almería	SPAIN	85%	-
UTE Gestión Cangas	FCC Aqualia, S.A. - Civis Global, S.L.	C/ Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	70%	4
UTE Groupement Solidaire Jerba	FCC Aqualia, S.A. - Aqualia Intech, S.A. - Inima	C/ Federico Salmón, 13. Madrid	TUNISIA	20%	1
Guadiana Pueblonuevo Joint Venture	FCC Aqualia, S.A. -OPS INFR Y SERV HIDR	Pza. de España 13, Badajoz	SPAIN	51%	-
UTE HIDC-HIDR-INV. do centr. ACE	FCC Aqualia, S.A. - Lena Ambiente-Gestao de Residuos, S.A.	Urb. Dos Plátanos-lote 2D-loja B Fregueria de Alferrarede - Concelho de Abrantes. Portugal.	PORTUGAL	50%	-
UTE Ibiza	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Berlín, 38-48. Barcelona	SPAIN	50%	2
UTE Idam Janubio	FCC Aqualia, S.A. - Aqualia Intech, S.A.	C/Hermano Pedro, 15, Adeje (Santa Cruz de Tenerife).	SPAIN	99%	-
UTE IDAM Sant Antoni	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Berlín, 38-48. Barcelona	SPAIN	50%	5
UTE IDAM Sant Antoni II	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Berlín, 38-48. Barcelona	SPAIN	50%	5
UTE IDAM Santa Eulalia	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands.	SPAIN	50%	3
UTE IDAM Santa Eulalia II	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands...	SPAIN	50%	3
UTE IDAM Santa Eulalia III	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Nápoles S/N. Santa Eulalia. I. Balearic Islands.	SPAIN	50%	3
Aqualia Infilco joint venture	FCC Aqualia, S.A. - Acciona Agua, S.A.	C/ Rrez. de Arellano, 15 Madrid.	SPAIN	50%	3
UTE Louro	FCC Aqualia, S.A. - Movex Vial, S.L.	C/ Puerto Rico, 18-20. Vigo (Pontevedra)	SPAIN	65%	4
Mancom. de Orbigo Joint Venture	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	99%	-
UTE Mejoras P. San Isidro	FCC Aqualia, S.A. - FCC Medio Ambiente SA.	Camino de Hormigueras, 161. Madrid	SPAIN	1%	0,06
UTE Obra Edar Argamasilla De Calatrava	FCC Aqualia, S.A. - Barahona Obras Y Serv. S.L	C/ Federico Salmón, 13. Madrid	SPAIN	70%	-
El Endrinal Wastewater Treatment Works Joint Venture	FCC Aqualia, S.A. - FCC Construcción, S.A.	Av. Camino de Santiago 40, Madrid	SPAIN	33%	-
UTE OYM Cap Djinet	FCC Aqualia, S.A. - Inima, S.A.	C/ Ulises, 18. Madrid	ALGERIA	50%	3
UTE OYM Mostaganem	FCC Aqualia, S.A. - Inima, S.A.	C/ Gobelas, 35-37. Madrid	ALGERIA	50%	3
UTE Qatar	FCC Aqualia, S.A. - GEC Contracting Serv-Power Water Energy Tech	Off 723 7th. Floor Gatemall, Tower2. Doha. Qatar.	QATAR	51%	-
UTE Networks CABBB	FCC Aqualia, S.A.	Pº Campo Volantín, 24-5-3 Bilbao	SPAIN	100%	4
UTE Redondela	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59.	SPAIN	100%	6
UTE Ren.Tuberías Lot 7	FCC Aqualia, S.A. - FCC Construcción, S.A.	Camino Hormigueras 131.	SPAIN	60%	-
UTE Reparaciones Lot 9	FCC Aqualia, S.A.	Camino Hormigueras 131.	SPAIN	100%	-
UTE Saneamiento EMASA	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	C/Cortes de la Frontera. Málaga	SPAIN	50%	3
UTE Vigo	FCC Aqualia, S.A. - FCC, S.A.	C/ Federico Salmón, 13. Madrid	SPAIN	100%	28.978
UTE Santomera	FCC Aqualia, S.A. - FCC, S.A.	C/ Doctor Esquerdo, 59.	SPAIN	100%	6
UTE Sevilla Territorial Areas	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	C/ Gramil, 27. Sevilla	SPAIN	50%	3
UTE Sollanoko Ura	FCC Aqualia, S.A. - Iragaz Watin, S.A.	C/ Gregorio de Revilla, 27. Bilbao	SPAIN	100%	3
UTE Sollano Zalla	FCC Aqualia, S.A. - Ansareo Servicios Integrales	Pº Campo Volantín, 24. Bilbao	SPAIN	50%	-
UTE TSE Riyadh	FCC Aqualia, S.A. - Alkhorayef Water & Power	Al Riyadh - Assahafah - Al Imam Saud Bin Faisal Road. Riyadh. Saudi Arabia	SAUDI ARABIA	51%	-
UTE Ussa A 17	FCC Aqualia, S.A. - Iragaz Watin, S.A.	Pº Campo Volantín, 24-5-3 Bilbao	SPAIN	100%	4
UTE Zafra	FCC Aqualia, S.A. - Magenta, S.A.U.	Avda. Americo Vespucio, 5. Sevilla	SPAIN	65%	2

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



DENOMINATION	PARTICIPATING PARTNERS	TAX AND LEGAL DOMICILE	COUNTRY	% PARTICIPATION	OPERATING FUND (thousands of euros)
UTE Zaragoza Sewerage	FCC Aqualia, S.A. - FCC Medio Ambiente S.A.	Ctra. Castellón, KM. 2,7. Zaragoza	SPAIN	50%	-

b) The Company also participates in Economic Interest Groupings (EIGs), details of which are set out below:

- A.I.E. Gestión de Servicios Hidráulicos de Ciudad Real. It participates in the share capital of the company that supplies drinking water to several municipalities in the province of Ciudad Real. Its most relevant data are:

Address: C/ Ramirez de Arellano, 15. Madrid.

Participants: FCC Aqualia, S.A. 75,00 %  
 Acciona Agua, S.A. 25,00 %

- A.I.E. Costa Tropical de Granada. Its main activity is the construction and operation of drinking water treatment and purification facilities, as well as the supply of drinking water to the municipalities that make up the Mancomunidad de la Costa Tropical de Granada.

Address: Plaza de la Aurora, s/n. Motril (Granada).

Participants: FCC Aqualia, S.A. 51,00 %  
 Acciona Agua, S.A. 49,00 %

c) FCC Aqualia also has interests in companies whose corporate purpose and activities are similar to its own. Details of Group companies and associates are provided in Note 7.

The Company voluntarily prepares consolidated financial statements and management report as the parent company of the group of subsidiaries listed in these notes to the consolidated financial statements in accordance with the provisions of article 42.6 of the Spanish Commercial Code. It does so despite being exempt from the obligation to do so in accordance with the applicable legislation, articles 43 of the Commercial Code and 7 of the Rules for the Preparation of Consolidated Financial Statements of Royal Decree 1159/2010 of 17 September, as it is a subsidiary of the FCC Group whose parent company is Fomento de Construcciones y Contratas, S.A. with registered offices at c/Balmes, 36, Barcelona 08007, Spain and whose shares are admitted to official trading on the four Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). The annual accounts and consolidated management report of Fomento de Construcciones y Contratas, S.A. are filed with the Mercantile Registry of Barcelona.

The consolidated annual accounts of the Company have been prepared in accordance with International Financial Reporting Standards (EU-IFRS) established by Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as all the provisions and interpretations implementing it. The consolidated annual accounts of the Company for the financial year 2023 have been prepared by the directors and will also be submitted for approval by the shareholders at the Annual General Meeting, and it is expected that they will be approved without any changes.

The consolidated annual accounts of the Company prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union show a volume of assets of 4,267,463 thousand euros (3,955,570 thousand euros at 31 December 2022) and Equity attributable to shareholders of the Company of 867,066 thousand euros (816,439 thousand euros at 31 December 2022). In addition, consolidated sales and



attributable profit amount to Euros 1,487,402 thousand and Euros 110,720 thousand, respectively (Euros 1,323,155 thousand and Euros 135,182 thousand at 31 December 2022).

## **NOTE 2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS**

### **2.1. Regulatory framework for financial reporting applicable to the Company**

These financial statements have been prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, which is set out in:

- The Commercial Code and other commercial legislation.
- The General Accounting Plan approved by Royal Decree 1514/2007, modified by Royal Decree 602/2016 and by Royal Decree 1/2021 and its sectorial adaptations and in particular the sectorial adaptation of the general accounting plan to public infrastructure concessionary companies approved by Order EHA/3362/2010.

In particular, it should be noted that following the publication in 2009 by the ICAC of a consultation on the accounting representation of the income of holding companies, the headings "Income from investments and financial income in Group companies and associates" in the accompanying income statement have been classified as "Revenue".

- The mandatory rules approved by the Instituto de Contabilidad y Auditoría de Cuentas (Accounting and Auditing Institute) in development of the General Accounting Plan and its complementary rules.
- All other applicable Spanish accounting legislation.

### **2.2. Fair view**

The annual accounts have been obtained from the Company's accounting records and are presented in accordance with the applicable financial reporting framework and, in particular, the accounting principles and criteria contained therein, so that they give a true and fair view of the Company's net worth, financial position, results of operations and cash flows for the year.

These financial statements omit information or disclosures which, although not requiring detail due to their qualitative importance, are considered immaterial or immaterial in accordance with the concept of materiality or materiality as defined in the conceptual framework of PGC 2007.

These annual accounts, which have been prepared by the Company's directors, will be submitted for approval by the Annual General Meeting of Shareholders, and it is expected that they will be approved without any changes. The annual accounts for 2022 were approved by the General Meeting of Shareholders held on 19 June 2023.

The balance sheets, income statements and cash flow statements of the joint ventures in which the Company has interests have been proportionately consolidated according to the percentage of ownership in each joint venture.



Temporary joint ventures have been consolidated after the time and value homogenisation, the necessary reconciliations and reclassifications, as well as the appropriate eliminations of asset and liability balances and reciprocal income and expenses. Where material, the related amounts have been disclosed in the notes to these financial statements.

In addition, the Company includes in its annual accounts the results of the Economic Interest Groupings in which it participates under the sub-account "Income from equity investments" under "Revenue" in the accompanying income statement (see note 19.1).

### **2.3. Non-mandatory accounting principles applied**

No non-mandatory accounting principles have been applied. In addition, the directors have prepared these financial statements taking into account all the mandatory accounting principles and standards that have a material effect on these financial statements, i.e. there are no accounting principles that, although mandatory, are no longer applied.

### **2.4. Critical aspects of assessment**

The accompanying financial statements have been prepared on the basis of estimates made by the Company's directors based on historical experience and other factors that are believed to be reasonable under current circumstances and which form the basis for measuring certain of the assets, liabilities, income, expenses and commitments reported herein. The Company reviews its estimates on an ongoing basis. Basically, these estimates relate to:

- The assessment of possible impairment losses on certain assets (see Notes 6, 7, 8, 9, 10 and 11).
- The useful life of property, plant and equipment and intangible assets (see Notes 6 and 7).
- The calculation of certain provisions (see Note 14).
- The recognition and recoverability of deferred tax assets (see Note 16).
- The estimate of exchange rate, interest rate, solvency and liquidity risk (see Note 23).
- The Company's tax results which will be declared to the tax authorities in the future and which have served as the basis for the recording of the various IS-related balances in these annual accounts (see Note 16).
- The progress of construction activities (see Note 4.10).
- Estimated consumption of cubic metres supplied to subscribers between the dates of the last meter reading and the accounting closing date (see Note 4.10).
- The fair value of certain financial assets including group companies (see Note 4.5.1).

Although these estimates have been made on the basis of the best information available at year-end 2023, future events may make it necessary to change these estimates in future years, if necessary on a prospective basis.



## **2.5. Comparison of information**

The annual accounts present for comparative purposes, with each of the items in the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes to the financial statements, in addition to the figures for the financial year 2023, the figures for the previous financial year, which formed part of the annual accounts for the financial year 2022.

The application of accounting principles in 2023 and 2022 has been uniform, and therefore there are no transactions or operations that have been recorded following different accounting principles that could give rise to discrepancies in the interpretation of the comparative figures for the two periods.

## **2.6. Grouping of items**

Certain items in the balance sheet, income statement, statement of changes in equity and cash flow statement are grouped together for ease of understanding, although, to the extent material, the information is disclosed in the relevant notes to the financial statements.

## **2.7. Correction of errors**

In the profit and loss account for the year 2022, the financial income with group companies is presented as part of turnover for the purpose of comparison with the data for the year 2023.

## **2.8. Business combinations**

### *Year 2022*

On 16 June 2022, the Boards of Directors of FCC Aqualia, S.A. and Aqualia New Europe B.V. approved the common cross-border merger project between the two companies, which entails the absorption of the latter by the former. Prior to this transaction, the Company directly controlled 100% of the shares of Aqualia New Europe B.V., an entity domiciled in the Netherlands and which held business interests in Egypt.

The merger by absorption was registered in the Madrid Mercantile Register on 11 January 2023, and entailed the dissolution without liquidation of the absorbed company as from that date, and thus the transfer en bloc of the assets of Aqualia New Europe B.V. to FCC Aqualia, S.A., with the Company being subrogated to all the rights and obligations of the absorbed company.

As this is a merger between group companies, the date from which the operations of the absorbed company must be considered for accounting purposes by the absorbing company is 1 January 2022. Given that this is a merger between the parent company (FCC Aqualia, S.A.) and its subsidiary (Aqualia New Europe, B.V.), the assets and liabilities acquired have been valued at the amount that would correspond to them, once the operation has been carried out, in the consolidated annual accounts of the subgroup, in accordance with the Rules for the Preparation of Consolidated Annual Accounts, as developed in the Commercial Code.

In addition, the procedure laid down in Dutch and Spanish law has been followed, in particular the provisions of Book 2 Title 7 of the Dutch Civil Code in relation to mergers and the provisions of Title II Chapter I of Spanish Law 3/2009 on Structural Modifications, and the simplified regime can be applied as the acquiring company owns the entire share capital of the acquired company. No independent experts have been involved in the merger process.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



The transaction has been subject to the tax neutrality regime regulated by Chapter VII of Title VII of Law 27/2014 of 27 November on corporate income tax.

The book value of the assets and liabilities of Aqualia New Europe B.V. incorporated at the date of the merger on 1 January 2022 was as follows:

(thousands of Euros)	Book value
Long-term investments in group and associated undertakings (note 7.1)	10.922
Short-term investments in group and associated companies	181
Cash and cash equivalents	555
Trade and other payables	(7)
<b>Net total</b>	<b>11.651</b>
<b>Cost of participation</b>	<b>(11.651)</b>
<b>Difference recorded in Equity Instruments</b>	<b>-</b>

The latest balance sheet closed by the transferring entity corresponds to 31 December 2021 and is shown below with amounts in thousands of euros:

ACTIVE	2021	LIABILITIES	2021
<b>NON-CURRENT ASSETS</b>	<b>10.922</b>	<b>NET WORTH</b>	<b>11.651</b>
		Own funds	
		Capital	16.000
Long-term investments in group and associated companies	10.922	Reservations	(6.602)
		Result for the year	2.253
<b>CURRENT ASSETS</b>	<b>736</b>	<b>CURRENT LIABILITIES</b>	<b>7</b>
Short-term investments in group and associated companies	181	Trade and other accounts payable	7
Cash and cash equivalents	555		
<b>TOTAL ASSETS</b>	<b>11.658</b>	<b>TOTAL LIABILITIES</b>	<b>11.658</b>

### NOTE 3.DISTRIBUTION OF RESULTS

The proposed distribution of profit for the financial year 2023 to be submitted for approval at the Annual General Meeting is as follows:

<b>PROPOSED DISTRIBUTION OF RESULTS</b> <i>(Amounts in thousands of euros)</i>	
<b>Benefit of the exercise</b>	<b>53.866</b>
<b>Distribution:</b>	
Offsetting the interim dividend	30.450
A Voluntary reserves	23.416





## REPORT OF THE BOARD OF DIRECTORS OF FCC AQUALIA S.A. FOR THE DISTRIBUTION OF AN INTERIM DIVIDEND FOR THE FINANCIAL YEAR 2023

In accordance with the provisions of Article 277 of the Capital Companies Act, which establishes the obligation of the Company's directors to present an accounting statement showing that there is sufficient liquidity for the distribution of an interim dividend, it should be noted:

1. That the result net of taxes generated by **FCC AQUALIA S.A.** at 31 October 2023 is **30,800,961 €**, higher than the proposed interim dividend of **30,450,000 €**.

The liquid resources available to the Company at 31 October 2023, amounting to **€88,632,764**, show that **there are** sufficient funds for the distribution of the interim dividend.

In view of the above, and taking into account that at the date of this report there have been no significant variations with respect to the above data, we consider that there is sufficient liquidity for the distribution of interim dividends of **€30,450,000** against the 2023 result.

It is therefore proposed to approve the following interim dividend out of the results of the financial year 2023:

21% gross of the nominal value at a rate of **€0.21** for each of the 145,000,000 shares with dividend rights.

Total amount.	<b>30.450.000 €</b>
Gross interim dividend per share.	<b>0,21 €</b>
Cash to be received per share.	<b>0,21 €</b>

The Board unanimously approves the distribution of an interim dividend out of the profit for the year 2023 in the amount indicated in the previous report, to be paid as announced in due course.

### NOTE 4.RECORDING AND VALUATION RULES

The main accounting and valuation rules used by the Company in the preparation of the annual accounts for 2023, in accordance with the accounting principles and rules set out in the Spanish Commercial Code, which are further developed in the Spanish General Chart of Accounts, as well as all other mercantile legislation in force at the closing date of these annual accounts, were as follows:

#### 4.1. Intangible assets

As a general rule, intangible assets are initially measured at acquisition or production cost. Intangible assets are subsequently measured at cost less accumulated amortisation and any impairment losses.



a) Intangible assets under concession agreements.

Concession contracts are agreements between a public entity and the Company to provide public services for the distribution of drinking water, construction and operation of water infrastructure and other services. Revenues from the provision of the service may be collected directly from users or sometimes through the granting entity itself, which regulates the prices for the provision of the service.

The concessionary right generally implies the monopoly of the exploitation of the service granted for a specific period of time, after which the infrastructure affected by the concession necessary for the development of the service reverts to the granting entity, generally without consideration. It is a necessary characteristic that the concession contract contemplates the management or operation of the aforementioned infrastructure. Likewise, a common feature is the existence of acquisition or construction obligations for all those elements that are necessary for the provision of the concession service throughout the life of the contract.

The aforementioned concession contracts are recorded in accordance with the provisions of Order EHA/3362/2010 of 23 December, approving the rules for the adaptation of the general accounting plan to public infrastructure concession companies.

The Company recognises as "Intangible assets under concession agreements" the infrastructure built, improved or acquired by the Company in its capacity as a concession holder to provide a public service linked to a concession contract. The recognition of an intangible asset occurs in those cases, in accordance with the aforementioned standard, in which the Company is entitled to charge tariffs to the users of the public service, based on the use they make of the service, with the concession holder therefore assuming the risk of demand. The fact that the grantor controls the physical use of the infrastructure, the way in which the service is provided and the price of the service means that the infrastructure is recorded as an intangible asset and not as a tangible asset.

Its initial valuation is made at the fair value of the service provided, equivalent to the cost of acquisition or production plus the infrastructure construction margin, and this value is recovered over the life of the contract through the right to charge the users of the service the corresponding tariffs according to the degree of use of the service.

Provisions for dismantling, removal or refurbishment, as well as capacity improvement or expansion measures whose revenues are foreseen in the initial contract, are also recognised as an increase in the value of the asset at the start of the concession, and the depreciation of these assets and the discounting of these provisions are taken to income over the life of the contract. Provisions for infrastructure replacement and repair work are systematically recognised in profit or loss as the obligation is incurred.

For those items under this heading that require construction periods of more than one year, the Company capitalises financial expenses accrued before the asset is ready for use and which have been drawn down by the supplier or correspond to loans or other types of specific or generic external financing directly attributable to the acquisition or manufacture of the asset.

In addition, the Company records as administrative concessions the amounts contributed in accordance with the terms and conditions and committed upon signing the concession contracts, as well as other costs incurred in obtaining the concessions for water supply and sanitation services.

It is amortised over the concession term on a straight-line basis, and there are no significant differences between



the amount calculated in this way and the amount that would be obtained based on the cubic metres of water produced under the contracts operated by the Company.

At year end, the indications of impairment identified in certain intangible assets included in this caption have been adjusted, and the directors estimate that for the rest of the Company's assets the recoverable amount of the assets is greater than their carrying amount.

From the time of commissioning, the financial expenses for the year are charged to income in proportion to the income foreseen in the Company's Economic and Financial Plan.

In relation to the expected revenues, the proportion that the revenues represent with respect to the total for each financial year is determined. This proportion is applied to the total expected financial expenses during the concession period to determine the amount to be charged in each financial year as financial expenses for the year. In the event that the actual revenue for that financial year exceeds the expected revenue, the ratio shall be calculated between the actual revenue and the total expected revenue.

The difference between the total financial expenses for the year and the financial expenses taken to the income statement is capitalised as deferred financial expenses.

b) Goodwill.

Under this heading, the Company includes the goodwill arising in 2002 from the merger by absorption that the Company carried out with several of its subsidiaries.

Subsequent to initial recognition, goodwill is measured at acquisition cost less accumulated amortisation and, where applicable, the accumulated amount of any impairment losses recognised, in accordance with the criteria mentioned in note 4.3. In accordance with applicable legislation, the useful life of goodwill has been established at 10 years and amortisation is on a straight-line basis.

In addition, goodwill is tested for impairment annually or less frequently if there are indications of a potential impairment of the asset. For these purposes, the goodwill resulting from the aforementioned business combination is allocated to the Company as a whole as a Cash Generating Unit (CGU), which is expected to benefit from the synergies of the combination.

Until the year ended 31 December 2015, and in accordance with the Capital Companies Act in force at that time, the Company was required, when appropriating the profit for each year, to set aside a restricted reserve equivalent to the goodwill appearing on the assets side of the balance sheet, with the amount of the profit representing at least five per cent of the goodwill being used for this purpose. If there was no profit, or insufficient profit, unrestricted reserves were used.

In accordance with the amendments made to the Capital Companies Act by Law 22/2015 of 20 July on the Audit of Accounts, as from the financial years commencing on 1 January 2016 the Company will discontinue contributions to this reserve for goodwill, and the amount thereof must be reclassified to voluntary reserves and will be available as from this financial year in the amount exceeding the goodwill recognised on the assets side of the balance sheet. No amount has been reclassified to voluntary reserves in 2022 or 2023.



c) Computer applications.

Computer software includes the costs incurred in the acquisition of computer programs, which are amortised over a maximum period of five years. Maintenance costs are recognised in the profit and loss account in the year in which they are incurred.

d) Research and development expenditure.

They are initially measured at acquisition or production cost when the Company has undertaken research and development work. They are recorded on a project-by-project basis and are only capitalised when there are sound reasons for the technical success and economic profitability of the project.

Amortisation is on a straight-line basis over the useful life of the project and in any case within a maximum period of 5 years.

#### 4.2. Tangible fixed assets

Property, plant and equipment are initially measured at acquisition or production cost when the Company has carried out work on its own assets, and are subsequently reduced by the related accumulated depreciation and impairment losses, if any, in accordance with the criteria mentioned in note 4.3. At year-end no indications of impairment have been identified for any of the Company's property, plant and equipment, and the Company's directors consider that the recoverable amount of the assets is greater than their carrying amount, and therefore no impairment loss has been recognised.

Upkeep and maintenance costs of property, plant and equipment are expensed in the year in which they are incurred. Conversely, amounts invested in improvements that contribute to increasing the capacity or efficiency or extending the useful life of these assets are recorded as an increase in their cost.

For fixed assets that require more than one year to be ready for use, capitalised costs include borrowing costs that have accrued before the asset is ready for use and that have been drawn down by the supplier or relate to loans or other specific or general external financing directly attributable to the acquisition or manufacture of the asset.

Work carried out by the Company on its own fixed assets is recorded at accumulated cost, which is the sum of external costs plus internal costs, determined on the basis of in-house consumption of materials, direct labour incurred and manufacturing overheads calculated at absorption rates similar to those applied for inventory valuation purposes.

The Company depreciates its property, plant and equipment using the straight-line method, applying annual depreciation rates calculated on the basis of the years of estimated useful life of the respective assets, as follows:

YEARS OF ESTIMATED USEFUL LIFE	
Constructions	33 - 50
Technical installations and machinery	10 - 25
Other fixtures, fittings and furnishings	7 - 10
Other tangible fixed assets	4 - 6



The main accounting and valuation rules used by the Company in the preparation of the annual accounts for 2023, in accordance with the accounting principles and rules set out in the Spanish Commercial Code, which are further developed in the Spanish General Chart of Accounts, as well as other mercantile legislation in force at the closing date of these annual accounts, were as follows:

#### **4.1. Intangible assets**

As a general rule, intangible assets are initially measured at acquisition or production cost. Intangible assets are subsequently measured at cost less accumulated amortisation and any impairment losses.

##### **b) Intangible assets under concession agreements.**

Concession contracts are agreements between a public entity and the Company to provide public services for the distribution of drinking water, construction and operation of water infrastructure and other services. Revenues from the provision of the service may be collected directly from users or sometimes through the granting entity itself, which regulates the prices for the provision of the service.

The concessionary right generally implies the monopoly of the exploitation of the service granted for a specific period of time, after which the infrastructure affected by the concession necessary for the development of the service reverts to the granting entity, generally without consideration. It is a necessary characteristic that the concession contract contemplates the management or operation of the aforementioned infrastructure. Likewise, a common feature is the existence of acquisition or construction obligations for all those elements that are necessary for the provision of the concession service throughout the life of the contract.

The aforementioned concession contracts are recorded in accordance with the provisions of Order EHA/3362/2010 of 23 December, approving the rules for the adaptation of the general accounting plan to public infrastructure concession companies.

The Company recognises as "Intangible assets under concession agreements" the infrastructure built, improved or acquired by the Company in its capacity as a concession holder to provide a public service linked to a concession contract. The recognition of an intangible asset occurs in those cases, in accordance with the aforementioned standard, in which the Company is entitled to charge tariffs to the users of the public service, based on the use they make of the service, with the concession holder therefore assuming the risk of demand. The fact that the grantor controls the physical use of the infrastructure, the way in which the service is provided and the price of the service means that the infrastructure is recorded as an intangible asset and not as a tangible asset.

Its initial valuation is made at the fair value of the service provided, equivalent to the cost of acquisition or production plus the infrastructure construction margin, and this value is recovered over the life of the contract through the right to charge the users of the service the corresponding tariffs according to the degree of use of the service.

Provisions for dismantling, removal or refurbishment, as well as capacity improvement or expansion measures whose revenues are foreseen in the initial contract, are also recognised as an increase in the value of the asset at the start of the concession, and the depreciation of these assets and the discounting of these provisions are taken to income over the life of the contract. Provisions for infrastructure replacement and repair work are systematically recognised in profit or loss as the obligation is incurred.



For those items under this heading that require construction periods of more than one year, the Company capitalises financial expenses accrued before the asset is ready for use and which have been drawn down by the supplier or correspond to loans or other types of specific or generic external financing directly attributable to the acquisition or manufacture of the asset.

In addition, the Company records as administrative concessions the amounts contributed in accordance with the terms and conditions and committed upon signing the concession contracts, as well as other costs incurred in obtaining the concessions for water supply and sanitation services.

It is amortised on a straight-line basis over the concession term, and there are no significant differences between the amount calculated in this way and the amount that would be obtained based on the cubic metres of water produced under the contracts operated by the Company.

At year end, the indications of impairment identified in certain intangible assets included in this caption have been adjusted, and the directors estimate that the recoverable amount of the Company's other assets is greater than their carrying amount.

From the time of commissioning, the financial expenses for the year are charged to income in proportion to the income foreseen in the Company's Economic and Financial Plan.

In relation to the expected revenues, the proportion that the revenues represent with respect to the total for each financial year is determined. This ratio is applied to the total expected financial expenses during the concession period to determine the amount to be charged in each financial year as a financial expense for the year. In the event that the actual revenue for that financial year exceeds the expected revenue, the ratio shall be calculated between the actual revenue and the aforementioned total expected revenue.

The difference between the total financial expenses for the year and the financial expenses taken to the income statement is capitalised as deferred financial expenses.

e) Goodwill.

Under this heading, the Company includes the goodwill arising in 2002 from the merger by absorption that the Company carried out with several of its subsidiaries.

Subsequent to initial recognition, goodwill is measured at acquisition cost less accumulated amortisation and, where applicable, the accumulated amount of any impairment losses recognised, in accordance with the criteria mentioned in note 4.3. In accordance with applicable legislation, the useful life of goodwill has been established at 10 years and amortisation is on a straight-line basis.

In addition, goodwill is tested for impairment annually or less frequently if there are indications of a potential impairment of the asset. For these purposes, the goodwill resulting from the business combination discussed above is allocated to the Company as a whole as a Cash Generating Unit (CGU), which is expected to benefit from the synergies of the combination.

Until the year ended 31 December 2015, and in accordance with the Capital Companies Act in force at that time, the Company was required, when appropriating the profit for each year, to set aside a restricted reserve equivalent to the goodwill appearing on the assets side of the balance sheet, with the amount of the profit representing at least five per cent of the amount of the aforementioned goodwill being used for this purpose. If



there was no profit, or insufficient profit, unrestricted reserves were used.

In accordance with the amendments made to the Capital Companies Act by Law 22/2015 of 20 July on the Audit of Accounts, as from the financial years commencing on 1 January 2016 the Company will discontinue contributions to this reserve for goodwill, and the amount thereof must be reclassified to voluntary reserves and will be available as from this financial year in the amount exceeding the goodwill recognised on the assets side of the balance sheet. No amount has been reclassified to voluntary reserves in 2022 or 2023.

f) Computer applications.

Computer software includes the costs incurred in the acquisition of computer programs, which are amortised over a maximum period of five years. Maintenance costs are recognised in the profit and loss account in the year in which they are incurred.

g) Research and development expenditure.

They are initially measured at acquisition or production cost when the Company has undertaken research and development work. They are recorded on a project-by-project basis and are only capitalised when there are sound reasons for the technical success and economic profitability of the project.

It is amortised on a straight-line basis over the useful life of the project and in any case within a maximum period of 5 years.

#### 4.2. Tangible fixed assets

Property, plant and equipment are initially measured at acquisition or production cost when the Company has carried out work on its own assets, and are subsequently reduced by the related accumulated depreciation and impairment losses, if any, in accordance with the criteria mentioned in note 4.3. At year-end no indications of impairment have been identified for any of the Company's property, plant and equipment, and the Company's directors consider that the recoverable amount of the assets is greater than their carrying amount, and therefore no impairment loss has been recognised.

Upkeep and maintenance costs of property, plant and equipment are expensed in the year in which they are incurred. Conversely, amounts invested in improvements that contribute to increasing the capacity or efficiency or extending the useful life of these assets are recorded as an increase in their cost.

For fixed assets that require more than one year to be ready for use, capitalised costs include borrowing costs that have accrued before the asset is ready for use and that have been drawn down by the supplier or relate to loans or other specific or general external financing directly attributable to the acquisition or manufacture of the asset.

Work carried out by the Company on its own fixed assets is recorded at accumulated cost, which is the sum of external costs plus internal costs, determined on the basis of in-house consumption of materials, direct labour incurred and manufacturing overheads calculated at absorption rates similar to those applied for inventory valuation purposes.

The Company depreciates its property, plant and equipment using the straight-line method, applying annual depreciation rates calculated on the basis of the years of estimated useful life of the respective assets, as follows:



YEARS OF ESTIMATED USEFUL LIFE	
Constructions	33 - 50
Technical installations and machinery	10 - 25
Other fixtures, fittings and furnishings	7 - 10
Other tangible fixed assets	4 - 6

### 4.3. Impairment of non-financial assets

The Company assesses the existence of indications of potential impairment of non-financial assets subject to amortisation or depreciation to determine whether the carrying amount of the assets exceeds their recoverable amount, which is the higher of fair value less costs to sell and value in use.

Impairment losses are recognised in the profit and loss account under "Impairment and gains or losses on disposal of fixed assets".

To determine the recoverable amount of the assets tested for impairment, the present value of the net cash flows generated by the cash-generating units (CGU) to which they are associated was estimated, except for those flows related to payments or collections from financing transactions and income tax payments, as well as those deriving from future improvements or refurbishments planned for the assets of the aforementioned cash-generating units. A pre-tax discount rate that includes current market assessments of the time value of money and the risks specific to each cash-generating unit has been used to discount the cash flows.

The estimated cash flows were obtained from the projections made by management of each of the CGUs, which generally use five-year periods, except where the characteristics of the business make longer periods advisable. In this regard, the recoverable amount of the Group's concession assets is calculated by considering the remaining concession periods of the concessions and, only in the event that the Group has contractual compensation commitments that are likely to materialise, additional extensions. Growth rates are also included based on the various approved business plans, which are reviewed periodically, and zero growth rates are considered for those periods beyond the years projected in the aforementioned plans. In addition, it should be noted that sensitivity analyses are performed in relation to revenue growth, operating margins and discount rates in order to forecast the impact of future changes in these variables.

The Company assesses at each reporting date whether there is any indication that the impairment loss recognised in prior years no longer exists or may have decreased. Impairment losses for goodwill are not reversible. Impairment losses for other assets are reversed only if there has been a change in the estimates used to determine the asset's recoverable amount.

A reversal of an impairment loss is credited to the profit and loss account. However, the reversal of the loss cannot increase the carrying amount of the asset above the carrying amount that it would have had, net of depreciation, had the impairment not been recognised.

Once an impairment loss or reversal of impairment has been recognised, depreciation is adjusted in subsequent years to the new carrying amount.

Notwithstanding the above, if the specific circumstances of the assets reveal a loss of an irreversible nature, this is recognised directly in losses on fixed assets in the profit and loss account.





#### **4.4. Leases**

Leases are classified as finance leases provided that the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. At 31 December 2023, the Company has not entered into any contracts of this type and the directors do not consider that the impact on the Company's accompanying financial statements will be material.

##### Operating leasing

Expenses arising from operating lease agreements are charged to the profit and loss account in the year in which they are incurred.

Any collections or payments that may be made under an operating lease are treated as prepayments and are taken to profit or loss over the lease term as the benefits of the leased asset are transferred or received.

#### **4.5. Financial instruments**

##### **4.5.1. Financial assets**

##### Ranking

The financial assets held by the Company are classified into the following categories:

- Financial assets at amortised cost. These are generally included in this category:
  - Trade receivables: these are financial assets arising from the sale of goods and the rendering of services in connection with the Company's business transactions for which payment is deferred.
  - Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount, derive from loans or credit operations granted by the Company.

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at nominal value when the effect of not discounting cash flows is not material.

The amortised cost method is used for subsequent measurement. Accrued interest is recognised in the profit and loss account (financial income) using the effective interest rate method.

- Financial assets at fair value through equity: this includes investments in equity instruments, provided that they are not held for trading, nor are they to be measured at cost.

Financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given, plus



directly attributable transaction costs.

Subsequent measurement is at fair value, without deducting any transaction costs that might be incurred on disposal. Changes in fair value are recognised directly in equity until the financial asset is derecognised or impaired, at which time the amount so recognised is taken to the income statement.

- **Financial assets at cost:** these include equity investments in Group companies, associates and jointly controlled entities. Group companies are considered to be those related to the Company by virtue of a controlling relationship, and associates are those over which the Company exercises significant influence. In addition, jointly controlled entities include companies over which, by virtue of an agreement, joint control is exercised with one or more partners.

Investments in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs.

Subsequent measurement is also at cost less any accumulated impairment losses. Impairment losses are calculated as the difference between the carrying amount and the recoverable amount, which is the higher of fair value less costs to sell and the present value of future cash flows from the investment. Unless there is better evidence of the recoverable amount, the estimate of the impairment loss is calculated on the basis of the equity of the investee, consolidated where appropriate, adjusted for any unrealised gains existing at the measurement date, including goodwill, if any.

At least at year-end, the Company makes valuation adjustments to financial assets that are not carried at fair value when there is objective evidence of impairment if such value is lower than their carrying amount, in which case this impairment is recognised in the income statement. In particular, with respect to impairment losses on trade and other receivables, the Company calculates the corresponding impairment losses, if any, as follows:

- Private customers with overdue balances of more than one year are fully provisioned.
- Private customers past due in less than one year are provisioned at a % based on historical bad debts.
- Public customers are provisioned on the basis of a specific analysis.

#### **4.5.1.1. Equity instruments**

An equity instrument represents a residual interest in the Company's equity, after deducting all its liabilities from its assets, and the securities issued are recorded in equity at the amount received, after deducting issue costs net of taxes.

Treasury shares acquired by the Company during the year are recorded, at the value of the consideration given in exchange, directly as a reduction in equity. Gains or losses arising from the purchase, sale, issue or redemption of own equity instruments are recognised directly in equity, without any gain or loss being recorded in the profit and loss account.

#### **4.5.2. Derecognition of financial assets**

The Company derecognises financial assets when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership have been transferred.



#### **4.5.3. Financial liabilities**

All financial liabilities held by the Company are classified as financial liabilities at amortised cost.

Financial liabilities are those debits and payables of the Company that have arisen from the purchase of goods and services in the ordinary course of the Company's business, or those which, without having a commercial origin, cannot be considered as derivative financial instruments.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is deemed to be the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs.

Payables and payables are initially measured at the fair value of the consideration received. Subsequently, such liabilities are measured at amortised cost.

Finance costs are recognised on an accrual basis in the income statement using the effective interest method and are added to the amount of the instrument to the extent that they are not settled in the period in which they are incurred.

Bank borrowings and other current and non-current financial liabilities are classified on the basis of maturity at the balance sheet date, with current liabilities falling due within 12 months of the balance sheet date and non-current liabilities falling due in more than 12 months.

The Company derecognises financial liabilities when the obligations giving rise to them are extinguished.

#### **4.6. Stocks**

Inventories are stated at the lower of acquisition cost, production cost or net realisable value. Trade discounts, rebates obtained, other similar items and interest incorporated in the nominal amount of debits are deducted in determining the acquisition price.

The cost of production includes direct material costs and, where appropriate, direct labour costs and manufacturing overheads.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in the marketing, selling and distribution processes.

The Company makes the appropriate valuation adjustments and recognises them as an expense in the income statement when the net realisable value of inventories is lower than their acquisition price or production cost.

#### **4.7. Foreign currency transactions**

The functional currency used by the Company is the Euro. Consequently, transactions in currencies other than the Euro are deemed to be denominated in foreign currencies and are recorded at the exchange rates prevailing at the dates of the transactions.

At year-end, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Any gains or losses disclosed are taken directly to the profit and loss



account in the year in which they arise.

Similarly, financial instruments held by group companies in foreign currencies whose purchase has been financed with loans in the same currency have been translated at the closing rate.

#### **4.8. Taxation of profits**

The income tax expense or income comprises the portion relating to current tax expense or income and the portion relating to deferred tax expense or income.

Current tax is the amount payable by the Company as a result of income tax assessments relating to a financial year. These tax assessments take into account permanent differences between the taxable profit and the accounting profit. Deductions and other tax benefits, excluding withholdings and prepayments, as well as tax losses carried forward from previous years and effectively applied in the current year, result in a lower amount of current tax.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences which are identified as amounts expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their tax bases, as well as tax loss carryforwards and tax credit carryforwards. These amounts are recognised by applying to the corresponding temporary difference or credit the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit and is not a business combination.

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

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

Deferred tax assets are reassessed at each balance sheet date and adjusted if there are doubts as to their future recoverability. In addition, deferred tax assets not recognised in the balance sheet are assessed at each balance sheet date and are recognised to the extent that it becomes probable that they will be recoverable against future taxable profit.

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

As a result of the sale of 49% of the shares of FCC Aqualia, S.A. by Fomento de Construcciones y Contratas, S.A., discussed in note 1, from 28 September 2018, the Company ceased to form part of the 18/89 tax consolidation group headed by FCC and taxed in relation to corporate income tax, in accordance with the Special Tax Consolidation Regime, provided for in article 64 et seq. of the Consolidated Text of Royal Legislative Decree 4/2004 of 5 March.

Since 13 February 2019, but with effect from 1 January 2019, the Company is the head of the 233/19 Tax Group. From this date, the accrued corporate income tax expense of the companies under the consolidated tax return



regime is determined taking into account, in addition to the parameters to be considered in the case of individual taxation set out above, the following:

- Temporary and permanent differences arising as a result of the elimination of results from intercompany transactions arising from the process of determining the consolidated tax base.
- The deductions and allowances that correspond to each company in the tax group under the consolidated tax return system; for these purposes, the deductions and allowances shall be allocated to the company that carried out the activity or obtained the income necessary to obtain the right to the tax deduction or allowance.
- For the portion of the tax loss carryforwards of certain Group companies that have been offset by the other companies in the consolidated Group, a reciprocal credit and debit arises between the companies to which they relate and the companies offsetting them. In the event that there is a tax loss that cannot be offset by the other companies in the consolidated Group, these tax loss carryforwards are recognised as deferred tax assets in accordance with the criteria established for their recognition, considering the tax group as the taxpayer.
- The parent company of the Group records the total amount payable (refundable) for consolidated income tax with a charge (credit) to Receivables (Payables) from Group companies and associates.
- The amount of debt (receivable) relating to subsidiaries is credited (debited) to Payables (receivables) to Group and associated companies.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit and is not a business combination.

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

Deferred tax assets are reviewed at each balance sheet date and adjusted if there are doubts as to their future recoverability. Deferred tax assets not recognised in the consolidated balance sheet are also assessed at each balance sheet date and are recognised to the extent that it becomes probable that they will be recoverable against future taxable profit.

Deferred tax assets and liabilities are recognised in the consolidated balance sheet as non-current assets or liabilities, irrespective of the expected date of realisation or settlement, without any restatement.

#### **4.9. Provisions and contingencies**

In preparing the annual accounts, the Company's directors distinguish between:

- Provisions: credit balances covering present obligations arising from past events, the settlement of which is probable to result in an outflow of resources, but the amount and/or timing of which is uncertain.
- Contingent liabilities: possible obligations arising from past events, the future realisation of which is



conditional on the occurrence or non-occurrence of one or more future events beyond the control of the Company.

The annual accounts include all provisions for which it is considered more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the annual accounts, but are disclosed in the notes to the annual accounts to the extent that they are not considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account available information about the event and its consequences, with adjustments arising from the discounting of such provisions recorded as a finance cost as accrued.

#### **4.10. Income and expenditure**

Sales revenue is recognised when the significant risks and rewards of ownership of the asset sold have been transferred to the buyer, but the buyer does not retain current management or effective control over the asset.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided that the outcome of the transaction can be estimated reliably.

Interest received on financial assets is recognised using the effective interest method and dividends are recognised when the shareholder's right to receive them is declared. In any case, interest and dividends on financial assets accrued after the time of acquisition are recognised as income in the profit and loss account.

Turnover consists mainly of the following items:

- For water supply contracts, the Company recognises as revenue the amount corresponding to the cubic metres supplied to subscribers valued at the selling price. This selling price is established for each contract on the basis of the tariffs approved by each local council and published in the Official Gazettes of the respective province. In relation to the cubic metres supplied, the Company takes periodic readings of its subscribers' consumption. At the end of each accounting period, the Company assesses the income from water supply not invoiced up to the balance sheet date to record "Production executed and pending certification" under the heading "Customers for sales and services rendered". For its quantification, it takes into consideration the cubic metres consumed by each subscriber from the date of the last invoice and up to the date of the last meter reading, where applicable. Likewise, and from the date of the last meter reading to the date of closure of the accounts, the remaining consumption is estimated based on the information available for comparable historical periods.
- Sale of works and services. This includes the amount corresponding to construction work and activities carried out by the Company in relation to the provision of the integral water cycle in those municipalities in which it has been awarded the contract. The amount of the sale is calculated by applying the percentage of completion method, which consists of valuing the units of work executed in the period at the selling price established in the contract, while recognising the expenses incurred thereon. The difference between the amount of production and the amount invoiced at the balance sheet date is recognised under "Trade accounts receivable for sales and services rendered" or "Trade accounts payable and other payables" as "Production certified in advance".
- Dividends obtained from equity investments in group companies and joint ventures and associates and financial income from group companies. By application of Consultation 2 of the Spanish Accounting and



Auditing Institute Bulletin number 79, both items are considered to form part of net turnover as they are an ordinary activity for the Company. Likewise, any distribution of available reserves will qualify as a "profit distribution" and, consequently, will give rise to the recognition of income to the shareholder, provided that, since the date of acquisition, the investee or any group company in which the latter has an interest has generated profits in excess of the shareholders' equity being distributed. The judgement as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the individual income statement since the date of acquisition, unless it is clear that the distribution out of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

Other income and expenses are also recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

#### **4.11. Severance payments**

In accordance with current legislation, the Company is obliged to make severance payments to employees whose employment is terminated under certain conditions. Accordingly, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate employment is taken. No provision has been recorded in the accompanying financial statements in this connection, as no such situations are foreseen.

#### **4.12. Subsidies**

The Company accounts for grants received as follows:

- a) Non-refundable grants: These are recognised in equity and measured at the fair value of the amount or asset granted, depending on whether or not they are monetary in nature, and are taken to income in proportion to the depreciation charge for the period for the subsidised items or, where appropriate, when they are disposed of or impaired, with the exception of grants received from shareholders or owners, which are recognised directly in equity and do not constitute income.
- b) Operating grants: These are credited to income when they are granted, unless they are intended to finance operating deficits in future years, in which case they are charged to income in those years. If they are granted to finance specific expenses, they are credited as the expenses financed are incurred.

#### **4.13. Joint ventures**

The Company accounts for the contracts it jointly operates through joint ventures by recognising in the balance sheet its proportionate share, based on its percentage of ownership, of the jointly controlled assets and jointly incurred liabilities. Likewise, its share of the income generated and expenses incurred by the jointly operated contract is recognised in the income statement, and its proportionate share of the amounts of the joint contract items is recognised in the statement of changes in equity and in the cash flow statement.

The figures contributed by the joint ventures to the Company's balance sheet and profit and loss account are reflected in each of the Notes to the consolidated financial statements.



#### **4.14. Related party transactions**

The Company carries out all its transactions with related companies at market values. In addition, transfer prices are adequately supported and the Company's directors consider that there are no significant risks in this respect that could give rise to significant liabilities in the future.

In mergers and divisions of a business, the items acquired are generally valued at the amount that corresponds to them in the consolidated annual accounts after the transaction has been completed. The resulting differences are recorded in reserves.

#### **4.15. Business actions with an impact on the environment**

The Company carries out operations whose main purpose is to prevent, reduce or repair damage to the environment as a result of its operations.

Expenses arising from environmental activities are recognised as operating expenses in the year in which they are incurred.

Those items that can be incorporated into the Company's assets for long-term use in its business activities and whose main purpose is to minimise environmental impact and protect and improve the environment are recorded as property, plant and equipment.

On the other hand, the Company recognises provisions for environmental actions when it is known that expenses incurred in the year or prior years are clearly specified as to their nature but are uncertain as to their amount or timing. These provisions are made on the basis of the best estimate of the expenditure required to settle the obligation, taking into account the financial effect if significant.

#### **4.16. Classification of assets and liabilities as current and non-current**

The Company presents its balance sheet classifying assets and liabilities as current and non-current. For these purposes, current assets or liabilities are those that meet the following criteria:

-Assets are classified as current when they are expected to be realised or intended for sale or consumption in the course of the Company's normal operating cycle, are held primarily for the purpose of trading, are expected to be realised within twelve months after the reporting date or are cash or cash equivalents, except where they cannot be exchanged or used to settle a liability for at least twelve months after the reporting date. Otherwise, they are classified as non-current.

-Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Company, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting date or the Company does not have an unconditional right to defer settlement of the liabilities for twelve months after the reporting date. Otherwise, they are classified as non-current.

#### **4.17. Cash flow statement**

In the cash flow statement, the following expressions are used:

- Cash flows: inflows and outflows of cash and cash equivalents.



Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



- Cash flows from operating activities: payments and receipts from the entity's typical activities, as well as other activities that cannot be classified as investing or financing activities.
- Cash flows from investing activities: payments and receipts arising from acquisitions and disposals of non-current assets.
- Cash flows from financing activities: payments and receipts from the placement and cancellation of financial liabilities, equity instruments or dividends.

## NOTE 5. INTANGIBLE ASSETS

### 5.1. Variation

a) The variation during the financial year 2023 was as follows:

<b>INTANGIBLE FIXED ASSETS</b>					
<i>(Amounts in thousands of euros)</i>					
<i>Variation between 31 December 2022 and 2023</i>					
	<b>BALANCE</b>	<b>(+)</b>	<b>(-)</b>	<b>(+/-)</b>	<b>BALANCE</b>
	<b>31.12.22</b>	<b>ALTAS</b>	<b>BAJAS</b>	<b>TRANSFERS</b>	<b>31.12.23</b>
Research and development expenditure	154	37	-	109	300
Goodwill	82.763	-	-	-	82.763
Computer applications	1.017	26	(2)	-	1.041
Other intangible assets	19	101	-	1.505	1.625
Concession agreement advances	172	-	-	-	172
Concession agreements financial activation	12.140	-	(659)	-	11.481
Concession agreement, regulated asset	1.262.590	29.980	(1.546)	(1.614)	1.289.410
<b>TOTAL COST</b>	<b>1.358.855</b>	<b>30.144</b>	<b>(2.207)</b>	<b>-</b>	<b>1.386.792</b>
Research and development expenditure	(154)	(56)	-	-	(210)
Goodwill	(57.935)	(8.275)	-	-	(66.210)
Computer applications	(987)	(9)	-	-	(996)
Other intangible assets	-	-	-	(1.307)	(1.307)
Concession agreement, regulated asset	(802.468)	(49.745)	1.515	1.307	(849.391)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(861.544)</b>	<b>(58.085)</b>	<b>1.515</b>	<b>-</b>	<b>(918.114)</b>
Concession agreement, regulated asset	(12.476)	(1.616)	808	-	(13.284)
<b>TOTAL IMPAIRMENTS</b>	<b>(12.476)</b>	<b>(1.616)</b>	<b>808</b>	<b>-</b>	<b>(13.284)</b>
<b>TOTAL NET</b>	<b>484.835</b>	<b>(29.557)</b>	<b>116</b>	<b>-</b>	<b>455.394</b>

- Research and development expenditure

Within this heading, the Company activates the expenses incurred in R&D, mainly in projects for the use and purification of wastewater, the use of intelligent technology in the networks and monitoring of the water cycle.

- Concession agreement, regulated asset.

In 2023, the Company has recorded as additions an amount of 29,980 thousand euros corresponding to the activity carried out in Spain and mainly to the following contracts:



- Villadepalos (León) in the amount of 10,353 thousand euros for the investment commitments to be made by the Company in the remaining concession period in the wastewater treatment plant that serves the Mancomunidad de municipios del Bajo Bierzo.
- Linares (Jaén) in the amount of 2,940 thousand euros corresponding to investment commitments to be executed for the extension of a collector during the 20-year renewal period for which the Company provides the service through a mixed economy company in which it is a shareholder together with the town council.
- Playa de Aro (Girona) in the amount of 5,517 thousand euros for the commitment of investments to be made in the 6 years following the signing of the contract. The actions will take place during the first six years of the renewal period.
- Deteriorations.

During the year, the Company recognised an impairment loss of Euros 1,616 thousand on several concessions it lends in Spain due to the updating of the model carried out on these concessions and also recorded the reversal of impairment losses recognised on other concessions in Spain in previous years amounting to Euros 808 thousand, as the concession assets for which the impairment loss was recognised continue to operate and generate amortisation in the year.

b) The amounts and changes in intangible assets during 2022 were as follows:

<b>INTANGIBLE FIXED ASSETS</b>					
<i>(Amounts in thousands of euros)</i>					
<i>Variation between 31 December 2021 and 2022</i>					
	<b>BALANCE</b>	<b>(+)</b>	<b>(-)</b>	<b>(+/-)</b>	<b>BALANCE</b>
	<b>31.12.21</b>	<b>ALTAS</b>	<b>BAJAS</b>	<b>TRANSFERS</b>	<b>31.12.22</b>
Research and development expenditure	153	1	-	-	154
Goodwill	82.763	-	-	-	82.763
Computer applications	998	20	(1)	-	1.017
Other intangible assets	11	8	-	-	19
Concession agreement advances	251	-	-	(79)	172
Concession agreements financial activation	12.851	-	(711)	-	12.140
Concession agreement, regulated asset	1.215.375	47.187	(51)	79	1.262.590
<b>TOTAL COST</b>	<b>1.312.402</b>	<b>47.216</b>	<b>(763)</b>	<b>-</b>	<b>1.358.855</b>
Research and development expenditure	(139)	(15)	-	-	(154)
Goodwill	(49.657)	(8.278)	-	-	(57.935)
Computer applications	(971)	(16)	-	-	(987)
Concession agreement, regulated asset	(755.525)	(46.955)	12	-	(802.468)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(806.292)</b>	<b>(55.264)</b>	<b>12</b>	<b>-</b>	<b>(861.544)</b>
Concession agreement, regulated asset	(15.034)	(423)	2.981	-	(12.476)
<b>TOTAL IMPAIRMENTS</b>	<b>(15.034)</b>	<b>(423)</b>	<b>2.981</b>	<b>-</b>	<b>(12.476)</b>
<b>TOTAL NET</b>	<b>491.076</b>	<b>(8.471)</b>	<b>2.230</b>	<b>-</b>	<b>484.835</b>

- Research and development expenditure

Within this heading, the Company activates the expenses incurred in R&D, mainly in projects for the use and



purification of wastewater, the use of intelligent technology in the networks and monitoring of the water cycle.

- Concession agreement, regulated asset.

In 2022, the Company has recorded as additions an amount of Euros 47,187 thousand corresponding to the activity carried out in Spain and mainly to the following contracts:

- Los Alcázares (Murcia) in the amount of 3,120 thousand euros for the investment commitments to be made by the Company in the period obtained for the 5-year renewal of the integral water cycle service that the Company has been providing uninterruptedly in this municipality since 1987. The investments will be aimed at renewing the sewerage network, increasing its rainwater collection capacity, installing manholes, underground rainwater collection channels and new pumping stations at several critical points in the municipality, all of this to reinforce the commitment of this municipality, located on the shores of the Mar Menor, and within the framework of the actions planned to protect it.
- Talavera de la Reina (Toledo) in the amount of Euros 3,180 thousand corresponding to investment commitments to be executed during the 5-year renewal period obtained this year, where the Company has been providing the integral water cycle service since 1997. The main investment to be made by the Company is the construction of a new drinking water tank in the Torrehierro industrial estate, which will replace the existing one, as well as investments in the drinking water treatment plant.
- El Arenal - Lluçmajor (Balearic Islands) for 24,866 thousand euros, of which 3,423 thousand euros correspond to the initial fixed fee and transfer tax and the rest to the commitment to investments to be made over the 20-year renewal period obtained in the year. These investments will be aimed, among other things, at renewing the pumping equipment in order to reduce the energy bill and improving the networks to increase their efficiency.

Other Spanish municipalities in which agreements have been signed for investments charged to current tariffs include Arnedo (La Rioja) for 1,006 thousand euros, and Castrillón (Asturias) for 703 thousand euros.

- Deteriorations.

During the year, the Company recognised an impairment loss of Euros 423 thousand on a concession in Spain due to the updating of the concession model and also recognised the reversal of an impairment loss of Euros 2,981 thousand recognised on other concessions in Spain in prior years, as the concession assets for which the impairment loss was recognised continue to operate and generate amortisation in the year.

## 5.2. Balances arising from the integration of SPVs

The balances contributed by the SPVs at 31 December 2023 include 291,815 thousand euros corresponding to cost, 240,531 thousand euros corresponding to accumulated amortisation and 832 thousand euros corresponding to impairment (284,233 thousand euros corresponding to cost, 231,645 thousand euros corresponding to accumulated amortisation and 104 thousand euros corresponding to impairment at 31 December 2022).

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



### 5.3. Fully depreciated items

The detail of fully depreciated items by account is as follows:

<b>FULLY DEPRECIATED INTANGIBLE FIXED ASSETS</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Development	156	154
Administrative concessions and concession agreement, regulated asset	134.650	128.451
Computer applications	887	882
<b>TOTAL</b>	<b>135.693</b>	<b>129.487</b>

### 5.4. Intangible fixed assets Spanish territory

At 31 December 2023, intangible assets outside Spain amount to 86 thousand euros in cost and 85 thousand euros in accumulated amortisation (86 thousand euros in cost and 85 thousand euros in accumulated amortisation at 31 December 2022).

### 5.5 Intangible assets per concession agreement

Details of intangible assets in major contracts are as follows:

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Year 2023

Contract	Regulated active concession agreement			Advances for Act.Intang.	A.C.Act. Financial	
	Cost	Am. Acum.	Deterioration	Ac.Concession		Duration
Alcalá de Henares (Madrid)	18.021	(13.616)	-	-	-	25 years
Alcoy (Alicante)	7.568	(7.568)	-	13	-	20 years
Algeciras (Cádiz)	18.699	(8.032)	-	-	-	50 years
Almansa (Albacete)	9.234	(3.812)	-	-	-	25 years
Almería (Almería)	28.617	(19.508)	-	-	-	40 years
Arcos de la Frontera (Cádiz)	11.187	(5.022)	-	-	-	25 years
Badajoz (Badajoz)	52.795	(30.743)	-	-	-	50 years
Barbate (Cádiz)	7.218	(3.341)	-	-	-	25 years
Cabezo Torres (Murcia)	6.314	(6.314)	-	-	-	40 years
Calahorra (La Rioja)	7.299	(6.065)	-	-	-	25 years
Cartaya (Huelva)	8.724	(3.488)	-	-	632	25 years
Castrillón (Asturias)	10.417	(5.244)	(998)	-	-	25 years
Chipiona (Cádiz)	7.054	(5.121)	-	-	-	40 years
Denia (Alicante)	17.826	(10.934)	(1.350)	-	-	35 years old
El Arenal Lluçmajor (I. Balearic Islands)	24.866	(1.761)	-	-	-	20 years
Gáldar (Gran Canaria)	13.398	(6.696)	(423)	-	-	25 years
Güimar (Gran Canaria)	10.115	(2.038)	-	-	-	25 years
Ingenio (Gran Canaria)	6.138	(5.181)	-	-	375	25 years
Jaén (Jaén)	9.594	(8.456)	-	-	502	30 years
La Línea de Concepción (Cádiz)	16.138	(9.885)	-	-	224	40 years
La Nucia (Alicante)	32.202	(15.786)	-	-	-	50 years
La Solana (Ciudad Real)	5.513	(3.084)	-	-	566	30 years
L'Ametlla de Mar (Tarragona)	11.605	(7.496)	-	-	-	35 years old
Llanera (Asturias)	15.393	(8.518)	(2.858)	-	-	25 years
Lleida (Lleida)	49.277	(20.596)	-	-	-	25 years
Lloret de Mar (Girona)	24.774	(17.183)	-	-	-	25 years
Los Alcázares (Murcia)	12.469	(10.085)	-	-	-	20 years
Mdad. El Girasol (Toledo)	7.855	(6.797)	-	-	271	25 years
Mdad. Río Algodor (Toledo)	7.677	(3.400)	-	-	-	50 years
Mérida (Badajoz)	21.402	(16.360)	-	-	-	30 years
Moguer (Huelva)	7.518	(4.008)	-	-	-	30 years
Oviedo (Asturias)	36.957	(19.246)	(100)	-	7.703	50 years
Salamanca (Salamanca)	11.106	(6.569)	-	-	310	25 years
San Lorenzo Escorial (Madrid)	6.512	(3.448)	-	-	-	30 years
San Pedro del Pinatar (Murcia)	10.667	(5.853)	-	-	-	50 years
Sanlúcar de Barrameda (Cádiz)	17.263	(9.113)	-	-	-	40 years
Sant Feliu Gixols (Girona)	7.028	(4.672)	-	-	-	50 years
Sant Josep (Balearic Islands)	10.554	(6.571)	-	-	-	28 years old
Santander (Cantabria)	86.349	(61.229)	-	-	-	25 years
Sóller (Balearic Islands)	6.681	(4.478)	-	-	-	30 years
Talavera de la Reina (Toledo)	31.534	(24.114)	-	-	-	25 years
Valverde del Camino (Huelva)	6.206	(2.793)	-	-	-	25 years
Vélez-Málaga (Málaga)	7.800	(5.589)	-	-	-	20 years
Vigo (Pontevedra)	218.996	(204.746)	-	-	-	30 years
Rest	344.850	(214.832)	(7.555)	159	898	5 - 50 years
<b>Total</b>	<b>1.289.410</b>	<b>(849.391)</b>	<b>(13.284)</b>	<b>172</b>	<b>11.481</b>	

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Year 2022

Contract	Regulated active concession agreement			Advances for Intang.	A.C.Act. Financial	Duration
	Cost	Ac.Concession	Deterioration			
Alcalá de Henares (Madrid)	18.021	(12.809)	-	-	-	25 years
Alcoy (Alicante)	7.568	(7.568)	-	-	-	20 years
Algeciras (Cádiz)	18.333	(7.596)	-	-	-	50 years
Almansa (Albacete)	9.234	(3.423)	-	-	-	25 years
Almería (Almería)	28.617	(18.496)	-	-	-	40 years
Arcos de la Frontera (Cádiz)	11.187	(4.573)	-	-	-	25 years
Badajoz (Badajoz)	52.795	(29.680)	-	-	-	50 years
Barbate (Cádiz)	7.218	(3.052)	-	-	-	25 years
Cabezo Torres (Murcia)	6.314	(6.314)	-	-	-	40 years
Calahorra (La Rioja)	7.299	(5.665)	-	-	-	25 years
Cartaya (Huelva)	8.724	(3.139)	-	-	674	25 years
Castrillón (Asturias)	10.417	(4.582)	(1.123)	-	-	25 years
Chipiona (Cádiz)	7.054	(4.797)	-	-	-	40 years
Denia (Alicante)	14.610	(8.755)	-	-	-	35 years old
El Arenal Lluçmajor (I. Balearic Islands)	26.292	(1.944)	-	-	-	20 years
Gáldar (Gran Canaria)	13.398	(6.003)	(1.839)	-	-	25 years
Güimar (Gran Canaria)	10.115	(1.684)	-	-	-	25 years
Ingenio (Gran Canaria)	6.138	(4.936)	-	-	446	25 years
Jaén (Jaén)	9.594	(8.123)	-	-	619	30 years
La Línea de Concepción (Cadiz)	16.119	(9.515)	-	-	319	40 years
La Nucia (Alicante)	32.202	(14.826)	-	-	-	50 years
La Solana (Ciudad Real)	5.513	(2.925)	-	-	603	30 years
L'Ametlla de Mar (Tarragona)	11.605	(6.811)	-	-	-	35 years old
Llanera (Asturias)	11.176	(6.612)	(2.973)	-	-	25 years
Lleida (Lleida)	49.277	(18.547)	-	-	-	25 years
Lloret de Mar (Girona)	24.774	(16.099)	-	-	-	25 years
Los Alcázares (Murcia)	11.378	(8.674)	-	-	-	20 years
Mdad. El Girasol (Toledo)	7.855	(6.378)	-	-	89	25 years
Mdad. Río Algodor (Toledo)	7.677	(3.075)	-	-	-	50 years
Mérida (Badajoz)	21.402	(15.615)	-	-	-	30 years
Moguer (Huelva)	7.518	(3.701)	-	-	-	30 years
Oviedo (Asturias)	37.077	(18.553)	(108)	-	8.035	50 years
Salamanca (Salamanca)	11.106	(5.925)	-	-	413	25 years
San Lorenzo Escorial (Madrid)	6.512	(3.169)	-	-	-	30 years
San Pedro del Pinatar (Murcia)	10.667	(5.347)	-	-	-	50 years
Sanlúcar de Barrameda (Cádiz)	17.263	(8.424)	-	-	-	40 years
Sant Feliu Gixols (Girona)	7.024	(4.577)	-	-	-	50 years
Sant Josep (Balearic Islands)	10.554	(6.268)	-	-	-	28 years old
Santander (Cantabria)	86.349	(57.765)	-	-	-	25 years
Sóller (Balearic Islands)	6.681	(4.130)	-	-	-	30 years
Talavera de la Reina (Toledo)	31.534	(22.454)	-	-	-	25 years
Valverde del Camino (Huelva)	6.206	(2.544)	-	-	-	25 years
Vélez-Málaga (Málaga)	7.800	(5.258)	-	-	-	20 years
Vigo (Pontevedra)	218.725	(197.350)	-	-	-	30 years
Rest	325.668	(204.787)	(6.433)	172	942	5 - 50 years
<b>Total</b>	<b>1.262.590</b>	<b>(802.468)</b>	<b>(12.476)</b>	<b>172</b>	<b>12.140</b>	



In these contracts, the Company manages the integral water cycle, covering all its phases:

- Catchment from catchment areas or wells.
- Potabilisation and treatment in drinking water treatment plants.
- Water supply through the water network to all subscribers.
- Collection of wastewater through the sewerage network to the wastewater treatment plants, from where it is returned to the natural environment.

Administrative concessions are defined by Law 13/2003 of 23 May as those by virtue of which the granting Public Administration or public law entity grants a concessionaire, for a period of time, the construction and operation, or only the operation of works which, being susceptible to exploitation, are necessary for the provision of public services of an economic nature. The construction and operation of the public works under concession shall be carried out at the risk and peril of the concessionaire, who shall assume the economic risks deriving from their execution and operation.

It can be deduced from the above that concession agreements require the existence of an infrastructure controlled by the Public Administration, which is operated by the Company, within the framework of rules issued by said Administration and which establish such important aspects as the tariff necessary for the recovery of the investment made by the concessionaire.

The definition of infrastructure includes both the works and facilities built by the Company with its own means and those acquired from third parties, provided that they are intended for the provision of the public service under the terms of the concession agreement.

The intangible assets mentioned in this Note have been recognised because the Company is entitled to charge fees to users of the public service based on their use of the service, with the concessionaire therefore assuming the demand risk.

Moreover, in these contracts, the grantor controls the physical use of the infrastructure, the way in which the service is provided and the price of the service.

The balance of the heading "Concession agreement - Financial activation" corresponds entirely to the deferred financial charge derived from the financing instrument associated with the construction of the concessions (see Note 4.1.a).

As indicated above, the tariffs to be charged by the Company to the users of the public service are regulated by the granting entity. However, there are clauses in these contracts that allow the Company to request a revision of the tariffs in the event of the need for economic rebalancing.

In addition, at the start of each concession, the Company recognises as an intangible asset the amount of the investment commitments included in each contract involving improvements to the networks and infrastructure covered by the concession, which are recovered in the tariffs billed to subscribers from the outset. Until the actual investment is made, the Company recognises these amounts under "Provisions for infrastructure actions", which is included under "Other provisions for liabilities and charges" (see note 14).



## 5.6 Capitalisation of financial charges

Neither during the financial year 2023 nor in the financial year 2022 has the Company capitalised financial expenses under the heading "Advances under concession agreement", having accrued an amount of 3,836 thousand euros at source.

In addition, under the heading "Concession agreements financial activation", the Company has recognised a negative net amount of 659 thousand euros in 2023 (negative net recognition of 711 thousand euros at 31 December 2022).

## 5.7 Commitment to purchase goods

At 31 December 2023, there are no commitments in addition to those already included under "Provisions for infrastructure measures" (see Note 14).

## 5.8 Insurance policies

The Company's policy is to take out all insurance policies necessary to cover possible risks that could affect intangible assets.

## NOTE 6. PROPERTY, PLANT AND EQUIPMENT

### 6.1. Variation

Movements during the year in the various tangible fixed asset accounts and the related accumulated depreciation were as follows:

#### a) Change in 2023

	TANGIBLE FIXED ASSETS				BALANCE 31.12.23
	<i>(Amounts in thousands of euros)</i>				
	Change between 31 December 2022 and 2023				
	BALANCE 31.12.22	(+) ALTAS	(-) BAJAS	(+)(-) TRASP.	BALANCE 31.12.23
Land and buildings	4.349	298	-	-	4.647
Technical installations and other tangible fixed assets	150.089	32.650	(347)	962	183.354
Fixed assets under construction	561	2.370	(117)	(962)	1.852
<b>TOTAL COST</b>	<b>154.999</b>	<b>35.318</b>	<b>(464)</b>	-	<b>189.853</b>
Constructions	(2.544)	(92)	-	-	(2.636)
Technical installations and other tangible fixed assets	(90.659)	(15.409)	246	-	(105.822)
<b>TOTAL AMORT. ACCUM.</b>	<b>(93.203)</b>	<b>(15.501)</b>	<b>246</b>	-	<b>(108.458)</b>
Impairment of other property, plant and equipment	-	(191)	-	-	(191)
<b>TOTAL DETERIORATION</b>	-	<b>(191)</b>	-	-	<b>(191)</b>
<b>TOTAL NET</b>	<b>61.796</b>	<b>19.626</b>	<b>(218)</b>	-	<b>81.204</b>

During 2023, the Company has recorded additions to property, plant and equipment amounting to Euros 35,318 thousand, corresponding to assets used in the contracts performed by the Company which are not concession contracts, as well as those acquired for those which, being concession contracts, do not revert to the granting bodies.



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## b) Change in 2022

<b>TANGIBLE FIXED ASSETS</b>					
<i>(Amounts in thousands of euros)</i>					
<b>Variation between 31 December 2021 and 2022</b>					
	<b>BALANCE</b>	<b>(+)</b>	<b>(-)</b>	<b>(+)(-)</b>	<b>BALANCE</b>
	<b>31.12.21</b>	<b>ALTAS</b>	<b>BAJAS</b>	<b>TRASP.</b>	<b>31.12.22</b>
Land and buildings	4.332	17	-	-	4.349
Technical installations and other tangible fixed assets	131.001	19.006	(465)	547	150.089
Fixed assets under construction	150	958	-	(547)	561
<b>TOTAL COST</b>	<b>135.483</b>	<b>19.981</b>	<b>(465)</b>	<b>-</b>	<b>154.999</b>
Constructions	(2.462)	(82)	-	-	(2.544)
Technical installations and other tangible fixed assets	(79.952)	(10.906)	199	-	(90.659)
<b>TOTAL AMORT. ACCUM.</b>	<b>(82.414)</b>	<b>(10.988)</b>	<b>199</b>	<b>-</b>	<b>(93.203)</b>
<b>TOTAL NET</b>	<b>53.069</b>	<b>8.993</b>	<b>(266)</b>	<b>-</b>	<b>61.796</b>

During 2022, the Company has recorded additions to property, plant and equipment amounting to Euros 19,981 thousand, corresponding to assets used in the contracts performed by the Company which are not concession contracts, as well as those acquired for those which, being concession contracts, do not revert to the granting bodies.

### 6.2 Land and buildings

At 31 December 2023, the land represents an amount of Euros 278 thousand in cost and Euros 48 thousand in accumulated amortisation due to its reversion at the end of the concession contract (Euros 278 thousand in cost and Euros 47 thousand in accumulated amortisation at 31 December 2022).

### 6.3 Balances arising from the integration of joint ventures

The balances at 31 December 2023 include 20,855 thousand euros and 8,785 thousand euros corresponding to the cost and accumulated amortisation contributed by the UTES, respectively (14,066 thousand euros and 6,139 thousand euros, respectively, at 31 December 2022).

### 6.4 Fully depreciated items

At 31 December 2023 they are fully depreciated, but items under "Plant and equipment and other property, plant and equipment" with a carrying amount of EUR 60,229 thousand (31 December 2022: EUR 60,686 thousand) are still in use.

### 6.5 Fixed assets located outside Spanish territory

At 31 December 2023, the Company has fixed assets outside Spain amounting to Euros 1,446 thousand in cost and Euros 960 thousand in accumulated depreciation (Euros 1,187 thousand and Euros 737 thousand, respectively, at 31 December 2022).

### 6.6 Insurance policies

It is the Company's policy to take out all insurance policies deemed necessary to cover possible risks that could affect property, plant and equipment.



## 6.7 Other information on property, plant and equipment

- In 2023 and 2022, there were no acquisitions of fixed assets from group companies.
- There are no commitments to acquire tangible fixed assets at the end of the two financial years.
- There are no tangible assets pledged as collateral for the Company's commitments.

## NOTE 7. LONG-TERM INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

### 7.1 Equity Instruments

Equity instruments in Group companies and associates are stated at cost. Details and movements in this caption are as follows:

#### a) Change in 2023

	EQUITY INSTRUMENTS				
	<i>(Amounts in thousands of euros)</i>				
	<i>Change between 31 December 2022 and 2023</i>				
	BALANCE	(+)	(-)	(+/-)	BALANCE
	31.12.22	ALTAS	BAJAS	TRANSFERS	31.12.23
Equity Instruments in Group Companies	760.508	63	(3.857)	-	756.714
Outstanding payments in shares Group companies	(83)	-	56	-	(27)
Equity Instruments in Associated Companies	28.197	-	-	-	28.197
Outstanding disbursements in shares Associated Companies	(182)	-	4	-	(178)
<b>Total</b>	<b>788.440</b>	<b>63</b>	<b>(3.797)</b>	<b>-</b>	<b>784.706</b>
Deteriorations	(10.326)	(1.937)	1.337	-	(10.926)
<b>TOTAL NET</b>	<b>778.114</b>	<b>(1.874)</b>	<b>(2.460)</b>	<b>-</b>	<b>773.780</b>

By heading, the most important movements recorded in 2023 are as follows:

- Equity instruments in group companies.
  - 63 thousand euros for the subscription of 51% of the capital that the Company has incorporated in Saudi Arabia under the name of North Cluster SPV L.L.C., which has been awarded the contract by the Saudi Arabian government for the management, operation and maintenance of the integral water cycle in the Saudi regions of Qassim, Hail, Al Jouf and Northern Border, serving a population of 2.5 million inhabitants. The remaining shareholders are companies outside the FCC Group.
  - Disposal of Euros 3,123 thousand of the Company's shareholding in Entemanser, S.A., a company managing several concession contracts on the island of Tenerife (Spain).
  - Disposal of Euros 734 thousand of the Company's holding in Depurplán, S.A., a company that manages several wastewater treatment plants in the autonomous community of Aragón (Spain).



- Outstanding payments on shares in group companies.
  - Derecognition in the amount of EUR 56 thousand for the paid-up amount corresponding to the share capital of South Cluster SPV LLC.
- Deteriorations.
  - Impairment of 1,937 thousand euros in subsidiaries that are concessionaires of water contracts with a defined life and reversal of 1,337 thousand euros in other subsidiaries that are also concessionaires due to changes in the lives and operating flows that occurred during the year.

b) Change in 2022

	EQUITY INSTRUMENTS					BALANCE 31.12.22
	<i>(Amounts in thousands of euros)</i>					
	<i>Variation between 31 December 2021 and 2022</i>					
	BALANCE 31.12.21	(+) ALTAS	(-) BAJAS	(+/-) TRANSFERS	(+/-) BUSINESS COMBINATION	
Equity Instruments in Group Companies	403.466	378.996	(6.416)	-	(15.538)	760.508
Outstanding payments in shares Group companies	(3.079)	(56)	3.052	-	-	(83)
Equity Instruments in Associated Companies	17.838	-	(563)	-	10.922	28.197
Outstanding disbursements in shares Associated Companies	(182)	-	-	-	-	(182)
<b>Total</b>	<b>418.043</b>	<b>378.940</b>	<b>(3.927)</b>	<b>-</b>	<b>(4.616)</b>	<b>788.440</b>
Deteriorations	(60.778)	(2.069)	52.521	-	-	(10.326)
<b>TOTAL NET</b>	<b>357.265</b>	<b>376.871</b>	<b>48.594</b>	<b>-</b>	<b>(4.616)</b>	<b>778.114</b>

By heading, the most important movements recorded in 2022 are as follows:

- Equity instruments in group companies.
  - Capital increase of 158,968 thousand euros for the capital increase in the company Aqualia Georgia, incorporated in the year with registered offices in Tbilisi (Georgia) to hold shares and provide services to companies in that country.

The capital increase was carried out by means of a non-monetary contribution of 80% of the stake held by FCC Aqualia in the capital of Georgia Global Utilities, a company acquired on 2 February 2022 on the basis of the purchase agreement signed on 31 December 2021. It had been agreed to acquire this stake for a cash consideration of USD180 million through a two-step transaction, as described below.

GGU, a subsidiary of Georgia Capital PLC (GCAP) until then, is a water and renewable energy utility that supplies drinking water and provides wastewater collection and processing services to almost 1.4 million people in Georgia and generates electricity through its portfolio of eight hydropower plants. GGU's water supply and sanitation services business is a natural monopoly



in and around the city of Tbilisi, including the cities of Rustavi and Mtskheta, which supply drinking water to these areas. The customer base for this business includes commercial and residential customers.

#### *First stage*

In the first stage of the Transaction formalised on 2 February 2022 with the monetary disbursement of the agreed amount, the Company acquired a 65% equity interest in GGU, which included its water services business and the operating assets of its renewable energy business, representing an 80% economic interest in GGU's water services business.

#### *Second stage*

The second phase of the Transaction consisted of the spin-off of GGU's renewable energy assets. Completion of the second stage took place on 4 October 2022 following: (i) the receipt of antitrust clearance from the Georgian National Competition Authority; and (ii) the repayment of GGU's USD250 million 7.75% Notes due 30 July 2025. This early repayment has been made possible because in August 2022, GGU's shareholders agreed to provide loans to its subsidiary to enable it to repay.

Following the demerger, the Company indirectly owns an 80% shareholding and Georgia Capital will own a 20% shareholding in GGU.

#### *Put and call options*

In addition, and in the context of the Transaction, the Company and GCAP granted each other a put option and a call option, respectively, on GCAP's remaining 20% interest in the share capital of GGU. On 9 March 2022, the Company transferred to its subsidiary, Aqualia Georgia, which in turn assumed all the rights and obligations of ownership of the interest with the exception of providing financing to its subsidiary. The put option granted to GCAP may be exercised in each of the two half-yearly periods immediately following the approval by shareholders of GCAP's audited consolidated accounts for each of the years ended 31 December 2024 and 2025. The call option granted to the Issuer may be exercised in the period commencing on the expiry date of the put option and expiring six months thereafter.

- 2 000 for the 80 % shareholding in the company Génesis Lodos, S.L., a company with registered offices in Seville (Spain) whose corporate purpose is the removal of sludge and the processing of waste resulting from the operation of water treatment plants.
- A capital increase of 216,086 thousand euros subscribed and paid up in the company Aqualia Czech, S.L. This company has issued 95,294 shares with a nominal value of 0.63 euros each and a share premium of 2,266.95 euros in order to grant a 3-year loan to the company Severomoravske Vodovody a Kanalizace Ostrava, domiciled in the Czech Republic. 2,266.95 of issue premium to cover the granting of a 3-year loan to the company Severomoravske Vodovody a Kanalizace Ostrava, domiciled in the Czech Republic, of which it is the sole shareholder, and which has enabled this subsidiary to redeem the bond issue that matured in July 2022.



- 1,299 thousand euros through capitalisation of the loan previously granted to FCC Aqualia América, S.A.U. to increase the equity of this subsidiary.
- A registration for the amount of 2,583 thousand euros for the incorporation, subscription and payment in the company Aqualia Flandes, S.A.S. E.S.P., of 95% of its share capital, the other 5% being owned by Aqualia Intech, S.A. The company Aqualia Flandes has its registered office in Bogotá (Colombia) and has been awarded the public tender for the operation, expansion, rehabilitation, maintenance of the infrastructure and commercial management of the public water and sewerage services in the city of Flandes, department of Tolima (Colombia).
- A subscription of 56 thousand euros for the subscription of 45% of the capital that the Company has incorporated in Saudi Arabia under the name of South Cluster SPV L.L.C., which has been awarded the contract awarded by the Saudi Arabian government for the management, operation and maintenance of the integral water cycle in the Saudi regions of Assir, Jazan, Baha and Najran. The rest of the shareholding is made up of Spanish and Saudi companies outside the FCC Group.
- Disposal of Euros 6,416 thousand of the Company's shareholding in Entemanser, S.A., a company managing several concession contracts on the island of Tenerife (Spain).
- Disposal of Euros 15,538 thousand of the Company's shareholding in Aqualia New Europe, a company based in the Netherlands, which was absorbed during the year (see note 2.9).
- Outstanding disbursements on shares in group companies.
  - Additions in the amount of 56 thousand euros for the amount subscribed and not paid up in the company South Cluster SPV L.L.C.
  - 3,052 thousand euros for the payment made on the share capital of Acque di Caltanissetta, S.p.A.
- Equity instruments in associates
  - Derecognition of Euros 245 thousand for the sale of the 49 % stake held by the Company in the capital of Aguas de Priego, S.A., a company domiciled in the municipality of Priego de Córdoba (Spain), which is engaged in the integral management of water in that municipality.
  - Derecognition of 240 thousand euros due to the liquidation of the SOREA - Aqualia E.I.A. during the year, once the contract for which it was set up had ended.
  - Write-off of 78 thousand euros due to the liquidation during the year of the A.I.E. Costa Brava Abastament Aqualia - SOREA, which also terminated the contract that was its corporate purpose.
  - Addition of Euros 10,922 thousand for the business combination mentioned in note 2.9 with Aqualia New Europe, whereby the Company acquires a 45% interest in Orasqualia Development of the Waste Treatment Plant, a company domiciled in Egypt, which is carrying out the contract signed in 2009 for the design, construction, operation and maintenance of the desalination plant in the city of New Cairo.

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- Deteriorations.

- Impairment of 2,069 thousand euros in subsidiaries that are concessionaires of water contracts with a defined life and reversal of 52,521 thousand euros in other subsidiaries that are also concessionaires due to changes in the lives and operating flows that occurred during the year.

c) The outstanding disbursements on shares in group and associated companies in the balance sheet as at 31 December 2023 and 2022 are as follows:

<b>OUTSTANDING DISBURSEMENTS OF GROUP COMPANIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Compañía Onubense de Aguas, S.A.	27	27
South Cluster SPV LLC	-	56
<b>TOTAL</b>	<b>27</b>	<b>83</b>

<b>DISBURSEMENTS OUTSTANDING FROM ASSOCIATED COMPANIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Aigües del Segarra Garrigues, S.A.	150	150
Sera Q.A. Duitama ESP., S.A.	27	27
Orasqualia O & M	-	5
<b>TOTAL</b>	<b>177</b>	<b>182</b>

d) Details of equity instruments in Group companies. Details of the balance at 31 December 2023 and 31 December 2022 are shown below:

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### EQUITY INSTRUMENTS IN GROUP COMPANIES 2023

(Amounts in thousands of euros)

PARTNERSHIPS	ACTIVITY	INVESTMENT	PROVISION	NET COST
<b>FCC Aqualia América, S.A.U.</b> C/ Uruguay, 11 - Vigo (PONTEVEDRA)	Water Cycle Management	5.250	(4.649)	601
<b>Aquajerez, S.L.</b> Pol.Ind.Ronda Oeste, 24 Jerez de la Frontera (CADIZ)	Water cycle management	28.859	-	28.859
<b>Aqua Campiña, S.A.</b> C/Blas Infante, 6 - Écija (SEVILLA)	Water cycle management	541	-	541
<b>Acque di Caltanissetta, S. p.a.</b> Viale Sicilia 176 93100 Caltanissetta - ITALY	Water cycle management	39.755	-	39.755
<b>Water Sur, S.L.</b> Urbanización Las Bugambillas, 13 - Vera (Almería)	Water cycle management	144	(144)	-
<b>Flores, Rebollo y Morales, S.L.</b> Urbanización Las Bugambillas, 13 - Vera (Almería)	Water cycle management	576	(576)	-
<b>Aguas de las Galeras, S.L.</b> Avda. Camino de Santiago, 40 - MADRID	Water cycle management	1	-	1
<b>Compañía Onubense de Aguas, S.A.</b> C/ Martín Alonso Pinzón, 8 - HUELVA	Water cycle management	36	(9)	27
<b>Depurplan 11, S.A.U.</b> C/ San Miguel, 1 - ZARAGOZA	Water treatment and purification	3.966	-	3.966
<b>Empresa Mixta de Butarque, S.A.</b> C/ Princesa, 3 - MADRID	Water cycle management	84	(84)	-
<b>Servicios Hídricos Agricultura y Ciudad, S.L.U.</b> C/ Alfonso XIII - Sabadell (BARCELONA)	Holding company	3	(3)	-
<b>Sociedad Ibérica del Agua, S.A.U.</b> C/Federico Salmón, 13 - MADRID	Water cycle management	60	-	60
<b>Tratamiento Industrial del Agua, S.A.</b> C/Federico Salmón, 13 - MADRID	Drainage and Purification	652	-	652
<b>Hidrotec Water Technology, S.L.U.</b> C/Píncel, 25 - SEVILLA	Laboratories and services	32	-	32
<b>Empresa Gestora de Aguas Linenses, S.L.</b> C/Federico Salmón, 13 - MADRID	Water cycle management	2	-	2
<b>Entemanser, S.A.</b> C/Castillo, 13 - ADEJE (SANTA CRUZ DE TENERIFE)	Water cycle management	54.414	-	54.414
<b>Genesis Lodos, S.L.</b> Avda. Kansas City, 9 - SEVILLA	Drainage and Purification	2	(1)	1
<b>Infraestructuras y Distribución General de Agua, S.L.</b> C/La Presa, 14 - Tijoco Bajo-ADEJE (S.C.TENERIFE)	Participation and execution of works	8.665	-	8.665
<b>Sociedad Española de Aguas Filtradas, S.A.</b> Avda. Camino de Santiago, 40 - MADRID	Water purification	1.296	-	1.296
<b>Aqualia Intech, S.A.</b> Avda. Camino de Santiago, 40 - MADRID	Specialised construction	10.745	-	10.745
<b>Aqualia México, S.A. de C.V.</b> C/ Carrizal, 33 - Santiago de Querétaro (MEXICO)	Water works and services	1	-	1
<b>Aqualia Czech, S.L.U.</b> Avda. Camino de Santiago, 40 - MADRID	Water Cycle Management	334.865	-	334.865
<b>Aqualia MACE LLC</b> P.O Box 105547 Abu Dhabi (UNITED ARAB EMIRATES)	O&M Depuration	15	-	15
<b>Aigües de Vallirana, S.A.</b> C/ Conca de Tremp, 14 - Vallirana (BARCELONA)	Water cycle management	3.241	-	3.241

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### EQUITY INSTRUMENTS IN GROUP COMPANIES 2023

(Amounts in thousands of euros)

PARTNERSHIPS	ACTIVITY	INVESTMENT	PROVISION	NET COST
<b>Aquamaior - Aguas de Campo Maior, S.A.</b> Rua Mayor Talaya, 28 - Campo Maior (PORTUGAL)	Water cycle management	875	(504)	371
<b>Abrantaqua, S.A.</b> Lena Park - Alferrarede Abrantes (PORTUGAL)	Water cycle management	190	-	190
<b>Conservación y Sistemas, S.A.</b> C/Federico Salmón, 13-MADRID	Infrastructure maintenance	1.558	-	1.558
<b>Cartagua, Aguas Do Cartaxo, S.A.</b> Z. Industrial do Cartaxo, lote 20 - CARTAXO (PORTUGAL)	Treatment and purification	1.110	-	1.110
<b>Aqualia desalinacion Guaymas S.A. de C.V.</b> Avenida 5 de Febrero N° 1351, ROBLE 304 - QUERÉTARO (MEXICO)	Construction and operation	2.358	-	2.358
<b>Aqualia Infraestructuras Inzenyring</b> Mariennské Hory, Slavnikovcu 571/21- Ostrava (CZECH REPUBLIC)	Specialised construction	9.065	-	9.065
<b>Aquos El Realito, S.A. de C.V.</b> B.Manuel Avila Camacho, nº36 - piso5 - Col. Lomas de Chapultepec México	Construction and expl. aqueduct	5.512	-	5.512
<b>Shariket Thalya Miyah Mostaganem</b> Cité Abdoni Ilot, 36 - Dar el Beida (ALGERIA)	Construction and expl. desalination plants	8.308	-	8.308
<b>H.A.A. &amp; Co Integrated Serv</b> Corniche road - Jeddah (SAUDI ARABIA)	Infrastructure maintenance	3.199	(39)	3.160
<b>Qatarat Saquia Desalination</b> Corniche road - Jeddah (SAUDI ARABIA)	Construction and expl. desalination plants	12.914	-	12.914
<b>Aqualia Latinoamérica, S.A.</b> Bogotá (COLOMBIA)	Water cycle management	13.699	-	13.699
<b>Aqualia Villa del Rosario, S.A.</b> C/ 4, número 6-104 - Villa del Rosario (COLOMBIA)	Water Cycle Management	1.263	-	1.263
<b>Aqualia Georgia LLC</b> Mtatsminda district, Medea (Mzia) Jugheli st., N 10 - Tbilisi (GEORGIA)	Portfolio holding	158.969	-	158.969
<b>South Cluster SPV LLC</b> Abha, Kingdom of Saudi Arabia	Water cycle management	56	-	56
<b>Aqualia Flanders S.A.S.E.S.P.</b> Cr 11 No. 82 01 Of 903 - Bogotá (COLOMBIA)	Water cycle management	2.583	-	2.583
<b>Aqualia Portugal</b> Rua Camino Castelo Branco, 2 - Lisboa (PORTUGAL)	Water cycle management	8.563	-	8.563
<b>North Cluster S.P.V. LLC</b> Ali Bin Abi Talib Rd, Kingdom of Saudi Arabia	Water cycle management	63	-	63
<b>Aqualia Gestión Los Cabos S.A. de C.V.</b> Municipality of Los Cabos - Baja California (MEXICO)	Water works and services	1.569	-	1.569
<b>Aqualia France</b> 65, rue Monceau - Paris (FRANCE)	Water cycle management	31.655	-	31.655
<b>TOTAL</b>		<b>756.714</b>	<b>(6.009)</b>	<b>750.705</b>



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### EQUITY INSTRUMENTS IN GROUP COMPANIES 2022

(Amounts in thousands of euros)

PARTNERSHIPS	ACTIVITY	INVESTMENT	PROVISION	NET COST
<b>FCC Aqualia América, S.A.U.</b> C/ Uruguay, 11 - Vigo (PONTEVEDRA)	Water Cycle Management	5.250	(4.649)	601
<b>Aquajerez, S.L.</b> Pol.Ind.Ronda Oeste, 24 Jerez de la Frontera (CADIZ)	Water Cycle Management	28.859	-	28.859
<b>Aqua Campiña, S.A.</b> C/Blas Infante, 6 - Écija (SEVILLA)	Water cycle management	541	-	541
<b>Acque di Caltanissetta, S. p.a.</b> Viale Sicilia 176 93100 Caltanissetta - ITALY	Water Cycle Management	39.755	-	39.755
<b>Water Sur, S.L.</b> Urbanización Las Bugambillas, 13 - Vera (Almería)	Water Cycle Management	144	(144)	-
<b>Flores, Rebollo y Morales, S.L.</b> Urbanización Las Bugambillas, 13 - Vera (Almería)	Water Cycle Management	576	(576)	-
<b>Aguas de las Galeras, S.L.</b> Avda. Camino de Santiago, 40 - MADRID	Water Cycle Management	1	-	1
<b>Compañía Onubense de Aguas, S.A.</b> C/ Martín Alonso Pinzón, 8 - HUELVA	Water cycle management	36	(9)	27
<b>Depurplan 11, S.A.U.</b> C/ San Miguel, 1 - ZARAGOZA	Water treatment and purification	4.700	-	4.700
<b>Empresa Mixta de Butarque, S.A.</b> C/ Princesa, 3 - MADRID	Water cycle management	84	(84)	-
<b>Servicios Hídricos Agricultura y Ciudad, S.L.U.</b> C/ Alfonso XIII - Sabadell (BARCELONA)	Holding company	3	(3)	-
<b>Sociedad Ibérica del Agua, S.A.U.</b> C/Federico Salmón, 13 - MADRID	Water cycle management	60	-	60
<b>Tratamiento Industrial del Agua, S.A.</b> C/Federico Salmón, 13 - MADRID	Drainage and purification	652	-	652
<b>Hidrotec Water Technology, S.L.U.</b> C/Pincel, 25 - SEVILLA	Laboratories and services	32	-	32
<b>Empresa Gestora de Aguas Linenses, S.L.</b> C/Federico Salmón, 13 - MADRID	Water cycle management	2	-	2
<b>Entemanser, S.A.</b> C/Castillo, 13 - ADEJE (SANTA CRUZ DE TENERIFE)	Water cycle management	57.537	-	57.537
<b>Genesis Lodos, S.L.</b> Avda. Kansas City, 9 - SEVILLA	Drainage and Purification	2	(1)	1
<b>Infraestructuras y Distribución General de Agua, S.L.</b> C/La Presa, 14 - Tijoco Bajo-ADEJE (S.C.TENERIFE)	Participation and execution of works	8.665	-	8.665
<b>Sociedad Española de Aguas Filtradas, S.A.</b> Avda. Camino de Santiago, 40 - MADRID	Water purification	1.296	-	1.296
<b>Aqualia Intech, S.A.</b> Avda. Camino de Santiago, 40 - MADRID	Specialised construction	10.745	-	10.745
<b>Aqualia Mexico, S.A. de C.V.</b> C/ Carrizal, 33 - Santiago de Querétaro (MEXICO)	Water works and services	1	-	1
<b>Aqualia Czech, S.L.U.</b> Avda. Camino de Santiago, 40 - MADRID	Water cycle management	334.865	-	334.865
<b>Aqualia MACE LLC</b> P.O Box 105547 Abu Dhabi (UNITED ARAB EMIRATES)	O&M Depuration	15	-	15
<b>Aigües de Vallirana, S.A.</b> C/ Conca de Tremp, 14 - Vallirana (BARCELONA)	Water cycle management	3.241	-	3.241

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<b>EQUITY INSTRUMENTS IN GROUP COMPANIES 2022</b>				
<i>(Amounts in thousands of euros)</i>				
<b>PARTNERSHIPS</b>	<b>ACTIVITY</b>	<b>INVESTMENT</b>	<b>PROVISION</b>	<b>NET COST</b>
<b>Aquamaior - Aguas de Campo Maior, S.A.</b> Rua Mayor Talaya, 28 - Campo Maior (PORTUGAL)	Water cycle management	875	(453)	422
<b>Abrantaqua, S.A.</b> Lena Park - Alferrarede Abrantes (PORTUGAL)	Water cycle management	190	-	190
<b>Conservación y Sistemas, S.A.</b> C/Federico Salmón, 13-MADRID	Infrastructure maintenance	1.558	-	1.558
<b>Cartagua, Aguas Do Cartaxo, S.A.</b> Z. Industrial do Cartaxo, lote 20 - CARTAXO (PORTUGAL)	Treatment and purification	1.110	-	1.110
<b>Aqualia desalinacion Guaymas S.A. de C.V.</b> Avenida 5 de Febrero Nº 1351, ROBLE 304 - QUERÉTARO (MEXICO)	Construction and operation	2.358	-	2.358
<b>Aqualia Infraestructuras Inzenyring</b> Marienské Hory, Slavnikovcu 571/21- Ostrava (CZECH REPUBLIC)	Specialised construction	9.065	-	9.065
<b>Aquos El Realito, S.A. de C.V.</b> B.Manuel Avila Camacho, nº36 - piso5 - Col. Lomas de Chapultepec México	Construction and expl. aqueduct	5.512	-	5.512
<b>Shariket Thalya Miyah Mostaganem</b> Cité Abdoni Ilot, 36 - Dar el Beida (ALGERIA)	Construction and expl. desalination plants	8.308	-	8.308
<b>H.A.A. &amp; Co Integrated Serv</b> Corniche road - Jeddah (SAUDI ARABIA)	Infrastructure maintenance	3.199	(39)	3.160
<b>Qatarat Saquia Desalination</b> Corniche road - Jeddah (SAUDI ARABIA)	Construction and expl. desalination plants	12.914	-	12.914
<b>Aqualia Latinoamérica, S.A.</b> Bogotá (COLOMBIA)	Water Cycle Management	13.699	-	13.699
<b>Aqualia Villa del Rosario, S.A.</b> C/ 4, número 6-104 - Villa del Rosario (COLOMBIA)	Water Cycle Management	1.263	-	1.263
<b>Aqualia Georgia LLC</b> Mtatsminda district, Medea (Mzia) Jugheli st., N 10 - Tbilisi (GEORGIA)	Portfolio holdings	158.969	-	158.969
<b>South Cluster SPV LLC</b> Abha, Kingdom of Saudi Arabia	Water cycle management	56	-	56
<b>Aqualia Flanders S.A.S.E.S.P.</b> Cr 11 No. 82 01 Of 903 - Bogotá (COLOMBIA)	Water cycle management	2.583	-	2.583
<b>Aqualia Portugal</b> Rua Camino Castelo Branco, 2 - Lisboa (PORTUGAL)	Water cycle management	8.563	-	8.563
<b>Aqualia Gestión Los Cabos S.A. de C.V.</b> Municipality of Los Cabos - Baja California (MEXICO)	Water works and services	1.569	-	1.569
<b>Aqualia France</b> 65, rue Monceau - Paris (FRANCE)	Water cycle management	31.655	-	31.655
<b>TOTAL</b>		<b>760.508</b>	<b>(5.958)</b>	<b>754.550</b>

The balance sheets of these companies as at 31 December 2023 and 2022 presented the following balance sheet data. None of these companies is listed on the stock exchange and none of them has generated results from discontinued operations.

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**EQUITY DATA OF GROUP COMPANIES 2023**  
(Amounts in thousands of euros)

PARTNERSHIPS	CAPITAL	Reserves and other equity items	Operating result	Result 2023		% Share
				Result Continuing Operations	Result	
Abrantaqua, S.A.	500	3.062	751	407	407	60,00%
Acque di Caltanissetta, S.p.a.	24.500	16.482	2.193	218	218	99,56%
Aguas de las Galeras, S.L.	3	196	1.455	149	149	51,00%
Aigües de Vallirana, S.A. (*)	102	404	66	33	33	100,00%
Aqua Campiña, S.A.	601	66	33	(54)	(54)	90,00%
Aquajerez, S.L.	3	11.039	6.087	2.722	2.722	100,00%
Aqualia Czech, S.L.U.	69.362	250.367	(39)	1.908	1.908	100,00%
Aqualia Desalación Guaymas, S.A. de C.V.	3.369	621	(2.439)	(4.142)	(4.142)	70,00%
Aqualia Flanders S.A.S.S.E.S.P.	2.719	(1.961)	(399)	(1.744)	(1.744)	95,00%
Aqualia France, SAS	400	1.101	(4.396)	(3.343)	(3.343)	100,00%
Aqualia Georgia LLC	175.155	(97)	99	83	83	100,00%
Aqualia Gestion los Cabos SACV	2.285	918	468	503	503	70,00%
Aqualia Infraestructuras Inzenyring, s.r.o.	64	3.539	4.334	3.499	3.499	49,00%
Aqualia Intech, S.A.	1.200	40.450	1.578	4.064	4.064	99,99%
Aqualia Latinoamérica, S.A.	14.573	(13.950)	(2.483)	(614)	(614)	94,00%
Aqualia MACE LLC	30	3.108	2.860	4.127	4.127	51,00%
Aqualia México, S.A. de C.V.	8.070	7.771	1.298	1.606	1.606	0,01%
Aqualia Portugal, S.A.	22.518	(228)	(10)	(8)	(8)	100,00%
Aqualia Villa del Rosario S.A.	1.330	(3.672)	(385)	(2.173)	(2.173)	95,00%
Aquamaior - Aguas de Campo Maior, S.A.	50	321	13	(50)	(50)	100,00%
Aquos El Realito, S.A. DE CV	11.651	9.064	5.892	2.211	2.211	46,00%
Cartagua, Aguas do Cartaxo, S.A.	1.850	1.176	716	259	259	60,00%
Compañía Onubense de Aguas, S.A. (*)	60	(72)	0	0	0	60,00%
Conservación y Sistemas, S.A.	300	1.519	(83)	(2)	(2)	99,99%
Depurplan 11, S.A.U.	4.700	1.611	1.222	1.006	1.006	100,00%
Ecosistema de Morelos S.A. DE C.V.	1.296	(133)	1.405	(443)	(443)	0,00%
Empresa Gestora de Aguas Linenses, S.L.	3	3.150	494	370	370	51,00%
Empresa Mixta de Butarque, S.A. (*)	120	(120)	0	0	0	70,00%
Entemanser, S.A.	2.137	12.662	7.326	5.911	5.911	97,00%
FCC Aqualia América, S.A.U. (*)	601	(1)	(0)	(0)	(0)	100,00%
Flores, Rebollo y Morales, S.L.	18	12	0	0	0	60,00%
Genesis Lodos, S.L.	3	(2)	(1)	(1)	(1)	80,00%
H.A.A. & CO. Integrated Serv. Ltd.	1.187	3.061	51	(99)	(99)	51,00%
Hidrotec Water Technology, S.L.U.	3	18.935	2.902	2.141	2.141	100,00%
Infraestructuras y Dist. General del Agua, S.L. (*)	63	4.335	555	470	470	100,00%
North Cluster Spv Llc	123	1.470	1.701	1.498	1.498	51,00%
Qatarat Saquia Desalination Ltd.	4.985	23.161	6.754	3.401	3.401	51,00%
Sociedad Española de Aguas Filtradas, S.A.	1.087	5.717	2.118	1.553	1.553	99,99%
Servicios Hidricos Agricultura y Ciudad S.L.	3	(446)	(89)	(67)	(67)	100,00%
Sharikeet Tahlya Miyah Mostaganem	32.579	103.960	22.130	18.188	18.188	25,50%
Sociedad Ibérica del Agua, S.A.U. (*)	60	342	98	74	74	100,00%
South Cluster Spv Llc	125	2.182	1.763	1.486	1.486	45,00%
Tratamiento Industrial de Aguas, S.A.	656	28.356	10.864	8.440	8.440	99,99%
Water Sur, S.L.	6	(18)	9	9	9	60,00%

(\*) Unaudited data as at 31 December 2023.

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## EQUITY DATA OF GROUP COMPANIES 2022

(Amounts in thousands of euros)

PARTNERSHIPS	CAPITAL	Reserves and other equity items	Operating result	Result 2022		% Share
				Result Continuing Operations	Result	
Abrantaqua, S.A.	500	2.654	502	254	254	60,00%
Acque di Caltanissetta, S.p.a.	24.500	16.264	12.732	9.667	9.667	99,56%
Aguas de las Galeras, S.L.	3	415	1.033	368	368	51,00%
Aigües de Vallirana, S.A. (*)	102	642	357	270	270	100,00%
Aqua Campiña, S.A.	601	217	209	97	97	90,00%
Aquajerez, S.L.	3	9.220	6.289	2.888	2.888	100,00%
Aqualia Czech, S.L.U.	69.362	248.459	(36)	14.732	14.732	100,00%
Aqualia Desalación Guaymas, S.A. de C.V.	3.369	4.065	(1.871)	(3.991)	(3.991)	70,00%
Aqualia Flanders S.A.S.S.E.S.P.	2.719	(445)	(8)	(21)	(21)	95,00%
Aqualia France SAS	400	4.444	(2.857)	4.102	4.102	100,00%
Aqualia Georgia LLC	175.155	(182)	(187)	(174)	(174)	100,00%
Aqualia Gestion los Cabos SACV	2.285	175	(217)	(144)	(144)	70,00%
Aqualia Infraestructuras Inzenyring, s.r.o.	64	3.360	3.940	3.181	3.181	49,00%
Aqualia Intech, S.A.	1.200	36.424	3.166	1.282	1.282	99,99%
Aqualia Latinoamérica, S.A.	14.573	(8.906)	(135)	(6.376)	(6.376)	94,00%
Aqualia MACE LLC	30	4.195	3.458	3.554	3.554	51,00%
Aqualia México, S.A. de C.V.	8.070	5.379	1.509	4.231	4.231	0,01%
Aqualia Portugal S A	22.518	(37)	(1)	(1)	(1)	100,00%
Aqualia Villa del Rosario S.A.	1.330	(908)	(120)	(556)	(556)	95,00%
Aquamaior - Aguas de Campo Maior, S.A.	50	371	42	(2)	(2)	100,00%
Aquos El Realito, S.A. DE CV	11.651	4.989	4.491	(1.242)	(1.242)	46,00%
Cartagua, Aguas do Cartaxo, S.A.	1.850	918	512	189	189	60,00%
Compañía Onubense de Aguas, S.A. (*)	60	(72)	0	0	0	60,00%
Conservación y Sistemas, S.A.	300	1.577	39	64	64	99,99%
Depurplan 11, S.A.U.	4.700	1.338	1.067	815	815	100,00%
Ecosistema de Morelos S.A. DE C.V.	1.296	870	728	(224)	(224)	0,00%
Empresa Gestora de Aguas Linenses, S.L.	3	2.780	187	141	141	51,00%
Empresa Mixta de Butarque, S.A. (*)	120	(120)	0	0	0	70,00%
Entemanser, S.A.	2.137	9.972	4.137	3.220	3.220	97,00%
FCC Aqualia América, S.A.U. (*)	601	0	(1)	0	0	100,00%
Flores, Rebollo y Morales, S.L.	18	12	0	0	0	60,00%
Genesis Lodos, S.L.	3	(1)	(2)	(1)	(1)	80,00%
H.A.A. & CO. Integrated Serv Ltd.	1.187	3.235	271	109	109	51,00%
Hidrotec Water Technology, S.L.U.	3	16.794	1.545	1.166	1.166	100,00%
Infraestructuras y Dist. General del Agua, S.L. (*)	63	4.280	539	416	416	100,00%
Qatarat Saquia Desalination Ltd.	4.985	24.315	6.591	4.353	4.353	51,00%
Sociedad Española de Aguas Filtradas, S.A.	1.087	4.163	2.222	1.621	1.621	99,99%
Servicios Hidricos Agricultura y Ciudad S.L.	3	(379)	(88)	(66)	(66)	100,00%
Sharikeet Tahlya Miyah Mostaganem	32.579	110.703	20.736	17.150	17.150	25,50%
Sociedad Ibérica del Agua, S.A.U. (*)	60	268	101	76	76	100,00%
South Cluster Spv Llc	125	650	935	800	800	45,00%
Tratamiento Industrial de Aguas, S.A.	656	19.916	5.678	4.535	4.535	99,99%
Water Sur, S.L.	6	(28)	16	16	16	60,00%

(\*) Unaudited data as at 31 December 2022.

e) Details of equity instruments in associates at 31 December 2023 and 31 December 2022 are presented below:

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<b>EQUITY INSTRUMENTS IN ASSOCIATES 2023</b>				
(Amounts in thousands of euros)				
PARTNERSHIPS	ACTIVITY	INVESTMENT	PROVISION	NET
<b>Aguas de Denia, S.A.</b> Pedro Esteve, 17 - Denia (ALICANTE)	Water cycle management	400	-	400
<b>Aguas de Archidona, S.L.</b> Pza. Ochavada, 1 - Archidona (MÁLAGA)	Water cycle management	72	(34)	38
<b>Aigües del Vendrell, S.A.</b> c/ Vella, 1 - El Vendrell (TARRAGONA)	Water cycle management	490	-	490
<b>Aguas de Narixa, S.A.</b> C/Málaga, 11 - Nerja (MÁLAGA)	Water cycle management	300	-	300
<b>Concesionaria de Desalación de Ibiza, S.A.</b> Rotonda de Sta. Eulalia, s/n - Ibiza (BALEARIC ISLANDS)	Operation of desalination plants	1.082	-	1.082
<b>AIE Costa Tropical de Granada</b> Plaza Aurora, s/n - Motril (GRANADA)	Water cycle management	828	-	828
<b>Aguas de Guadix, S.A.</b> C/ Córdoba, 5 - Guadix (ALMERÍA)	Water cycle management	844	(654)	190
<b>Compañía de Servicios Medioambientales do Atlántico, S.A.</b> Carretera de Cedeira, km1 - Narón (LA CORUÑA)	Water cycle management	294	-	294
<b>EMANAGUA - Empresa Municipal de Aguas de Nijar, S.A.</b> Plaza de la Glorieta, 1 - Nijar (ALMERÍA)	Water cycle management	221	-	221
<b>Empresa Municipal Aguas de Algeciras, S.A.</b> C/Virgen del Carmen, s/n - Algeciras (CÁDIZ)	Water cycle management	442	(442)	0
<b>Empresa Municipal de Aguas de Linares, S.A.</b> C/ Cid Campeador, 7 - Linares (JAEN)	Water cycle management	147	-	147
<b>Empresa Municipal Aguas de Benalmádena, S.A.</b> Expl. Ap.Tívoli, s/n - Arroyo de la Miel (MÁLAGA)	Water cycle management	1.310	(197)	1.113
<b>Empresa Municipal Aguas de Toxiria, S.A.</b> Plaza de la Constitución - Torredonjimeno (JAÉN)	Water cycle management	118	(47)	71
<b>Aigües del Segarra Garrigues, S.A.</b> C/Santa Clara, 4 - Tárrega (LÉRIDA)	Construction and operation of irrigation systems	309	-	309
<b>Girona, S.A.</b> Travesía del Carril, 2 - GERONA	Water cycle management	365	-	365
<b>New Company of Aguas de Ibiza, S.A.</b> C/Bartolomé Rosselló, 18 - (IBIZA)	Water cycle management	28	-	28
<b>Orasqualia O-M</b> Nile City Towers - Cairo (EGYPT)	Sewage treatment plant maintenance	1.508	-	1.508
<b>Sera.Q.A. Duitama, S.A.</b> (COLOMBIA)	Water cycle management	94	(67)	27
<b>Suministros Aguas de Querétaro, S.A. de C.V.</b> Santiago de Querétaro - Querétaro Arteaga (MEXICO)	Water cycle management	182	-	182
<b>Codeur, S.A.</b> C/Mayor, 22 - Vera (ALMERÍA)	Water cycle management	6.500	(1.084)	5.416
<b>Aguas de Langreo, S.L.</b> C/Alonso del Riesgo, 3 - Langreo (ASTURIAS)	Water cycle management	882	-	882
<b>Orasqualia Devel. Waste T.P. S.A.E.</b> 2112 South Tower - New Cairo (EGYPT)	Sewage treatment plant maintenance	10.922	(2.319)	8.603
<b>Empresa Mixta de Aguas de Jódar, S.A.</b> Pz. De España, 1 - 23500 JÓDAR (JAEN)	Water cycle management	73	(73)	0
<b>Empresa Mixta de Aguas de Ubrique, S.A.</b> C/ JUZGADO S/N - 11600 - UBRIQUE (CÁDIZ)	Water cycle management	73	-	73
<b>Oman Sustainable Water Services SAOC</b> Batinah Highway - 322 - SOHAR (OMAN)	Construction and operation of desalination plants	713	-	713
<b>TOTAL</b>		<b>28.197</b>	<b>(4.917)</b>	<b>23.280</b>

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**EQUITY INSTRUMENTS IN ASSOCIATES 2022**  
(Amounts in thousands of euros)

<b>PARTNERSHIPS</b>	<b>ACTIVITY</b>	<b>INVESTMENT</b>	<b>PROVISION</b>	<b>NET</b>
		<b>T</b>		
<b>Aguas de Denia, S.A.</b> Pedro Esteve, 17 - Denia (ALICANTE)	Water cycle management	400	-	400
<b>Aguas de Archidona, S.L.</b> Pza. Ochavada, 1 - Archidona (MÁLAGA)	Water cycle management	72	(5)	67
<b>Aigües del Vendrell, S.A.</b> c/ Vella, 1 - El Vendrell (TARRAGONA)	Water Cycle Management	490	-	490
<b>Aguas de Narixa, S.A.</b> C/Málaga, 11 - Nerja (MÁLAGA)	Water Cycle Management	300	-	300
<b>Concesionaria de Desalación de Ibiza, S.A.</b> Rotonda de Sta. Eulalia, s/n - Ibiza (BALEARIC ISLANDS)	Operation of desalination plants	1.082	-	1.082
<b>AIE Costa Tropical de Granada</b> Plaza Aurora, s/n - Motril (GRANADA)	Water Cycle Management	828	-	828
<b>Aguas de Guadix, S.A.</b> C/ Córdoba, 5 - Guadix (ALMERÍA)	Water cycle management	844	(666)	178
<b>Compañía de Servicios Medioambientales do Atlántico, S.A.</b> Carretera de Cedeira, km1 - Narón (LA CORUÑA)	Water cycle management	294	-	294
<b>EMANAGUA - Empresa Municipal de Aguas de Nijar, S.A.</b> Plaza de la Glorieta, 1 - Nijar (ALMERÍA)	Water Cycle Management	221	-	221
<b>Empresa Municipal Aguas de Algeciras, S.A.</b> C/Virgen del Carmen, s/n - Algeciras (CÁDIZ)	Water Cycle Management	442	(276)	166
<b>Empresa Municipal de Aguas de Linares, S.A.</b> C/ Cid Campeador, 7 - Linares (JAEN)	Water cycle management	147	-	147
<b>Empresa Municipal Aguas de Benalmádena, S.A.</b> Expl. Ap.Tivoli, s/n - Arroyo de la Miel (MÁLAGA)	Water cycle management	1.310	(209)	1.101
<b>Empresa Municipal Aguas de Toxiria, S.A.</b> Plaza de la Constitución - Torredonjimeno (JAÉN)	Water cycle management	118	(25)	93
<b>Aigües del Segarra Garrigues, S.A.</b> C/Santa Clara, 4 - Tárrega (LÉRIDA)	Construction and operation of irrigation systems	309	-	309
<b>Girona, S.A.</b> Travesía del Carril, 2 - GERONA	Water Cycle Management	365	-	365
<b>New Company of Aguas de Ibiza, S.A.</b> C/Bartolomé Rosselló, 18 - (IBIZA)	Water Cycle Management	28	-	28
<b>Orasqualia O-M</b> Nile City Towers - Cairo (EGYPT)	Sewage treatment plant maintenance	1.508	-	1.508
<b>Sera.Q.A. Duitama, S.A.</b> (COLOMBIA)	Water Cycle Management	94	(67)	27
<b>Suministros Aguas de Querétaro, S.A. de C.V.</b> Santiago de Querétaro - Querétaro Arteaga (MEXICO)	Water Cycle Management	182	-	182
<b>Codeur, S.A.</b> C/Mayor, 22 - Vera (ALMERÍA)	Water Cycle Management	6.500	(2.395)	4.105
<b>Aguas de Langreo, S.L.</b> C/Alonso del Riesgo, 3 - Langreo (ASTURIAS)	Water Cycle Management	882	-	882
<b>Orasqualia Devel. Waste T.P. S.A.E.</b> 2112 South Tower - New Cairo (EGYPT)	Sewage treatment plant maintenance	10.922	(670)	10.252
<b>Empresa Mixta de Aguas de Jódar, S.A.</b> Pz. De España, 1 - 23500 JÓDAR (JAEN)	Water cycle management	73	(53)	20
<b>Empresa Mixta de Aguas de Ubrique, S.A.</b> C/JUZGADO S/N - 11600 - UBRIQUE (CÁDIZ)	Water Cycle Management	73	-	73
<b>Oman Sustainable Water Services SAOC</b> Batinah Highway - 322 - SOHAR (OMAN)	Construction and operation of desalination plants	713	-	713
<b>TOTAL</b>		<b>28.197</b>	<b>(4.366)</b>	<b>23.831</b>

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The balance sheet data of these companies as at 31 December 2023 and 2022 are presented below. None of these companies are listed on the stock exchange and none of them have generated income from discontinued operations in 2023 and 2022.

EQUITY DATA OF ASSOCIATED COMPANIES 2023						
<i>(Amounts in thousands of euros)</i>						
PARTNERSHIPS	CAPITAL	Reserves and other equity items	RESULT 2023			
			Operating result	Result Continuing Operations	Result	Participation
Aguas de Archidona, S.L.	150	(71)	(53)	(61)	(61)	48,00%
Aguas de Denia, S.A. (*)	425	915	141	111	111	33,00%
Aguas de Guadix, S.A.	200	275	228	166	166	40,00%
Aguas de Langreo, S.L.	1.800	291	328	196	196	49,00%
Aguas de Narixa, S.A.	600	852	737	489	489	50,00%
AIE Gestion Servicios Hidráulicos Ciudad Real (*)	0	0	83	83	83	75,00%
AIE Costa Tropical de Granada	0	1.622	4.064	2.208	2.208	51,00%
Aigües del Segarra Garrigues, S.A.	30.000	511	7.945	6.372	6.372	1,00%
Aigües del Vendrell, S.A. (*)	1.000	(913)	(440)	(525)	(525)	49,00%
Cia. de Serv. Medioambientales do Atlántico, S.A.	601	340	(135)	(114)	(114)	49,00%
CODEUR, S.A.	200	1.446	249	71	71	28,00%
Concesionaria de Desalación de Aguas de Ibiza, S.A.	1.850	(98)	262	89	89	50,00%
EMANAGUA - Empresa Municipal de Aguas de Níjar, S.A.	450	2.154	56	7	7	49,00%
Empresa Mixta de Aguas de Jódar, S.A.	150	(189)	(51)	(81)	(81)	49,00%
Empresa Municipal de Aguas de Linares, S.A.	300	142	10	22	22	49,00%
Empresa Municipal Aguas de Algeciras, S.A.	451	(787)	(687)	(674)	(674)	49,00%
Empresa Mixta de Aguas de Ubrique, S.A.	150	66	(110)	(85)	(85)	49,00%
Empresa Municipal de Aguas Benalmádena, S.A.	1.803	424	401	64	64	50,00%
Empresa Municipal de Aguas de Toxiria, S.A.	240	(97)	(45)	(45)	(45)	49,00%
Girona, S.A.	1.200	4.403	(79)	25	25	33,61%
Nueva Sociedad de Aguas de Ibiza, S.A. (*)	60	202	35	26	26	40,00%
Oman Sustainable Water Services SAOC	1.085	2.000	1.890	1.590	1.590	49,00%
Orasqualia Devel.waste T.P. S.A.E.	29.458	(10.564)	2.620	2.045	2.045	45,00%
Orasqualia O&M	3.016	2.363	1.111	815	815	50,00%
SERA.Q.A. Duitama, S.A. (*)	86	(31)	0	0	0	30,60%
Suministro de Agua de Queretaro, SA de CV	18.196	35.954	12.623	8.854	8.854	1%

(\*) Unaudited data

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### EQUITY DATA OF ASSOCIATED COMPANIES 2022

(Amounts in thousands of euros)

PARTNERSHIPS	CAPITAL	Reserves and other equity items	RESULT 2022			
			Operating result	Result Continuing Operations	Result	Participation
Aguas de Archidona, S.L.	150	(10)	6	(14)	(14)	48,00%
Aguas de Denia, S.A. (*)	425	948	(235)	(176)	(176)	33,00%
Aguas de Guadix, S.A.	200	244	186	140	140	40,00%
Aguas de Langreo, S.L.	1.800	95	12	(104)	(104)	49,00%
Aguas de Narixa, S.A.	600	752	752	501	501	50,00%
AIE Gestion Servicios Hidráulicos Ciudad Real (*)	0	0	76	156	156	75,00%
AIE Costa Tropical de Granada	0	1.622	5.900	4.223	4.223	51,00%
IEA SOREA Aqualia (*)	0	0	(96)	0	0	37,50%
Aigües del Segarra Garrigues, S.A.	30.000	(2.361)	3.679	2.265	2.265	1,00%
Aigües del Vendrell, S.A. (*)	1.000	(388)	(333)	(415)	(415)	49,00%
Cía. de Serv. Medioambientales do Atlántico, S.A.	601	454	20	4	4	49,00%
CODEUR, S.A.	200	1.702	121	(28)	(28)	28,00%
Concesionaria de Desalación de Aguas de Ibiza, S.A.	1.850	(187)	(301)	(401)	(401)	50,00%
EMANAGUA - Empresa Municipal de Aguas de Níjar, S.A.	450	2.146	291	207	207	49,00%
Empresa Mixta de Aguas de Jódar, S.A.	150	(108)	3	(38)	(38)	49,00%
Empresa Municipal de Aguas de Linares, S.A.	300	120	(30)	(23)	(23)	49,00%
Empresa Municipal Aguas de Algeciras, S.A.	451	(113)	192	5	5	49,00%
Empresa Mixta de Aguas de Ubrique, S.A.	150	151	27	19	19	49,00%
Empresa Municipal de Aguas Benalmádena, S.A.	1.803	399	349	39	39	50,00%
Empresa Municipal de Aguas de Toxiria, S.A.	240	(52)	(27)	(28)	(28)	49,00%
Girona, S.A.	1.200	4.377	(236)	(109)	(109)	33,61%
Nueva Sociedad de Aguas de Ibiza, S.A. (*)	60	176	(21)	(16)	(16)	40,00%
Oman Sustainable Water Services SAOC	1.085	1.801	1.632	1.464	1.464	49,00%
Orasqualia Devel.waste T.P. S.A.E.	29.458	(7.745)	5.321	3.571	3.571	45,00%
Orasqualia O&M	3.016	2.519	1.545	1.392	1.392	50,00%
SERA.Q.A. Duitama, S.A. (*)	71	(26)	0	0	0	30,60%
Suministro de Agua de Queretaro, SA de CV	18.196	29.223	10.741	5.639	5.639	1%

(\*) Unaudited data

Details of income from equity investments in Group companies and associates are included in Note 19.1.

## 7.2. Long-term loans to Group and Associated companies

Loans to Group and associated companies are measured at amortised cost and are broken down as follows:

LONG-TERM LOANS TO COMPANIES		31.12.23	31.12.22
(Amounts in thousands of euros)			
Loans to Group companies (Note 7.2.1)		880.988	1.028.950
Interest on loans to Group companies (Note 7.2.1)		2.182	1.222
Loans to Associated Companies (Note 7.2.2)		10.992	13.099
	<b>TOTAL</b>	<b>894.162</b>	<b>1.043.271</b>



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7.2.1 Long-term loans to group companies. The detail and balance at 31 December 2023 and 2022 is as follows:

<b>LOANS TO GROUP COMPANIES</b>				
<i>(Amounts in thousands of euros)</i>				
	<b>31.12.23</b>	<b>31.12.22</b>	<b>INTEREST</b>	<b>EXPIRY</b>
Aqua Campiña, S.A.	839	1.280	Euribor + 1 %.	2026
Aquajerez, S.L.	9.119	9.805	3 % + Variable	2038
Aqualia Desalación Guaymas, S.A. de C.V.	16.014	14.377	- (*)	2025
Aquos El Realito, S.A. de C.V.	7.109	6.382	- (*)	2037
Depurplán, S.A.U.	13.174	12.115	4,50%	2027
Ecosistema de Morelos, S.A. de C.V.	4.571	4.858	9,80%	2025
Aguas de las Galeras, S.L.	13.477	13.477	10%	2025
FCC Aqualia USA Corp.	3.115	2.004	2%	2025
Fomento de Construcciones y Contratas, S.A.	806.479	806.479	3,55%	2048
Georgia Global Utilities JSC	-	153.853	7,35%	2024
Qatarat Saquia Desalination	5.391	5.548	5%	2025
Sociedad Española de Aguas Filtradas, S.A.	689	698	4,25%	2025
Water Sur, S.L.	78	78	-	2025
Aqualia Gestión Los Cabos S.A. de C.V.	933	-	- (*)	2031
Interests	2.182	1.222		
Impairment FCC Aqualia USA Corp.	-	(2.004)		
<b>TOTAL</b>	<b>883.170</b>	<b>1.030.172</b>		

(\*) The balances with Aqualia Desalación Guaymas, S.A. de C.V., Aquos El Realito, S.A. de C.V. and Aqualia Gestión Los Cabos S.A. de C.V. do not accrue interest because they are funds transferred for future capital increases.

On 28 September 2018, the Company signed a contract with Fomento de Construcciones y Contratas, S.A. which entailed the non-extinguishing modifying novation of the two loans existing since 8 June 2017 between the two companies. For this loan, which had a joint balance of Euros 806,479 thousand, a single maturity date of 28 September 2048 and an interest rate of 3.55% was set, which would accrue in 12-month periods starting on 30 November of each year.

On 18 August 2022, the Company granted a loan of USD 164,300 thousand to its subsidiary in Georgia, Georgia Global Utilities, to enable it to repay early the bond issued in 2020 and maturing in 2025, which was a precondition for the spin-off of the energy business and the completion of the second stage of the stake purchase transaction (see note 7.1). In the year, this loan is presented under current financial receivables as it matures in 2024.

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## 7.2.2 Long-term receivables from associates are as follows:

<b>LOANS TO AFFILIATED COMPANIES</b>				
<i>(Amounts in thousands of euros)</i>				
	<b>31.12.23</b>	<b>31.12.22</b>	<b>INTEREST</b>	<b>EXPIRY</b>
AIE Gest. Hydraulic Services Ciudad Real	79	79	-	2025
Emp. Municipal de Aguas de Algeciras, S.A.	582	1.066	EURIBOR + 1%.	2045
Emp. Municipal de Aguas de Benalmádena, S.A.	819	1.601	EURIBOR (12) + 0.9%.	2025
Emp. Municipal de Aguas de Toxiria, S.A.	210	242	EURIBOR (12) + 1%.	2029
Aguas de Langreo, S.L.	2.256	2.622	EURIBOR + 1	2031
EMANAGUA - Empresa Mpal de Aguas de Nijar	1.461	1.712	EURIBOR (12) + 1.25%.	2025
Aigües del Tomoví, S.A.	1	1	4%	2032
Aguas de Archidona, S.A.	390	411	LEGAL I.I.T. + 3%.	2036
Empresa Mixta de Aguas de Jódar, S.A.	722	766	7%	2035
Orasqualia Development Waste T.Plant SAE	18	24	-	2025
Aigües del Vendrell, S.A.	4.454	4.575	5,5 %	2044
<b>TOTAL</b>	<b>10.992</b>	<b>13.099</b>		

The loans granted by the Company to the municipal companies in which it participates form part of the agreements reached between the Company and the respective city council in the formalisation of the contract governing the respective water concession and generally have a duration equal to the life of the concession.

## NOTE 8. FINANCIAL ASSETS BY CATEGORY

The classification of financial assets excluding investments in group companies and associates is as follows:

<b>FINANCIAL ASSETS BY CATEGORY</b>						
<i>(Amounts in thousands of euros)</i>						
	<b>31.12.23</b>			<b>31.12.22</b>		
	<b>Non-current</b>	<b>Current</b>	<b>Total</b>	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
<b>Financial assets at fair value through equity</b>						
Unquoted equity instruments (note 8.1)	8.996	-	8.996	10.167	-	10.167
<b>Financial assets at amortised cost</b>						
Loans to group and associated companies (notes 7.2 and 9)	894.162	347.367	1.241.529	1.043.271	124.532	1.167.803
Loans to third parties (notes 8.2 and 9.2)	48.346	13.526	61.872	57.080	12.691	69.771
Other financial assets with group companies and associates (note 8.3)	-	6.911	6.911	-	7.995	7.995
Other financial assets with third parties (note 8.3)	28.417	6.278	34.695	26.820	4.920	31.740
Trade and other receivables (note 10)	-	296.623	296.623	-	249.337	249.337
<b>TOTAL FINANCIAL ASSETS</b>	<b>979.921</b>	<b>670.705</b>	<b>1.650.626</b>	<b>1.137.338</b>	<b>399.475</b>	<b>1.536.813</b>

The fair value of financial assets does not differ significantly from their carrying amount. The only gains and losses on financial assets relate to the impairment losses detailed in Note 10.3 and to the financial income from interest on loans, which amounted to Euros 54,652 thousand at 31 December 2023 (Euros 43,585 thousand at



31 December 2022).

### 8.1. Unquoted Equity Instruments

Details as at 31 December 2023 and 2022 are as follows:

<b>EQUITY INSTRUMENTS</b> (Amounts in thousands of euros)	<b>31.12.23</b>	<b>31.12.22</b>
Other investments	8.996	10.167
<b>TOTAL</b>	<b>8.996</b>	<b>10.167</b>

The amount recorded under this heading corresponds to the 25.5% stake held by the Company in Shariket Miyeh Ras Djinet, the voting rights of which have been transferred to one of the shareholders for a period of 9 years from 1 January 2019.

Since that time, the Company began to measure the investment at fair value by discounting the cash flows forecast in the model over the life of the contract at a discount rate of 8.7%, which takes into account the location of the desalination plant in Algeria and the high proportion of collections in US dollars. This valuation resulted in an adjustment of Euros 5,953 thousand in 2019 in the "Adjustments due to changes in value" account in equity (see note 12.4).

During 2023, (see note 12.4) the Company has recorded the payment of dividends of 1,170 thousand euros net of tax from this investment.

### 8.2. Credits to third parties

This heading mainly includes loans granted to local councils for the execution of works and installations in the water network. These loans accrue interest at a variable rate based on Euribor and are repaid in accordance with the repayment schedule included in the contract by offsetting debts with the local councils arising from the collection of final purpose water charges and other items. The portion of these loans maturing in less than one year is recorded under short-term financial investments (see note 9.2).

Details as at 31 December 2023 and 2022 are as follows:

<b>CREDITS TO THIRD PARTIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Alboraya Town Hall	535	806
Alcalá de Henares Town Council	1.563	1.896
Ávila City Council	-	470
Bollullos Par del Condado Town Council	1.379	1.379
Calasparra Town Council	-	42
Caravaca de la Cruz Town Council	5	44
Chipiona Town Council	463	599
Cristina Town Council	62	8

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<b>CREDITS TO THIRD PARTIES</b>		
<i>(Amounts in thousands of euros)</i>		
El Vendrell Town Council	-	62
Gáldar Town Council	2.283	2.528
Güimar Town Hall	29	88
Hellín Town Council	-	1
Jaén City Council	13.839	18.788
La Guardia Town Council	313	335
La Línea Town Council	724	753
Lepe Town Hall	8.497	8.509
Magán Town Council	31	60
Platja d'Aro Town Council	2.832	3.077
Medina del Campo Town Council	39	46
Ribera del Fresno Town Council	278	278
Ronda City Council	1.491	1.660
San Pedro del Pinatar Town Council	181	211
San Lorenzo del Escorial Town Council	1.502	1.916
Sant Fost Town Council	(7)	24
Solana de Los Barros Town Council	26	51
Turcia Town Council	9	9
Vélez-Málaga Town Council	4.506	5.323
Villarrubia de Santiago Town Council	134	139
General Menacho Base	61	79
Campo de Gibraltar Region	4.680	4.788
Staff costs	15	17
Aguas de Priego	2.646	2.792
Magenta Loan	230	302
<b>Total Loans to third parties</b>	<b>48.346</b>	<b>57.080</b>

The forecast maturity of non-current receivables from third parties by year is as follows:

	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029 onwards</b>	<b>TOTAL</b>
Non-current receivables, third parties	8.342	8.305	11.499	19.943	257	48.346
	<b>8.342</b>	<b>8.305</b>	<b>11.499</b>	<b>19.943</b>	<b>257</b>	<b>48.346</b>

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### 8.3 Other financial assets

The balance as at 31 December 2023 and 2022 is as follows:

<b>OTHER FINANCIAL ASSETS</b>		
<i>(Amounts in thousands of euros)</i>		
<b>Non-current</b>	<b>31.12.23</b>	<b>31.12.22</b>
Long-term deposits and guarantees given	28.417	26.820
<b>TOTAL</b>	<b>28.417</b>	<b>26.820</b>
<b>Current</b>	<b>31.12.23</b>	<b>31.12.22</b>
Short-term deposits and guarantees lodged	6.278	4.920
Dividends receivable from Group and associated companies (note 8.3.1)	6.911	7.995
<b>TOTAL</b>	<b>13.189</b>	<b>12.915</b>

#### 8.3.1 Dividends receivable from group and associated companies

Details of dividends receivable from Group and associated companies and shares in income receivable at 31 December 2023 and 2022 are as follows:

<b>DIVIDENDS RECEIVABLE FROM GROUP AND ASSOCIATED COMPANIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
A.I.E. Gestión de servicios hidráulicos Ciudad Real	62	117
A.I.E. Sorea - Aqualia	-	39
A.I.E. Costa Tropical de Granada	6.361	5.235
Aquajerez, S.L.	-	1.332
Aqualia Mace LLC	-	421
Aguas de Guadix, S.A.	164	135
Conservación y Sistemas, S.A.	56	-
Codeur, S.A.	93	-
Empresa Municipal Aguas de Linares, S.A.	-	143
Orasqualia Devel. Waste T.P. S.A.E.	175	236
Orasqualia O&M	-	337
<b>TOTAL</b>	<b>6.911</b>	<b>7.995</b>

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## NOTE 9.SHORT-TERM RECEIVABLES

The composition of the balance at 31 December 2023 and 2022 is as follows:

<b>SHORT-TERM CREDITS</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Loans to group and associated companies (Note 9.1)	347.367	124.531
Other loans to third parties outside the group	13.526	12.691
<b>TOTAL</b>	<b>360.893</b>	<b>137.222</b>

9.1. Loans to group and associated companies: The detail at 31 December 2023 and 2022 is as follows:

<b>SHORT-TERM LOANS TO GROUP AND ASSOCIATED COMPANIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Loans to group and associated companies	327.779	106.476
Short-term interests in group and associated companies	20.266	18.666
Impairment of receivables from group and associated companies	(678)	(611)
<b>TOTAL</b>	<b>347.367</b>	<b>124.531</b>

<b>SHORT-TERM LOANS TO GROUP AND ASSOCIATED COMPANIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
A.I.E. Costa Tropical de Granada	13.084	13.688
Abrantaqua	1.732	1.993
Acque de Caltanissetta, S.P.A.	12.432	5.511
Aguas de Archidona, S.L.	29	28
Aguas de Langreo, S.L.	732	732
Aguas de las Galeras, S.L.	5.658	1.810
Aguas del Puerto Municipal Company	10	22
Aguas del Sur del Atlántico, S.A. E.S.P.	630	-
Aigües de Vallirana, S.A.U.	1.905	1.376
Aigües del Vendrell, S.A.	306	305
Aqua Campiña, S.A.	526	517
Sorea-Aqualia EIG	-	150
Aqualia México, S.A. de C.V.	4.954	4.209
Aquajerez, S.L.	1.058	1.363
Aqualia Colombia S.A.S.	9.468	6.035
Aqualia Czech, S.L.	5	5
Aqualia Flanders S.A.S.S.E.S.P.	1.259	794
Aqualia Georgia LLC	-	102
Aqualia Intech, S.A.	10.683	419
Aqualia Latinoamérica, S.A.	38.644	29.523
Aqualia Mace LLC	-	749
Aqualia Villa del Rosario S.A.	2.126	473
Aquamaior - Aguas de Campo Maior, S.A.	1.308	1.296

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#### SHORT-TERM LOANS TO GROUP AND ASSOCIATED COMPANIES

(Amounts in thousands of euros)

	<b>31.12.23</b>	<b>31.12.22</b>
Cartagua, Aguas do Cartaxo, S.A.	2.911	3.201
Compañía de Servicios Medioambientales Do Atlántico, S.A.	-	15
Conservación y Sistemas, S.A.	2.640	2.018
Depurplán 11, S.A.U.	41	1.141
EMANAGUA - Emp. Municipal de Aguas de Nijar, S.A.	609	412
Ematoxiria, S.A.	365	72
Emp. Mixta de Aguas de Jodar, S.A.	116	89
Emp. Municipal de Aguas de Benalmádena, S.A.	823	802
Empresa Gestora de Aguas Linenses, S.L.	25	14
Empresa mixta de aguas y servicios, S.A.	13	12
Empresa municipal de Aguas de Algeciras, S.A.	670	581
Entemanser, S.A.	1	139
FCC Construcción, S.A.	61	61
FCC Medio Ambiente, S.A.	1	26
Fomento de Construcciones y Contratas, S.A.	2.465	2.465
Genesis Lodos, S.L.	3	2
Georgia Global Utilities JSC	171.410	1.193
Hidrotec Water Technology, S.L.U.	3.011	260
Infraestructuras y Distribución General del Agua, S.L.	850	422
Matinsa, S.A.	5	12
Naunet, S.A.S.	549	549
North Cluster SPV LLC	535	-
Oman Sustainable Water Services SAOC	8	17
Sociedad Española de Aguas Filtradas, S.A.	140	203
Servicios Hídricos de Agricultura y Ciudad, S.L.U.	52.877	39.084
Shariket Tahlya Mostaganem, S.p.a.	30	30
Sociedad Ibérica del Agua, S.A.	1	16
South Cluster SPV LLC	440	-
Tratamiento Industrial de aguas, S.A.	216	520
Water Sur, S.L.	2	75
<b>TOTAL</b>	<b>347.367</b>	<b>124.531</b>

These receivables bear interest at market rates and the balance at 31 December 2023 includes an amount of Euros 524 thousand in respect of amounts receivable for corporate income tax from subsidiaries belonging to the FCC Aqualia tax group (Euros 1,572 thousand at 31 December 2022).

9.2. Loans to third parties outside the group. This caption mainly includes loans granted to local councils, maturing in the short term, for the execution of works and installations in the water network. The portion of these loans maturing in over one year is included under "Non-current financial assets" (see note 8.2). These loans include the following detail at 31 December 2023 and 2022:

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**CREDITS TO THIRD PARTIES**  
*(Amounts in thousands of euros)*

	<b>31.12.23</b>	<b>31.12.22</b>
Commonwealth of Municipalities Campo de Gibraltar	252	248
Aygesa	-	82
Alboraya Town Council	200	188
Alcalá de Henares Town Council	370	370
Aller Town Council	-	37
Ávila City Council	-	321
Bollullos Par del Condado Town Council	316	317
Calasparra Town Council	43	43
Callosa del Segura Town Council	17	17
Caravaca de la Cruz Town Council	41	41
Chipiona Town Council	451	748
El Vendrell Town Council	32	-
Gáldar Town Council	728	483
Güímar Town Hall	29	29
Hondón de los Frailes Town Council	9	9
Jaén City Council	3.464	3.013
La Guardia Town Council	36	19
La Línea Town Council	47	47
Lepe Town Hall	1.845	2.323
Medina del Campo Town Council	7	8
Olivenza City Council	20	19
Platja d'Aro Town Council	553	542
Ribera del Fresno Town Council	465	465
Ronda City Council	194	219
San José del Valle City Council	-	72
San Lorenzo del Escorial Town Council	275	57
San Pedro del Pinatar Town Council	30	29
Sant Fost Town Council	58	59
Ubrique Town Council	-	4
Vélez-Málaga Town Council	791	809
General Menacho Base	5	3
Aguas de Priego , S.L.	283	235
Cubic	207	238
Shariket Thaliya Ras Djinet	3	3
Other credits	14	6
Claims with partners of joint ventures for contribution differences	2.741	1.588
<b>Total Loans to third parties</b>	<b>13.526</b>	<b>12.691</b>



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## NOTE 10. TRADE AND OTHER RECEIVABLES.

Details of trade and other receivables are as follows:

<b>TRADE AND OTHER RECEIVABLES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Trade receivables for sales and services (note 10.1)	153.423	135.969
Customers of group and associated companies (note 10.2)	79.681	67.252
Sundry debtors	10.648	8.068
Staff	215	222
Current tax assets (note 16)	76	566
Other receivables from public authorities (note 16)	52.580	37.260
<b>TOTAL</b>	<b>296.623</b>	<b>249.337</b>

**10.1.** The breakdown of the balance of "**Trade receivables for sales and services**" at 31 December of each financial year is as follows:

<b>CUSTOMERS FOR SALES AND SERVICES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Invoiced production receivable from non-group customers	121.897	110.336
Executed production pending invoicing to non-group customers	59.199	54.275
Withholdings for guarantees from non-group customers	633	608
Public entities owed for non-fiscal items	350	147
Impairment of customer value	(28.656)	(29.397)
<b>TOTAL</b>	<b>153.423</b>	<b>135.969</b>

At 31 December 2023, 19,949 thousand euros of the net balance of Clients corresponds to Temporary Joint Ventures (19,400 thousand euros at 31 December 2022).

The heading "Invoiced production pending collection" includes the amount of invoices issued to customers for services rendered and pending collection at the balance sheet date.

The difference between the amount of production recorded for each of the water supply works and services, valued in accordance with the criteria set out in note 4.10 "Income and expenses", and the amount certified for each of them is recognised as "Production executed and pending certification". At 31 December 2023, "Production executed and pending certification" includes Euros 11,147 thousand relating to construction work and Euros 48,052 thousand relating mainly to water supply to subscribers that were pending invoicing at that date (Euros 4,580 thousand relating to construction work and Euros 49,695 thousand relating to water supply at 31 December 2022).

**10.2.** The detail of the balance of "**Trade receivables from Group and associated companies**" at 31 December 2023 and 2022, which mainly includes commercial transactions, is as follows:

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## CUSTOMERS GROUP COMPANIES AND ASSOCIATES

(Amounts in thousands of euros)

	31.12.23	31.12.22
<b>GROUP COMPANIES</b>		
Abrantaqua, S.A.	58	158
Acque di Caltanissetta, S.P.A.	29.247	22.915
Aguas de las Galeras, S.L.	612	1.301
Aigües de Vallirana, S.A.U.	2	208
AISA D.O.O. Beograd-Vracar	2	1
AISA Montenegro	-	2
AISA Pristina LLC	-	6
Aqua Campiña, S.A.	53	39
Aquaelvas - Aguas de Elvas, S.A.	40	38
Aquafundalia -Agua Do Fundao, S.A.	64	43
Aquajerez, S.L.	5.274	5.844
Aqualia Desalación Guaymas, S.A. de C.V.	164	164
Aqualia France SAS	340	101
Aqualia Georgia LLC	355	510
Aqualia Infrastructures Inzenyring, s.r.o.	1	2
Aqualia Latinoamérica, S.A.	4	4
Aqualia Mace LLC	84	154
Aqualia Mace Qatar	240	20
Aqualia Infraestructuras de México, S.A. de C.V.	3.040	2.220
Aqualia Intech, S.A.	1.566	384
Aquamaior - Aguas del Campo Maior, S.A.	26	37
Cartagua, Aguas Do Cartaxo, S.A.	3.101	3.192
Conservación y Sistemas, S.A.	-5	1
Depurplan 11, S.L.	72	73
Empresa Gestora de Aguas Linenses, S.L.	415	62
Entemanser, S.A.	130	101
Fast Consortium Limited LLC	-	6
FCC Aqualia USA Corp	408	302
FCC Construcción, S.A.	37	43
FCC Medio Ambiente, S.A.	18	39
FCC Servicios Industriales y Energéticos, S.A.	4	-
Fedemes, S.L.	-	14
Fomento de Construcciones y Contratas, S.A.	130	152
H.A.A.&CO Ltd.	13	179
Hidrotec Tecnología del Agua, S.L.	38	19
Infraestructuras y Distribución General del Agua, S.L.	63	23
Matinsa	2	9
North Cluster S.P.V. LLC	981	-
Qatarat Saquia Desalination Ltd.	21	21
Severomoravske Vodovody a Kanalizace Ostrava, a.s.	458	287
Sociedad Española de Aguas Filtradas, S.A.	165	110
Shariket Tahlya Miyah Mostaganem S.p.a.	935	651
South Cluster SPV LLC	2.272	1.185
Tratamiento Industrial de aguas, S.A.	64	58
Vodotech Spol, S.R.O.	2	2
Water Sur, S.L.	18	4
<b>PARTNER COMPANIES</b>		
Aguas de Archidona, S.L.	376	395
Aguas de Guadix, S.A.	36	16
Aguas de Langreo, S.L.	777	635
Aguas de Narixa, S.A.	32	26
AIE Costa Tropical de Granada	1.034	1.273
Aigües del Segarra Garrigues, S.A.	23	21
Aigües del Vendrell, S.A.	79	53
Compañía de Servicios Medioambientales Do Atlántico, S.A.	42	38
Codeur, S.A.	72	38

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#### CUSTOMERS GROUP COMPANIES AND ASSOCIATES

(Amounts in thousands of euros)

	<b>31.12.23</b>	<b>31.12.22</b>
Concesionaria de Desalación de Ibiza, S.A.	101	76
Empresa Mixta de Aguas de Jodar, S.A.	1.017	875
Empresa Mixta de Aguas de Ubrique, S.A.	456	375
Empresa Mixta de Aguas y Servicios, S.A.	325	190
Empresa Municipal de Aguas de Algeciras, S.A.	14.531	14.868
Empresa Municipal de Aguas de Benalmádena, S.A.	129	137
Empresa Municipal de Aguas de Linares S.A.	3.949	3.538
Empresa Municipal de Aguas de Níjar, S.A.	4.975	2.810
Empresa Municipal de Aguas de Toxiria, S.A.	899	891
New Company of Aguas de Ibiza, S.A.	1	1
Oman Sustainable Water Services, SAOC	290	177
Orasqualia Devel. Water Treatment Plant. S.A.E.	16	72
Orasqualia O&M	7	63
<b>TOTAL</b>	<b>79.681</b>	<b>67.252</b>

The balance receivable from Shariket Tahlya Miyah Mostaganem S.p.A. and Shariket Miyeh Ras Djinet S.p.A. is denominated in US dollars, while the balance receivable from Orasqualia Development Waste Water Treatment Plant, S.A.E, is denominated in Egyptian pounds, the balance with Aqualia Mace LLC, is denominated in UAE dirham; the balance receivable from HAACO, Qatarat and South Cluster is denominated in Saudi Riyal; the balance with Aquos El Realito, S.A. de CV is denominated in Mexican pesos and the balance from Severomoravske Vodovody to Kanalizace Ostrava, A.S. is denominated in Czech crowns. All of them have been translated at the year-end exchange rate.

**10.3** The detail of the balance under "Impairment of trade receivables" is as follows:

<b>IMPAIRMENT OF TRADE RECEIVABLES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Customer insolvencies	28.656	29.397
Debtor insolvencies	109	880
<b>TOTAL</b>	<b>28.765</b>	<b>30.277</b>

**10.4** The movement in the "Impairment of trade receivables" account is as follows:

<b>IMPAIRMENT OF TRADE RECEIVABLES</b>		
<i>(Amounts in thousands of euros)</i>		
<i>Variation between 1 January 2022 and 31 December 2022</i>		
<b>Balance as at 31 December 2021</b>		<b>27.886</b>
Impairment allowance allocated in the current year		3.372
Reversal of impairment losses recognised in prior years		(981)
<b>Balance as at 31 December 2022</b>		<b>30.277</b>
<i>Change between 1 January 2023 and 31 December 2023</i>		
<b>Balance as at 31 December 2022</b>		<b>30.277</b>
Impairment allowance allocated in the current year		1.080
Reversal of impairment losses recognised in prior years		(2.592)
<b>Balance as at 31 December 2023</b>		<b>28.765</b>

The Company includes the net effect of this provision under "Losses, impairment and changes in trade provisions" (see Note 19.11). It also includes under this heading the loss on receivables considered uncollectible amounting to Euros 3,264 thousand at 31 December 2023 (Euros 2,0176 thousand at 31 December 2022) and other short-term provisions.



## NOTE 11. CASH AND CASH EQUIVALENTS

In connection with the bond issue carried out by the Company in 2017 (see Note 15.1), guarantees have been provided in relation to certain accounts held by FCC Aqualia, S.A. with a balance at 31 December 2023 of Euros 99,487 thousand (Euros 51,136 thousand at 31 December 2022). These amounts include the balances of the debt service accounts amounting to Euros 17,088 thousand at 31 December 2023 and 31 December 2022.

Current accounts start to accrue interest mainly in the second half of the year. The interest rates applied evolve in line with Euribor.

## NOTE 12. EQUITY

The composition and movement of Equity are presented in the Statement of Changes in Equity.

**12.1.** The **share capital** is represented by 145,000,000 fully subscribed and paid-up registered shares of one euro par value each. In 2001 the share capital was redenominated in euros, giving rise to unavailable reserves amounting to Euros 76 thousand, which are shown under "Other reserves" in the accompanying balance sheet. The Company's shares are not listed on the stock exchange.

During 2018, **Fomento de Construcciones y Contratas, S.A.** sold 49% of its share capital to Global Infraco Spain, S.L.U., a company belonging to the IFM investment fund, and transferred 10% of its stake to a 100% FCC Group company called FCC MIDCO, S.A., with the shareholding being distributed as follows:

Shareholder	Number of titles	% of direct participation
Fomento de Construcciones y Contratas, S.A.	59.450.000	41,00
Global Infraco Spain, S.L.U.	71.050.000	49,00
FCC MIDCO, S.A. (*)	14.500.000	10,00
	145.000.000	100,00

(\*) FCC MIDCO, S.A. is a wholly-owned subsidiary of Fomento de Construcciones y Contratas, S.A. and therefore Fomento de Construcciones y Contratas, S.A. directly and indirectly owns 51% of FCC Aqualia, S.A.

**12.2.** The **share premium** is fully distributable as at 31 December 2023 and 2022.

**12.3** The composition of the **reserves** as at 31 December 2023 and 2022 is as follows:

RESERVATIONS		
<i>(Amounts in thousands of euros)</i>		
	31.12.23	31.12.22
Legal reserve	29.000	29.000
Voluntary reserves	393.793	279.591
Special bookings	76	76
Goodwill reserves	32.635	32.635
<b>TOTAL</b>	<b>455.504</b>	<b>341.302</b>

On 13 December 2023, the Board of Directors of the Company approved an interim dividend distribution against profit for the year, charged to reserves in the amount of Euros 30,450 thousand, which is pending payment at 31 December 2023 (see note 3).

At 31 December 2023, the **Legal Reserve** is equal to 20% of share capital and therefore no additional amount



will be allocated in the distribution of profit for 2023 (see Note 3). Similarly, the Legal Reserve was fully funded at 31 December 2022.

The legal reserve may be used to increase the capital to the extent of the balance of the reserve in excess of 10% of the increased capital. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided that no other reserves are available for this purpose.

**Voluntary reserves** are unrestricted at 31 December 2023 and 2022.

**Goodwill reserve.** Pursuant to the provisions of article 273.4 of the Consolidated Spanish Companies Act until 31 December 2015, the Company had set up a restricted goodwill reserve for the amount of goodwill shown on the asset side of the balance sheet (see Note 5), the balance of which at 31 December 2023 was Euros 32,635 thousand (the same balance at 31 December 2022).

In accordance with the amendments made to the Capital Companies Act by Law 22/2015 of 20 July on the Audit of Accounts, as from the financial years commencing 1 January 2016 the Company discontinued contributions to this reserve for goodwill, and the amount thereof must be reclassified to voluntary reserves and will be available as from the financial year and in the amount exceeding the goodwill recognised on the assets side of the balance sheet. In 2023, no amount has been reclassified to Voluntary Reserves as the aforementioned circumstance has not arisen.

#### 12.4 Adjustments for changes in value.

The composition of this heading is as follows:

<b>ADJUSTMENTS FOR CHANGES IN VALUE</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Financial investments at fair value	3.808	4.978
<b>TOTAL</b>	<b>3.808</b>	<b>4.978</b>

The Company records under this heading the adjustment recognised in 2019 for the valuation at fair value of the financial investment in 25.5% of the share capital of Shariket Ras Djinet, the concession company for the desalination plant located in the city of the same name in Algeria, for which it has signed an agreement with one of the other shareholders for the transfer of the voting rights of the shares and its capacity for significant influence in this company (see note 8.1).

The balance has decreased in the financial year 2023 due to the dividend of 1,170 thousand euros received in the subsidiary.



## NOTE 13. GRANTS

The movement in this heading during each year is as follows:

<b>SUBSIDIES</b> <i>(Amounts in thousands of euros)</i> <i>Variation between 1 January and 31 December 2023</i>	
<b>Balance as at 31 December 2022</b>	<b>2.353</b>
Additions for the year	4.008
Profit and Loss Account Assignment	(790)
Tax effect	(1.048)
<b>Balance as at 31 December 2023</b>	<b>4.523</b>

<b>SUBSIDIES</b> <i>(Amounts in thousands of euros)</i> <i>Variation between 1 January and 31 December 2022</i>	
<b>Balance as at 31 December 2021</b>	<b>2.764</b>
Additions for the year	-
Profit and Loss Account Assignment	(521)
Tax effect	110
<b>Balance as at 31 December 2022</b>	<b>2.353</b>

In 2023, the Company was awarded 4,008 thousand euros in the first call made by the Government of Spain for competitive grants for the development of projects to improve the efficiency of the urban water cycle (PERTE digitalisation of the water cycle) within the framework of the Recovery, Transformation and Resilience Plan financed by the European Union with Next Generation funds. FCC Aqualia's project involves the digitalisation of the water cycle in the municipalities belonging to the Campo de Gibraltar region (Cádiz - Spain).

The profit and loss account includes an amount of EUR 790 thousand relating to the recognition of non-financial fixed assets (EUR 521 thousand at 31 December 2022).

The profit and loss account includes an amount of Euros 28,475 thousand in operating subsidies (Euros 16,797 thousand at 31 December 2022) relating to subsidies granted to the Company by the town councils to which it provides the integral water cycle service in recognition of the concession holder's operating deficit in the concessions in accordance with the terms of the respective specifications and contract.

The amounts receivable at 31 December 2023 and 2022 in this connection are shown in Note 16.

## NOTE 14. PROVISIONS

Details and movement in 2023 and 2022 are as follows:

	<b>LONG-TERM PROVISIONS</b> <i>Change between 31 December 2022 and 2023</i>				<b>BALANCE</b> <b>31.12.23</b>
	<b>BALANCE</b> <b>31.12.22</b>	<b>(+)</b> <b>DOTATION</b>	<b>(+)</b> <b>UPDATE</b>	<b>(-)</b> <b>APPLICATION/REVERSAL</b>	
Provisions for social benefits	144	-	-	(38)	106
Other provisions	10.766	1.085	-	(1.294)	10.557
Provisions for action on infrastructure	109.227	25.247	2.372	(26.985)	109.861
<b>TOTAL</b>	<b>120.137</b>	<b>26.332</b>	<b>2.372</b>	<b>(28.317)</b>	<b>120.524</b>

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 25). In the event of a discrepancy, the Spanish language version prevails.



**LONG-TERM PROVISIONS**  
*Variation between 31 December 2021 and 2022*

	BALANCE 31.12.21	(+) DOTATION	(+) UPDATE	(-) APPLICATION/REVERSAL	BALANCE 31.12.22
Provisions for social benefits	129	25	-	(10)	144
Other provisions	30.388	2.734	20	(22.376)	10.766
Provisions for action on infrastructure	93.388	36.104	2.187	(22.452)	109.227
<b>TOTAL</b>	<b>123.905</b>	<b>38.863</b>	<b>2.207</b>	<b>(44.838)</b>	<b>120.137</b>

The "other provisions" recorded at 31 December 2023, amounting to Euros 1,085 thousand (Euros 2,734 thousand at 31 December 2022), are charged to "Other operating expenses" in the accompanying income statement and cover contractual liabilities that may give rise to a probable future payment obligation.

The restatement of provisions amounting to Euros 2,372 thousand at 31 December 2023 (Euros 2,207 thousand at 31 December 2022) is recognised with a charge to "Finance costs" (see Note 19.8) in the accompanying income statement account.

Long-term provisions relate to:

- a) Pension provisions. The Company has externalised all commitments in respect of social security pension supplements and retirement bonuses.
- b) Other provisions. This includes estimates made by the Company of contractual liabilities that may give rise to a future payment obligation.
- c) Provisions for actions on the infrastructure. These provisions are recorded when the Company is obliged to carry out infrastructure improvement actions and these actions are not offset by obtaining higher concession revenues. The balancing entry is "Intangible assets under concession agreement". Details by contract at 31 December 2023 and 2022 are as follows:

	31.12.23	31.12.22
<i>(Amounts in thousands of euros)</i>		
Ab. Sn Andreu (Barcelona)	287	-
Albal (Alicante)	807	24
Algeciras (Cádiz)	2.007	2.077
Añoover de Tajo (Toledo)	30	18
Arcos de la Frontera (Cádiz)	876	969
Arico (Santa Cruz de Tenerife)	700	700
Arnedo (La Rioja)	107	791
Ávila (Ávila)	1.567	1.665
Azuaga (Badajoz)	54	99
Barbate (Cádiz)	271	291
Benalup (Cádiz)	288	338
Bolaños de Calatrava (Ciudad Real)	52	-
Candelaria (Santa Cruz de Tenerife)	224	859
Candeleda (Ávila)	60	95
Cangas (Pontevedra)	1.343	1.414
Carrascal de Barrega (Salamanca)	302	-
Casasimarro (Cuenca)	152	185
Caspe (Zaragoza)	16	91
Castrillón (Asturias)	3.249	4.419
Cazalegas (Toledo)	11	7

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	<b>31.12.23</b>	<b>31.12.22</b>
<i>(Amounts in thousands of euros)</i>		
Darro (Granada)	84	100
Denia (Alicante)	3.297	3.167
El Arenal-Llucmajor (Balearic Islands)	20.849	21.622
El Peral (Cuenca)	120	-
Fraga (Huesca)	-	15
Gáldar (Gran Canaria)	122	278
Guimar (Gran Canaria)	7.877	8.161
Hinojos (Huelva)	-	5
Huércar (Granada)	167	87
La Nucia (Alicante)	39	5.694
La Puebla de Almoradiel (Toledo)	315	577
La Puebla de Montalbán (Toledo)	1.379	1.410
Lepe (Huelva)	28	28
Librilla (Murcia)	44	44
Linares (Jaén)	2.829	-
Llanera /Asturias)	404	1.348
Lleida (Lleida)	4.814	5.508
Logrosán (Cáceres)	86	-
Los Alcázares (Murcia)	587	2.677
Los Yébenes (Toledo)	115	115
Madrigal de las Altas Torres (Ávila)	18	-
Mancomunidad de La Serena (Badajoz)	61	-
Mdad. de municipios de Campo de Gibraltar (Cádiz)	2.315	3.101
Mancomunidad de Oropesa (Toledo)	134	391
Mancomunidad Río Torcon (Toledo)	50	-
Manserman (Albacete)	618	-
Mazarrón (Murcia)	4.471	4.500
Mérida (Badajoz)	128	128
Miajadas (Cáceres)	297	274
Monforte de Lemos (Lugo)	449	1.475
Moratalla (Murcia)	454	552
Morelábor (Granada)	15	-
Navalcán (Toledo)	-	3
Novelda (Alicante)	-	463
Pantoja (Toledo)	99	-
Paterna (Valencia)	142	-
Aro Beach (Gerona)	5.818	-
Pliego (Murcia)	139	-
Salamanca	686	873
San José del Valle (Cádiz)	14	114
San Pedro del Pinatar (Murcia)	-	1
San Román (Toledo)	456	515
Santa Cruz de Bezana (Cantabria)	464	-
Santa Eulalia (Balearic Islands)	64	257
Santa María de Cayón (Cantabria)	703	740
Talavera de la Reina (Toledo)	1.219	2.229
Tarazona de la Mancha (Albacete)	59	42
Toledo	16	30
Torrox (Málaga)	221	-
Turleque (Toledo)	30	75
Vigo (Pontevedra)	18.866	28.122
Villacañas (Toledo)	100	122
Villadepalos (León)	16.055	-
Villamalea (Albacete)	-	34
Villamuelas (Toledo)	18	-
Villasequilla (Toledo)	15	-
Villaviciosa (Asturias)	13	147
Viso del Marqués (Ciudad Real)	16	-



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<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Other contracts	79	161
<b>TOTAL</b>	<b>109.861</b>	<b>109.227</b>

Short-term provisions reflect the Company's obligations to meet future payment commitments arising from events occurring in the course of its business and to which it is contractually or legally liable.

#### **NOTE 15. FINANCIAL LIABILITIES AND TRADE PAYABLES BY CATEGORY**

All financial liabilities held by the Company are classified as financial liabilities at amortised cost. The classification of financial liabilities at year-end 2023 and 2022 is as follows:

<b>BALANCES AT 31.12.23 (in thousands of euros)</b>	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
<b>Debits and payables</b>			
Payable to group and associated companies (notes 15.3 and 15.4)	1.594	144.255	145.849
Amounts owed to credit institutions (note 15.2)	1.096.112	1.346	1.097.458
Bonds and other marketable securities (note 15.1)	648.654	9.691	658.345
Other financial liabilities (note 15.5)	45.344	14.387	59.731
Trade and other payables		219.702	219.702
<b>TOTAL</b>	<b>1.791.704</b>	<b>389.381</b>	<b>2.181.085</b>

<b>BALANCES AT 31.12. 22 (in thousands of euros)</b>	<b>Non-current</b>	<b>Current</b>	<b>Total</b>
<b>Debits and payables</b>			
Payable to group and associated companies (notes 15.3 and 15.4)	-	78.582	78.582
Amounts owed to credit institutions (note 15.2)	1.095.830	1.010	1.096.840
Bonds and other marketable securities (note 15.1)	648.284	9.691	657.975
Other financial liabilities (note 15.5)	44.160	16.554	60.714
Trade and other payables	-	239.126	239.126
<b>TOTAL</b>	<b>1.788.274</b>	<b>344.963</b>	<b>2.133.237</b>

There are no significant differences between the fair value and the carrying amount of financial liabilities classified under "Debts and payables".

Net gains and losses on financial liabilities mainly corresponding to financial expenses on debts to group and associated companies and to credit institutions and bondholders amounted to EUR 689 thousand and EUR 67,159 thousand, respectively as at 31 December 2023 (31 December 2022: EUR 106 thousand and EUR 33,633 thousand, respectively) (note 19.8) (note 19.8).

#### **15.1. Bonds and other negotiable securities**

The details of this heading are as follows:

<b>Amounts in thousands of euros</b>	<b>31.12.23</b>	<b>31.12.22</b>
Issuance of Irish-listed plain vanilla bonds due 2027	648.654	648.284
<b>TOTAL NON-CURRENT</b>	<b>648.654</b>	<b>648.284</b>
Interest on plain vanilla bonds quoted in Ireland	9.691	9.691
<b>CURRENT TOTAL</b>	<b>9.691</b>	<b>9.691</b>
<b>TOTAL</b>	<b>658.345</b>	<b>657.975</b>



The movement from 31 December 2022 to 31 December 2023 is as follows:

	Balance as at 31.12.22	Amortisation	Interest and other	Balance at 31.12.23
Debt securities issued within the E.U., which have been required to have a prospectus filed	657.975	-	370	658.345
	<b>657.975</b>	-	<b>370</b>	<b>658.345</b>

	Balance as at 31.12.21	Amortisation	Interest and other	Balance as at 31.12.22
Debt securities issued within the E.U., which have been required to have a prospectus filed	1.362.850	(700.000)	(4.875)	657.975
	<b>1.362.850</b>	<b>(700.000)</b>	<b>(4.875)</b>	<b>657.975</b>

#### Issuance of plain vanilla bonds listed in Ireland.

In the context of the Agreement to Refinance the financial indebtedness of Fomento de Construcciones y Contratas, S.A. and certain companies of its group, the Board of Directors of FCC Aqualia at its meeting held on 24 February 2017 agreed, among others, to carry out one or several issues of simple bonds of the Company for an aggregate maximum nominal amount of 1,350,000,000 euros.

Subsequently, on 1 June 2017, the Irish Stock Exchange approved the prospectus in relation to two issues of the Company's senior secured notes with the following characteristics:

- One of them for an amount of 700,000,000 euros with an annual remuneration of 1.413% and maturity in 2022, which was redeemed in April of that year.
- 650,000,000 with an annual remuneration of 2.629% and maturity in 2027.

Finally, on 8 June 2017, the Company notarised the terms and conditions of the two previous issues which, in addition to the above, contain the following features:

- The nominal value of the bonds is €100,000 and above that in whole multiples of €1,000 up to €199,000.
- Interest shall be paid annually on 8 June of each year.
- The scheduled redemption date for the first issue was 8 June 2022 and for the second issue 8 June 2027.
- The uncovered bonds are admitted to trading on the Irish Stock Exchange in an unregulated market.
- Both issues have the following guarantees:
  - Pledge on 100 % of the shares of Tratamiento Industrial de Aguas, S.A., Conservación y Sistemas, S.A., Sociedad Española de Aguas Filtradas, S.A., Depurplán and Aigues de Vallirana, S.A. and on 97 % of the shares of Entemanser, S.A.
  - Pledge on 100% of the shares of Infraestructura y Distribución General del Agua, S.L., Empresa Gestora de Aguas Linenses. S.L., Aguas de las Galeras, S.L., Hidrotec Tecnología del Agua, S.L. and 51 % of Aqualia Czech.



- Pledge on 98 % of the shares of Acque di Caltanisseta and on 100 % of Aqualia México, S.A.C.V.
- Pledge on certain account balances (Note 11)

On 19 April 2022, the Company redeemed early the bond issue scheduled to mature on 8 June 2022.

Under the heading "Interest, debentures, bonds and other marketable securities", the Company records an amount of 9,691 thousand euros at 31 December 2023 (9,691 thousand euros at 31 December 2022) for interest accrued since 8 June of each year.

The price of the bonds maturing in June 2027 is 97.965% at 31 December 2023 (91.259% at 31 December 2022).

In addition to the guarantees set out in the preceding paragraphs, the simple bond issues by FCC Aqualia have imposed the following limitations on the Consolidated Group:

- Limitation to new financial indebtedness that did not exist on the date of issue of the bonds if a Net Debt/EBITDA ratio of less than 5 times is not reached or if it does not relate to the purchase and sale of goods and services, possible claims by employees, contractual obligations and guarantees provided by the FCC Aqualia Group in the normal course of its business. In addition to the aforementioned transactions, the granting of credits and loans within the consolidation perimeter is permitted. This limitation on financial indebtedness does not include the three subsidiaries that have their own financing, which are Severomoravske Vodovody a Kanalizace Ostrava, Shariket Talhya Mostaganem and Aquajerez, nor does it include non-recourse financing by the Group.
- Limitation on dividend distribution. No dividend distribution is allowed as long as a Net Debt to EBITDA ratio of less than 5 times is not reached.
- Limitation to changes in the capital structure of the Company and its investees whose shares are pledged except for capital increases permitted under the terms and conditions of the issue.

**15.2.** In **debts with credit institutions**, the Company records the amount drawn down under the long-term syndicated financing agreement signed on 22 June 2022 by the Company with a group of banks in which Caixabank acts as Agent Bank, coordinating entity and sustainability agent. The main features of this agreement are as follows:

- Maximum amount available: 1,100,000,000 euros.
- Maturity: 22 June 2026, after the initial 3-year term has been extended in the year.
- Interest. Calculated at Euribor + 0.97 on the amount drawn down and paid in 6-month periods.
- Purpose. Financing or refinancing of eligible projects, which are all those investment projects that the Company or its subsidiaries, in the ordinary course of their business, have launched prior to the signing of this contract or will launch in the future and that meet the eligibility criteria established in the Sustainable Financing Framework Agreement.
- Debt instruments to be refinanced:
  - The USD 250 million bond issue by Georgia Global Utilites (GGU) with an initial maturity of 30 July 2025.
  - The bilateral financing contracts signed between the Company and Caixabank between 21 November 2021 and 28 March 2022 for successive amounts of 600,000, 200,000 and 300,000 thousand euros, of which an aggregate amount of 975,000 thousand euros has been drawn down at signature.

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- Funding entities. The name and participation of the entities involved in the contract are as follows:

Funding Entity	Amount financed
Caixabank, S.A.	450.000
BBVA, S.A.	76.000
Credit Agricole Corporate Investment Bank, Suc. in Spain	76.000
ING Bank NV, Branch in Spain	100.000
Banco de Sabadell, S.A.	76.000
Komercni Banka, A.S.	55.000
Société Generale, Sucursal en Espagne	21.000
Intesa San Paolo, S.P.A. Branch in Spain	76.000
Kutxabank, S.A.	70.000
Banco de Crédito Social Cooperativo, S.A.	50.000
Unicaja Banco, S.A.	50.000
<b>Total</b>	<b>1.100.000</b>

- ESG reporting. The Company has to provide the Sustainability Agent with a periodic funding review report regarding the allocation of funds to eligible projects verified by an independent expert.
- In addition, the financing obtained entails another series of formal obligations for the financed party, such as:
  - Delivery of audited annual financial information to the agent bank no later than 180 days after the closing of such information.
  - Report prior to the payment of dividends to its shareholders or the raising of new indebtedness and send a certificate showing the calculations before and after payment or the raising of such indebtedness showing that the consolidated net debt ratio is equal to or less than 5.

**15.3 Current payables to group companies and associates** at 31 December 2023 and 2022 for financial transactions and consolidated tax effect are as follows:

SHORT-TERM PAYABLES TO GROUP AND ASSOCIATED COMPANIES (Amounts in thousands of euros)		
	31.12.23	31.12.22
Acque Di Caltanisseta, S.P.A.	4.389	1.903
Agua do Fundao, S.A.	800	-
Aguas de Archidona, S.L.	3	5
Aguas de las Galeras, SL	(3)	17
Aguas de Tomovi, S.A.	39	32
Aigües del Vendrell	(26)	(17)
Aigües de Vallirana, S.A.U.	1.768	1.178
Aqua Campiña, S.A.	15	11
Aquaervas, S.A.	1.250	-
Aqualia Czech, S.L.	39.254	19.750
Aqualia France, S.A.	15	-
Aqualia Intech, S.A.	3.878	5.462
Aqualia Latinoamérica, S.A.	6	5
Aqualia México, S.A. de C.V.	20	20
Augas Municipais de Arteixo, S.A.	1	1

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<b>SHORT-TERM PAYABLES TO GROUP AND ASSOCIATED COMPANIES</b>		
(Amounts in thousands of euros)		
	<b>31.12.23</b>	<b>31.12.22</b>
Conservación y Sistemas, S.A.	4.397	4.435
Depurplan 11, S.A.U.	14.858	13.709
Empresa Gestora de Aguas Linenses, S.L.	2.034	3.093
Empresa mixta de Aguas de Jodar, S.A.	467	273
Empresa Mixta de Aguas de Ubrique, S.A.	366	539
Empresa mixta de Aguas y Servicios, S.A.	1	7
Empresa Mixta de Butarque, S.A.	166	166
Empresa Municipal de Aguas de Algeciras, SA	119	187
Empresa Municipal de Aguas de Linares	54	-
Empresa Municipal de Aguas de Toxiria, S.A.	-	5
Entemanser, S.A.	6.202	(848)
FCC Aqualia América, S.A.	430	431
FCC Construcción, S.A.	61	61
FCC Medio Ambiente, S.A.	324	262
FCC Midco, S.A. (FCC Group)	3.045	-
Fomento de Construcciones y Contratas, S.A.	12.488	5
Proactiva Group	13	13
Global Infraco Spain, S.L.U.	14.921	-
Hidrotec, S.L.	-	1.013
Infraestructuras y Distribución General de Agua, S.L.	3.823	3.263
Oman Sustainable Water Services, S.A.O.C.	6	-
Sistemas y Vehículos de Alta Tecnología, S.A.	29	29
Sociedad Española de Aguas Filtradas, S.A.	4.828	5.781
Sociedad Ibérica del Agua, S.A.	88	26
Tratamiento Industrial de Aguas, S.A.	24.094	17.733
Water Sur, S.L.	32	32
<b>TOTAL</b>	<b>144.255</b>	<b>78.582</b>

At 31 December 2023, the short-term balance held with subsidiaries belonging to the FCC Aqualia tax group in respect of corporate income tax amounts to Euros 495 thousand (Euros 2,416 thousand at 31 December 2022). The average interest rate applied was 1% in 2023 (0.10% in 2022).

#### 15.4. Accounts payable to group and associated companies for commercial operations are as follows:

<b>SHORT-TERM SUPPLIERS TO GROUP AND ASSOCIATED COMPANIES</b>		
(Amounts in thousands of euros)		
	<b>31.12.23</b>	<b>31.12.22</b>
Acque di Caltanissetta, S.P.A.	1.214	-
Aguas de Archidona, S.L.	1	3
Aguas de Denia, S.A.	26	376
Aguas de Elvas, S.A.	16	-
Aguas do Fundao, S.A.	11	-
Aguas de las Galeras, S.L.	-	5
AIE Costa Tropical de Granada	1	19
Aquajerez, S.L.	3	3
Aqualia France, S.A.	11	11
Aqualia Intech, S.A.	5.244	4.048
Aqualia Mace Qatar	-1	-
Aqualia México, S.A. de C.V.	20	20
Áridos de Melo, S.L.	16	7
Asesoría financiera y de Gestión, S.A.	120	69
Ecoactiva Medioambiente, S.A.	-	3
Company. Gestora de Aguas Linenses, S.L.	26	29
Emp. Mixta de Aguas de Ubrique, S.A.	5	1
Emp. Mixta de Aguas y Servicios, S.A.	73	26
Emp. Municipal Mixed Water Company of Nijar	130	122
Empresa Municipal de Aguas de Algeciras, S.A.	4.010	6.644
Empresa Municipal de Aguas de Linares, S.A.	25	16
Entemanser, S.A.	341	3
FCC Ámbito, S.A.	4	8

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#### SHORT-TERM SUPPLIERS TO GROUP AND ASSOCIATED COMPANIES

(Amounts in thousands of euros)

	31.12.23	31.12.22
FCC Construcción, S.A.	664	1.394
FCC Industrial y Servicios Energéticos, S.A.	264	172
FCC Medio Ambiente, S.A.	60	137
Fedemes, S.L.	594	570
Fomento de Construcciones y Contratas, S.A.	2.784	2.823
Gamasur Gibraltar, S.L.	7	16
Gestión y Valor int. Centro, S.L.	-	1
H.A.A.&CO. Integrated Service	440	(1)
Hidrotec Tecnología del Agua, S.L.	6.933	6.043
Infraestructuras y distribución general de aguas, S.L.	10	52
Matinsa, S.A.	-	2
New Company of Aguas de Ibiza, S.A.	-	1
Prefabricados Delta, S.A.	5	-
Proveiments D'Aigua, S.A.	1	8
Severomoravske Vodovody A Kanal Ost	-	1
Sociedad Española de Aguas Filtradas, S.A.	562	1.192
Tratamiento Industrial de Aguas, S.A.	2.493	2.652
<b>TOTAL</b>	<b>26.113</b>	<b>26.476</b>

#### 15.5. Other financial liabilities.

This heading mainly includes guarantees received from subscribers to water contracts and suppliers of fixed assets.

The breakdown by maturity is as follows:

	2025	2026	2027	2028	2029 onwards	TOTAL
Non-current financial liabilities, third parties	790	97	-	-	-	887
Non-current suppliers of fixed assets, third parties	101	101	101	101	532	936
Non-current guarantees and deposits received, third parties	-	-	-	-	43.521	43.521
	<b>891</b>	<b>198</b>	<b>101</b>	<b>101</b>	<b>44.053</b>	<b>45.344</b>

#### NOTE 16. GENERAL GOVERNMENT AND TAXATION

Following the sale transaction carried out in the 2018 financial year, mentioned in Note 1 to these accounts, the Company ceased to form part of the tax consolidation headed by Fomento de Construcciones y Contratas, S.A. Since 13 February 2019, and with effect from 1 January 2019, the Company is the head of Tax Group 233/19.

#### 16.1 Balances with general government.

The detail of the balance at 31 December 2023 and 2022 with the Public Administrations is as follows:

DEBTOR PUBLIC ADMINISTRATIONS		
(Amounts in thousands of euros)		
	31.12.23	31.12.22
Current tax assets	76	566
Inland Revenue, VAT debtor	18.619	14.168
Public Treasury Debtor for subsidies granted	32.140	20.845
Taxes owed for other items	1.821	2.247
<b>TOTAL</b>	<b>52.656</b>	<b>37.826</b>

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**CURRENT GENERAL GOVERNMENT CREDITORS**  
(Amounts in thousands of euros)

	31.12.23	31.12.22
Current tax liabilities	5.703	4.998
Public Treasury Creditor for VAT.	15.443	9.290
Public Treasury Creditor for withholdings on account of personal employment	3.160	2.810
Inland Revenue withholding tax on movable and immovable capital	71	66
Taxes payable for other items	52.513	57.901
Accrual of fees and other taxes	943	936
Indirect taxes levied	2.120	1.962
Social Security Organisations, Creditors	6.360	5.643
Social Security Payable for current deferrals of contributions	39	39
Tax authorities Payable for deferrals to personnel work account	-	40
<b>TOTAL</b>	<b>86.352</b>	<b>83.685</b>

The "Taxes payable for other items" mainly includes taxes collected by the Company on behalf of certain municipalities and outstanding at 31 December 2023 and 2022.

## 16.2 Deferred tax assets and liabilities.

Deferred tax assets mainly relate to provisions not deductible for tax purposes in the year, the time limit on the deduction of depreciation of fixed assets recorded in previous years and the tax loss carryforwards of joint ventures which are to be taken to income in the following year, while deferred tax liabilities basically relate to non-refundable subsidies and the taxable income of joint ventures which are to be taken to income in the following year.

<b>DEFERRED TAX ASSETS</b>		
(Amounts in thousands of euros)		
	31.12.23	31.12.22
Impairment of portfolio, fixed assets and customers	6.183	10.205
Depreciation	581	1.143
For the result of joint ventures carried forward and adjustments thereto	2.158	1.410
Other	1.720	842
<b>TOTAL</b>	<b>10.642</b>	<b>13.600</b>

<b>DEFERRED TAX LIABILITIES</b>		
(Amounts in thousands of euros)		
	31.12.23	31.12.22
For the result of joint ventures carried forward and adjustments thereto	4.442	1.208
For freedom of depreciation	308	345
Other	2.194	1.144
<b>TOTAL</b>	<b>6.944</b>	<b>2.697</b>

The movement in deferred tax assets and liabilities is as follows:

	Deferred tax assets	Deferred tax liabilities
<b>Balance at 31.12.2021</b>	<b>15.882</b>	<b>5.445</b>
Originating in the exercise	2.434	4.830
Arising from previous years	(4.716)	(7.578)
<b>Balance as at 31.12.2022</b>	<b>13.600</b>	<b>2.697</b>
Originating in the exercise	1.663	4.442
Arising from previous years	(3.724)	(3.348)
Other adjustments	(897)	3.153
<b>Balance at 31.12.2023</b>	<b>10.642</b>	<b>6.944</b>



### 16.3 Reconciliation between accounting profit and taxable income:

The reconciliation of the accounting profit for the year to the taxable income for corporate income tax purposes at 31 December 2023 and 2022 is as follows:

<b>RECONCILIATION OF THE ACCOUNTING RESULT WITH THE CORPORATE TAX BASE</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
<b>Accounting profit for the year before tax</b>	<b>71.243</b>	<b>136.320</b>
<b>Permanent differences</b>	<b>(17.256)</b>	<b>(67.044)</b>
<b>Adjusted accounting result</b>	<b>53.987</b>	<b>69.276</b>
<b>Temporary differences: Anticipated</b>	<b>(8.245)</b>	<b>(9.323)</b>
Originating in the exercise	6.652	2.434
Arising from previous financial years	(14.897)	(11.757)
<b>Temporary differences: Deferred</b>	<b>(4.379)</b>	<b>4.425</b>
Originating in the exercise	(17.769)	15.793
Arising from previous financial years	13.390	(11.368)
<b>Tax base</b>	<b>41.363</b>	<b>64.378</b>

From the above table, it is worth noting the permanent differences for both years. These differences arise from the exemption for the avoidance of double taxation of dividends calculated at 95% of the amount recorded as Dividends in these financial statements and the impairments of concessions and shareholdings reversed in 2022.

### 16.4 Tax recognised in equity

In the year there is an amount of 4,394 thousand euros in tax recognised in equity, which corresponds to the correction of the calculation of corporate income tax for the previous year. In 2022 there are no taxes recognised in equity.

### 16.5 Reconciliation between accounting profit and corporate income tax expense.

The calculation of the accounting provision for corporate income tax is as follows:

<b>CALCULATION OF THE ACCOUNTING PROVISION FOR CORPORATION TAX</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
<b>Profit before tax</b>	<b>71.243</b>	<b>136.320</b>
<b>-Permanent differences</b>	<b>(17.256)</b>	<b>(67.044)</b>
<b>Adjusted accounting balance</b>	<b>53.987</b>	<b>69.276</b>
Gross corporation tax due (25%)	13.497	17.319
+Deductions and allowances	(516)	(779)
+Other Settings	4.396	1.184
<b>Corporate income tax expense</b>	<b>17.377</b>	<b>17.724</b>

At 31 December 2023, "Other adjustments" includes an expense of Euros 4,404 thousand for corporate income tax accrued by permanent establishments abroad.

At 31 December 2022, "Other adjustments" includes an expense of 3,523 thousand for corporate income tax accrued by permanent establishments abroad and income of Euros 2,339 thousand, also due to the allocation to income of the capitalisation of financial charges and deductions for international double taxation).





## 16.6 Breakdown of corporate income tax expense

The breakdown of the income tax expense in 2023 and 2022 is as follows:

<b>Breakdown of corporate tax expense</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Current tax	13.497	16.540
Deferred taxes	3.880	1.184
<b>Total corporate income tax (expense)/revenue</b>	<b>17.377</b>	<b>17.724</b>

## 16.7 Tax loss carryforwards and deductions pending application

The company has no tax losses or deductions to be applied.

## 16.8 Years pending inspection and inspection actions

In 2022 the tax audit to which the Company was subject for corporate income tax purposes for the years 2015 to 2017 ended, due to its membership in those years of the 18/89 Tax Group, of which Fomento de Construcciones y Contratas, S.A. is the parent company, without having had any impact on the Company's income statement for the year.

In relation to other years that have been inspected in Group companies, in certain cases, the different criteria applied by the tax authorities have given rise to tax assessments which are being appealed by the corresponding Group companies.

The criteria that the tax authorities may adopt in relation to the years open to inspection could give rise to contingent tax liabilities that cannot be objectively quantified. The directors consider that the liabilities that may arise, both in respect of the years open for review and the assessments issued, will not have a significant effect on the Company's equity.

## NOTE 17. LONG-TERM ACCRUALS AND DEFERRALS

This item in the balance sheet at 31 December 2023 and 2022 includes the amounts received in tariffs for works and investments involving environmental improvements to the water supply networks during the construction phase and until they are brought into operation.

## NOTE 18. ENDORSEMENTS AND GUARANTEES

At 31 December 2023, the Company has provided guarantees mainly to secure the fulfilment of its contractual obligations, as well as to guarantee the submission of tenders for future contracts, amounting to Euros 281,355 thousand (Euros 257,755 thousand at 31 December 2022). In addition, it has granted guarantees to third parties for the following group companies for the following amounts (in thousands of euros):

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	<b>31.12.2023</b>	<b>31.12.2022</b>
Abrantaqua	463	463
Acque di Caltanissetta, S.p.a.	11.738	10.481
Aguas de las Galeras, S.L.	3.340	3.340
Aquajerez, S.L.	718	224
Aqualia Czech, S.L.	37	37
Aqualia Desalación Guaymas, S.A. de C.V.	6.028	-
Aqualia Gestión Los Cabos S.A. de CV	25.566	4.888
Aqualia Intech, S.A.	4.669	5.188
Aqualia latinoamérica, S.A.	2.325	2.124
Aqualia México, S.A. de C.V.	5.437	5.302
Aquamaior - Aguas de Campomaior, S.A.	900	900
Aquos El Realito S.A. de CV	1.377	1.353
Conservación y Sistemas, S.A.	71	71
Ecosistema de Morelos S.A. de C.V.	250	250
Empresa Gestora de Aguas Linenses, S.L.	31	31
Hidrotec Tecnología del Agua, S.L.	57	57
Servicios Hídricos de Agricultura y Ciudad, S.L.U.	73	89
Sociedad Española de Aguas Filtradas, S.A.	239	170
Tratamiento Industrial de Aguas, S.A.	24	24
<b>TOTAL</b>	<b>63.343</b>	<b>34.992</b>

In addition, the Company has provided guarantees in the financing obtained by its subsidiary FCC Aqualia USA Corp in the amount of USD 95 million and maturing in December 2024.

The directors of the Company do not expect any material liabilities to arise as a result of the guarantees provided.

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## NOTE 19. INCOME AND EXPENSES

19.1 The distribution of **net turnover** by geographical location and type of activity of the Company is as follows:

<b>TURNOVER BY TYPE OF ACTIVITY</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Supply	429.166	417.255
Sanitation	119.531	114.282
Debugging	108.097	105.191
Hydraulic works	147.368	111.230
Income from equity investments	16.847	24.287
Financial income from receivables from group companies	49.769	39.075
Desalination	18.741	13.926
Other income	31.802	29.708
<b>TOTAL</b>	<b>921.321</b>	<b>854.954</b>

Details of income from equity investments received from group and associated companies in 2023 and 2022 are presented below:

<b>DIVIDENDS RECEIVED</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Conservación y Sistemas, S.A.	56	-
Aqua Campiña, S.A.	87	173
Entemanser, S. A.	-	-
Infraestructuras y Distribución General del Agua, S.A.	416	340
Depurplan 11, S.A.	-	647
Sociedad Ibérica del Agua, S.A.U.	-	-
Aguas de las Galeras, S.L.	187	275
Aquajerez, S.L.	-	-
Aqualia Mace LLC	1.898	1.439
Aqualia Infraestructuras Inzenyring	1.635	1.491
Shariket Tahlya Miyah Mostaganem	6.158	5.624
Aqualia France	-	10.288
Aigües de Vallirana, S.A.U.	271	338
Qatarat Saquia Desalination	2.263	-
<b>TOTAL GROUP COMPANIES</b>	<b>12.971</b>	<b>20.615</b>
IEA Ciudad Real	62	117
AIE Costa Tropical de Granada	1.126	2.154
Aguas de Guadix, S.A.	100	67
Aguas de Narixa, S.A	194	-
Empresa Municipal de Aguas de Linares, S.A.	-	143
Empresa Municipal de Aguas de Benalmádena, S.A.	19	188
Concesionaria de Desalación de Ibiza, S.A.	-	170
A.I.E. Sorea - Aqualia	-	39
Codeur, S.A	92	-
Suministros Aguas de Querétaro, S.A. de C.V.	62	5
Orasqualia O&M	335	-
Oman Sustainable Water Services SAOC	618	414
Orasqualia Devel. Waste T.P. S.A.E.	-	340
<b>TOTAL PARTNER COMPANIES</b>	<b>2.608</b>	<b>3.636</b>
Aigües del Segarra Garrigues, S.A.	36	36
Shariket Miyeh Ras Djinet S.p.a.	1.232	-
<b>TOTAL THIRD PARTIES</b>	<b>1.268</b>	<b>36</b>
<b>TOTAL DIVIDENDS</b>	<b>16.847</b>	<b>24.287</b>

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Details of financial income from Group companies and associates in 2023 and 2022 are presented below:

<b>FINANCIAL INCOME</b>		
(Amounts in thousands of euros)		
	<b>31.12.23</b>	<b>31.12.22</b>
Abrantaqua, S.A.	143	97
Acque di Caltanissetta, S.P.A.	37	-
Aguas de Las Galeras, S.L.	1.869	1.216
Aigües de Vallirana, S.A.U.	22	-
Aqua Campiña, S.A.	61	19
Aquajerez, S.L.	503	564
Aqualia Flanders S.A.S.S.E.S.P.	49	13
Aqualia Georgia LLC	6	-
Aqualia Intech, S.A.	321	59
Aqualia Latinoamérica, S.A.	1.923	459
Aqualia Mace LLC	2	-
Aqualia México, S.A. de C.V.	331	204
Aqualia Villa del Rosario, S.A.	67	13
Aquamaior - Aguas de Campo Maior, S.A.	77	17
Cartagua, Aguas do Cartaxo, S.A.	228	162
Depurplan 11, S.A.	-	5
Ecosistema de Morelos, S.A de C.V.	745	656
FCC USA Aqualia Corp	57	27
Fomento de Construcciones y Contratas, S.A.	29.028	29.028
Georgia Global Utilities JSC	11.888	4.024
Hidrotec Tecnología del Agua, S.L.	53	-
North Cluster Spv LLC	4	-
Qatarat Saquia Desalination Company LTD.	165	283
South Cluster SPV LLC	5	-
Aguas de Archidona, S.L.	27	26
Aigues Del Vendrell, S.A.	253	259
Aguas de Langreo, S.L.	131	148
Aguas de Narixa, S.A.	-	118
Aguas de Priego, S.L.	-	76
AIE Costa Tropical de Granada	1.514	1.428
Empresa Municipal de Aguas de Níjar, S.A.	92	33
Empresa mixta de Aguas de Jódar, S.A.	55	59
Empresa Municipal Aguas de Algeciras, S.A.	46	56
Empresa Municipal Aguas de Benalmádena, S.A.	54	22
Empresa Municipal Aguas de Toxiria, S.A.	13	4
<b>TOTAL</b>	<b>49.769</b>	<b>39.075</b>

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Of the total turnover, the joint ventures contribute as follows, in thousands of euros:

<b>TEMPORARY JOINT VENTURES</b>	<b>31.12.23</b>	<b>31.12.22</b>
UTE Abastecimiento Picadas Almoguera Supply Joint Venture	8.009	7.225
UTE Aguas de Alcalá	7.409	7.361
UTE Alcantarillado Alcoy	104	104
UTE Alcantarillado Burgos	236	245
UTE Alcantarillado Madrid Lot D	7.333	6.620
UTE Expansion IDAM melilla	5.837	5.063
Aqualia - FCC Vigo joint venture	52.608	52.209
Aqualia - Riofabar Piloña Joint Venture	144	353
UTE C.H. Talave II	135	143
Granadilla de Abona Sports Centre UTE	831	654
UTE Copero Environmental Complex	6.382	1961
UTE Consorcio Louro	-	46
UTE Costa Tropical III	509	401
UTE Depuración Poniente Almería	1.781	1.708
UTE Depuradoras Lot 1	4.462	4.791
UTE EDAM Santa Eulalia	392	-
UTE EDAR A Guarda 2013	-	14
UTE EDAR A Guarda 2022	100	127
UTE EDAR Ranilla	119	1.006
UTE EDAR Galindo	624	-
UTE Estaciones Perales	41	594
FCC - Aqualia Oviedo Joint Venture	16.190	15.883
UTE Garrucha	1.256	699
UTE Gestión Cangas	1.511	2.110
UTE Groupement Solidaire Jerba	-	162
UTE Hidr-Inv. Do Centr. Ace	58	109
UTE Idam Santa Eulalia III	444	430
UTE IDAM Santa Eulalia IV	118	-
Mancomunidad de Órbigo Joint Venture	190	184
UTE Improvements San Isidro Park	-	20
Argamasilla de Calatrava WWTP Works Joint Venture	52	229
El Endrinal WWTP Works Joint Venture	1.610	873
UTE OYM Cap Djinet	6.344	4.984
UTE OYM Mostaganem	8.341	6.523
UTE Qatar	488	6394
UTE Redondela	1.972	1.990
UTE Pipe Renovation Lot 7	3.472	1773
UTE Saneamiento EMASA	646	472
UTE Sevilla Territorial Areas	599	578
UTE Sollano Zalla	512	528
UTE TSE Riyadh	-	-11
UTE Depuración San Roque	482	-
UTE Zaragoza Sewerage	1.521	1.593
UTE Tic Lillo	355	-
<b>TOTAL</b>	<b>143.217</b>	<b>136.148</b>

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## 19.2 Income and expenses with related parties in the years 2023 and 2022:

### OPERATIONS WITH GROUP COMPANIES IN 2023

(Amounts in thousands of euros)

	EXPLORATION		FINANCIAL	
	EXPENDITURE	REVENUE	EXPENDITURE	REVENUE
Abrantaqua, S.A.	-	202	-	-
Acque di Caltanissetta, S.P.A.	207	18.802	-	-
Aguas de Guadix, S.A.	-	67	-	-
Aguas de Las Galeras, S.L.	21	2.090	-	-
Aigües de Vallirana, S.A.U.	-	28	-	-
Aqualia Infrastructures D.O.O. Beograd-Vracar	-	1	-	-
AISA Pristina LLC	-	27	-	-
Aqua Campiña, S.A.	-	426	-	-
Aquaelvas - Aguas de Elvas, S.A.	-	383	16	-
Aquafundalia - Aguas do Fundao, S.A.	-	438	11	-
Aquajerez, S.L.	35	6.431	-	-
Aqualia Flanders S.A.S.S.E.S.P.	-	-	-	-
Aqualia France	-	260	15	-
Aqualia Georgia LLC	-	775	-	-
Aqualia Infrastructures Inzenyring, s.r.o.	-	9	-	-
Aqualia Intech, S.A.	15.375	1.513	-	-
Aqualia Latinoamérica, S.A.	-	-	-	-
Aqualia Mace LLC	-	360	-	-
AQUALIA MACE QATAR	-	221	-	-
Aqualia México, S.A. de C.V.	-	594	-	-
Aqualia Villa del Rosario, S.A.	-	-	-	-
Aquamaior - Aguas de Campo Maior, S.A.	-	208	-	-
Aridos de Melo, S.L.	204	-	-	-
Cartagua, Aguas do Cartaxo, S.A.	-	400	-	-
Conservación y Sistemas, S.A.	-	99	81	-
Depurplan 11, S.A.	-	954	111	-
Ecoactiva de Medioambiente, S.A.	16	-	-	-
Ecosistema de Morelos S.A. de C.V.	-	-	-	-
Empresa Gestora de Aguas Linenses, S.L.	203	1.059	-	-
Entemanser, S.A.	566	569	266	-
FCC Ámbito, S.A.	108	-	-	-
FCC USA Aqualia Corp	-	106	-	-
FCC Construcción, S.A.	50	226	-	-
FCC Industrial e Infraestructuras Energéticas, S.A.	783	-	-	-
Fomento de Construcciones y Contratas, S.A.	14.269	838	-	-
FCC Medio Ambiente, S.A.	83	134	-	-
Fedemes, S.L.	3.726	26	-	-
Gamasur Campo Gibraltar, S.A.	73	-	-	-
Georgia Global Utilities JSC	-	-	-	-
Haji Abdullah Ali Reza Integrated Services Ltd (H.A.A. & CO.)	803	-	-	-
Hidrotec Tecnología del Agua, S.L.	32.642	142	3	-
Infraestructuras y Distribución General de Agua, S.L.	560	130	-	-
Matinsa, S.A.	-	4	-	-
North Cluster Spv LLC	-	1.104	-	-
Prefabricados Delta, S.A.	7	-	-	-
Qatarat Saquia Desalination Company LTD.	-	88	-	-
Sociedad Española de Aguas Filtradas, S.A.	3.742	779	32	-
Severomoravske Vodovody A Kanalizace Ostrava AS	6	611	-	-
Sistemas y Vehículos de Alta Tecnología, S.A.	1	-	-	-
South Cluster SPV LLC	-	1.506	-	-
Tratamiento Industrial de Aguas, S.A.	22.838	173	153	-
Tratamientos y Recuperaciones Industriales, S.A.	468	-	-	-
Vodotech, spol. s.r.o	-	21	-	-
Watersur, S.L.	-	34	-	-
<b>Grand total</b>	<b>96.786</b>	<b>41.838</b>	<b>688</b>	<b>-</b>

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## OPERATIONS WITH GROUP COMPANIES IN 2022

(Amounts in thousands of euros)

	EXPLORATION		FINANCIAL	
	EXPENDITURE	REVENUE	EXPENDITURE	REVENUE
Abrantaqua, S.A.	-	206	-	-
Acque di Caltanissetta, S.P.A.	70	10.544	-	-
Aguas de Las Galeras, S.L.	21	2.181	-	-
Aigües de Vallirana, S.A.U.	-	194	4	-
AISA Montenegro	-	2	-	-
AISA Pristina LLC	-	11	-	-
Alfonso Benítez, S.A.	-	-	-	-
Aqua Campiña, S.A.	-	404	-	-
Aquaelvas - Aguas de Elvas, S.A.	-	300	-	-
Aquafundalia - Aguas do Fundao, S.A.	-	394	-	-
Aquajerez, S.L.	44	6.601	-	-
Aqualia Desalación Guaymas, S.A. de C.V.	-	10	-	-
Aqualia Flandes S.A.S.S.E.S.P.	-	-	-	-
Aqualia France	-	278	11	-
Aqualia Georgia LLC	-	510	-	-
Aqualia Infrastructures Inzenyring, s.r.o.	-	8	-	-
Aqualia Intech, S.A.	13.411	791	-	-
Aqualia Latinoamérica, S.A.	-	3	-	-
Aqualia Mace LLC	-	472	-	-
Aqualia MACE Qatar	-	76	-	-
Aqualia México, S.A. de C.V.	-	567	-	-
Aqualia Villa del Rosario, S.A.	-	-	-	-
Aquamaior - Aguas de Campo Maior, S.A.	-	201	-	-
Aridos de Melo, S.L.	191	-	-	-
Cartagua, Aguas do Cartaxo, S.A.	-	533	-	-
Conservación y Sistemas, S.A.	-	116	46	-
Depurplan 11, S.A.	-	948	13	-
Ecoactiva de Medioambiente, S.A.	12	0	-	-
Ecosistema de Morelos, S.A. de C.V.	-	0	-	-
Empresa Gestora de Aguas Linenses, S.L.	130	351	-	-
Entemanser, S.A.	681	504	-	-
FCC Ámbito, S.A.	104	-	-	-
FCC Construcción, S.A.	54	119	-	-
FCC Equal CEE, S.L.	4	-	-	-
FCC Industrial e Infraestructuras Energéticas, S.A.	1.208	-	-	-
FCC Medio Ambiente, S.A.	119	118	-	-
FCC USA Aqualia Corp	-	89	-	-
Fedemes, S.L.	3.260	72	-	-
Fomento de Construcciones y Contratas, S.A.	13.289	602	-	-
Gamasur Campo Gibraltar, S.A.	52	-	-	-
Genesis Lodos, S.L.	-	-	-	-
Georgia Global Utilities JSC	-	-	-	-
H.A.A. & CO. Integrated Serv	-	5	-	-
Hidrotec Tecnología del Agua, S.L.	30.114	152	4	-
Infraestructuras y Distribución General de Agua, S.L.	463	85	-	-
Handling and Recovery MAREPA, S.A.	1	-	-	-
Matinsa, S.A.	-	28	-	-
Prefabricados Delta, S.A.	9	-	-	-
Qatarat Saquia Desalination	-	106	-	-
Sdad. Española de Aguas Filtradas, S.A.	5.126	771	6	-
Severomoravske Vodovody A Kanalizace Ostrava AS	-	497	-	-
Sistemas y Vehículos de Alta Tecnología, S.A.	-	-	-	-
South Cluster SPV LLC	-	1.212	-	-
Tratamiento Industrial de Aguas, S.A.	20.290	245	22	-
Tratamientos y Recuperaciones Industriales, S.A.	124	-	-	-
Villena O&M, S.L.	-	-	-	-
Vodotech, spol. s.r.o	-	27	-	-
Watersur, S.L.	-	10	-	-
<b>TOTAL</b>	<b>88.777</b>	<b>30.343</b>	<b>106</b>	<b>-</b>

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### TRANSACTIONS WITH AFFILIATED COMPANIES IN 2023

(Amounts in thousands of euros)

	EXPLORATION	
	EXPENDITURE	REVENUE
Aguas de Archidona, S.L.	1	572
Aguas de Denia, S.A.	256	441
Aguas de Langreo, S.L.	-	188
Aguas de Narixa, S.A.	1	284
AIE Costa Tropical de Granada	18	1.831
Aigües del Segarra Garrigues, S.A.	-	92
Aigües Del Vendrell, S.A.	(18)	500
Compañía de Servicios Medioamb. do Atlántico, S.A.	-	130
Codeur, S.A.	-	137
Concesionaria de Desalación de Ibiza, S.A.	-	509
Empresa Municipal de Aguas de Níjar, S.A.	988	4.518
Empresa mixta de Aguas de Jódar, S.A.	30	639
Empresa Municipal de Aguas de Linares, S.A.	21	4.473
Empresa Municipal Aguas de Algeciras, S.A.	2.137	12.238
Empresa Mixta de Aguas de Ubrique, S.A.	8	1.234
Empresa Mixta de Aguas y Servicios, S.A.	385	506
Empresa Municipal Aguas de Benalmádena, S.A.	-	728
Empresa Municipal Aguas de Toxiría, S.A.	61	1.042
Gestión y Valorización Integral del Centro S.L.	1	-
Girona, S.A.	-	24
Hormigones Delfin, S.A.	2	-
Hormigones Reinares, S.A.	3	-
New Company of Aguas de Ibiza, S.A.	66	2
Oman Sustainable Water Services SAOC	-	514
Orasqualia Devel. Waste Treatment Plant S.A.E.	-	96
Orasqualia Operation and Maintenance, S.A.E.	-	69
Proveïments d'Aigua, S.A.	38	-
Shariket Miyeh Ras Djinet	-	6.344
Shariket Tahlya Miyah Mostaganem	-	8.341
<b>TOTAL</b>	<b>4.000</b>	<b>45.452</b>



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#### TRANSACTIONS WITH AFFILIATED COMPANIES IN 2022

( Amounts in thousands of euros )

	EXPLORATION	
	EXPENDITURE	REVENUE
Aguas de Denia, S.A.	256	-
Aguas de Archidona, S.L.	1	590
Aigües del Segarra Garrigues. S.A.	-	96
Aigües del Vendrell, S.A.	17	466
Aguas de Guadix, S.A.	-	100
Aguas de Langreo, S.A.	-	207
Aguas de Narixa, S.A.	1	251
Aguas de Priego, S.L.	-	52
A.I.E. Costa Tropical de Granada	20	2.003
Codeur, S.A.	-	57
Cía. Servicios Medioambientales Atlántico, S.A.	-	125
Concesionaria Desalación Aguas de Ibiza, S.A.	-	401
Empresa Municipal de Aguas de Linares, S.A.	16	4.359
Emanagua Eª Mpal. De Aguas de Níjar, S.A.	993	4.360
Empresa Mixta de Aguas de Ubrique, S.A.	4	1.035
Empresa Mixta de Aguas y Servicios, S.A.	242	431
Empresa Mixta de Aguas de Jódar, S.A.	2	686
Empresa Mpal. De Aguas de Algeciras, S.A.	2.170	11.428
Empresa Mpal. Aguas de Benalmádena, S.A.	-	729
Empresa Mpal. Aguas de Toxiria, S.A.	(9)	1.002
Gestión y Valorización Integral del Centro, S.L.	3	-
Girona, S.A.	-	24
Hormigones Delfin, S.A.	1	-
Hormigones Reinares, S.A.	2	-
New Company of Aguas de Ibiza, S.A.	85	2
Orasqualia Devel. Waste T.P. S.A.E.	-	96
Orasqualia O&M	-	69
Oman Sustainable Water Services SAOC	-	568
Proveiments d'Aigua, S.A.	40	-
Shariket Miyeh Ras Djinet	-	4.984
Shariket Tahlya Miyah Mostaganem	-	6.523
<b>TOTAL</b>	<b>3.844</b>	<b>40.644</b>

Transactions with Shariket Tahlya Miyah Mostaganem S.p.A. and Shariket Miyeh Ras Djinet S.p.A. are denominated in US Dollars, while those with Orasqualia Development Waste Water Treatment Plant, S. A.E. are denominated in Egyptian Pounds; those with Aquos El Realito, S.A. CV are denominated in Mexican Pesos and those with Severomoravske Vojvodina, S.A. are denominated in Mexican Pesos. A.E. are denominated in Egyptian Pounds; those with Aquos El Realito, S.A. de CV are denominated in Mexican Pesos and those with Severomoravske Vodovody A Kanalizace Ostrava AS are denominated in Czech Korunas.

Information on balances and transactions with members of the board of directors are disclosed in Note 22.

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### 19.3 Procurements. Details at 31 December 2023 and 2022 are as follows:

<b>PROCUREMENT</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Consumption of goods	103.449	96.909
Consumption of raw materials and other consumables	125.313	128.684
Work carried out by other companies	130.214	107.735
<b>TOTAL</b>	<b>358.976</b>	<b>333.328</b>

### 19.4 External services. Details as at 31 December 2023 and 2022 are as follows:

<b>EXTERNAL SERVICES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Leases and royalties	61.556	58.358
Repairs and maintenance	7.278	6.038
Independent professional services	19.355	18.026
Transport	326	365
Insurance premiums	6.665	6.240
Banking and similar services	2.710	2.816
Advertising, publicity and public relations	967	1.695
Supplies	5.161	4.990
Other services	36.227	33.371
<b>TOTAL</b>	<b>140.245</b>	<b>131.899</b>

### 19.5 The average number of persons employed during the financial years 2023 and 2022 is shown below:

CATEGORIES	No. of employees		Men		Women	
	2023	2022	2023	2022	2023	2022
Executives and managers	101	95	94	89	7	6
Controls	919	857	726	684	193	173
Technicians	742	680	399	371	343	309
Administrative	819	787	196	181	623	606
Various trades	3.519	3.381	3.395	3.254	124	127
<b>TOTAL</b>	<b>6.100</b>	<b>5.800</b>	<b>4.810</b>	<b>4.579</b>	<b>1.290</b>	<b>1.221</b>

### The number of persons employed at the end of each financial year is shown below:

CATEGORIES	No. of employees		Men		Women	
	2023	2022	2023	2022	2023	2022
Executives and managers	102	99	96	92	6	7
Controls	931	881	729	697	202	184
Technicians	772	690	414	378	358	312
Administrative	825	796	193	182	632	614
Various trades	3.527	3.433	3.402	3.303	125	130
<b>TOTAL</b>	<b>6.157</b>	<b>5.899</b>	<b>4.834</b>	<b>4.652</b>	<b>1.323</b>	<b>1.247</b>

The Company has 91 employees with a disability of 33% or more as at 31 December 2022 (85 as at 31 December 2022).

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19.6. Wages, salaries and similar. The detail at 31 December 2023 and 2022 is as follows:

<b>WAGES AND SALARIES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Wages, salaries and similar.	181.197	168.298
Indemnities	908	1.089
<b>TOTAL</b>	<b>182.105</b>	<b>169.387</b>

19.7. Social charges. Details as at 31 December 2023 and 2022 are as follows:

<b>SOCIAL CHARGES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Social security to be paid by the company	60.031	54.253
Other social expenditure	3.860	3.258
<b>TOTAL</b>	<b>63.891</b>	<b>57.511</b>

19.8. Financial expenses. These are detailed as follows at 31 December 2023 and 2022:

<b>FINANCIAL EXPENSES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Interest on debts with group and associated companies (Note 19.2)	689	106
Interest on bonds and debentures (Note 15.1)	17.458	20.777
For third-party financial debts (Note 15.2)	49.701	12.856
Restatement of provisions (Note 14)	2.372	2.187
<b>TOTAL</b>	<b>70.220</b>	<b>35.926</b>

19.9. Exchange differences. Details as at 31 December 2023 and 2022 are as follows:

<b>EXCHANGE RATE DIFFERENCES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Positive exchange rate differences	20.372	13.784
Negative exchange rate differences	(23.379)	(23.107)
<b>TOTAL</b>	<b>(3.007)</b>	<b>(9.323)</b>

19.10. Impairment and gain or loss on disposal of financial instruments. The detail at 31 December 2023 and 2022 is as follows:

<b>IMPAIRMENTS AND LOSSES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Impairment of non-current investments in Group companies and associates (Note 7.1)	1.418	44.899
Other	(318)	(10)
<b>TOTAL</b>	<b>1.100</b>	<b>44.889</b>

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#### 19.11. Losses, impairment and changes in provisions for commercial operations.

The heading "Losses, impairment and changes in trade provisions" in the accompanying income statements for 2023 and 2022 basically includes the following items:

<b>LOSSES, IMPAIRMENT AND CHANGES IN PROVISIONS FOR TRADING OPERATIONS</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Provision for Loan Loss Provision (see note 10.4)	1.080	3.372
Reversal Provision for bad debts (see note 10.4)	(2.592)	(981)
Losses on bad debts (see note 10.4)	3.264	2.176
Other short-term provisions	901	(1.054)
<b>TOTAL</b>	<b>2.653</b>	<b>3.513</b>

#### 19.12. Other current administrative expenditure.

The heading "Other current management expenses" in the accompanying income statement for 2023 mainly includes Euros 1,151 thousand relating to long-term provisions (see note 14) (Euros 784 thousand for the same item at 31 December 2022).

#### 19.13 Leases

In its position as lessee, the Company has entered into leasing contracts for assets of different types, mainly offices in the municipalities where it provides the service that is the object of its activity and transport elements with leasing contracts.

In general, the leases entered into by the Company do not include variable payments; only certain contracts contain clauses to update the rent, mainly in line with inflation. In some cases, these contracts contain restrictions on use, the most common of which are those limiting the use of the underlying assets to geographical areas or to their use as office or production premises. The lease contracts do not include significant residual value guarantee clauses.

At 31 December 2023 and 2022, the expenses recorded under the heading "Other operating expenses" in the accompanying income statement amounted to

<b>LEASES</b>		
<i>(Amounts in thousands of euros)</i>		
	<b>31.12.23</b>	<b>31.12.22</b>
Leasing of real estate	8.055	6.925
Leasing of machinery and transport equipment	7.757	7.347
Other leases	7.587	6.314
<b>TOTAL</b>	<b>23.399</b>	<b>20.586</b>

Under "Property leases", the Company records as the main item the rent paid to Fedemes, the FCC Group company in charge of managing the corporate buildings in Spain, including the offices at Avenida Camino de



Santiago, 40 and Federico Salmón, 13 in Madrid, the office at calle Balmes 36 in Barcelona and the office at Avenida Kansas City in Seville. In all of them there is an annual review based on the CPI and an annual renewal, which means that there are no future minimum payments in these contracts.

Other leases" mainly includes the expense accrued for the rental of computer equipment and servers owned by the subsidiary, Hidrotec Tecnología del Agua, S.L.

## NOTE 20. AUDITORS' REMUNERATION

The Company's auditor at year-end 2023 is Ernst & Young, S.L.

The fees accrued during the year for services rendered by the Statutory Auditor are as follows:

*Amounts in thousands of euros*

	2023			2022		
	Lead Auditor	Other auditors	Total	Lead Auditor	Other auditors	Total
Audit Services	82	-	82	81	15	96
Other Verification Services	8	11	19	15	124	139
<b>Total Audit and Related Services</b>	<b>90</b>	<b>11</b>	<b>101</b>	<b>96</b>	<b>139</b>	<b>235</b>
Tax Advisory Services	-	-	-	-	63	63
Other services	-	37	37	-	54	54
<b>Total professional services</b>	<b>-</b>	<b>37</b>	<b>37</b>	<b>-</b>	<b>117</b>	<b>117</b>
<b>TOTAL</b>	<b>90</b>	<b>48</b>	<b>138</b>	<b>96</b>	<b>256</b>	<b>352</b>

## NOTE 21. ENVIRONMENTAL INFORMATION

Aqualia continues to work on the development and implementation of an Integrated Management System, which allows:

- Ensure compliance with all applicable contractual and legal requirements.
- To have information and indicators that ensure the effectiveness and efficiency of Aqualia's processes.
- Enable continuous improvement, through Management System objectives and Committees.

To this end, in 2023, in relation to the Carbon Footprint, work has been carried out on calculation, verification, reduction and compensation actions:

- Carbon Footprint Calculation, Reduction and Offset Project (Lleida) (2022-2024): Established a Reduction Plan for the period 2023 - 2024; reached a 0 footprint for scope 2, through the consumption of electrical energy with GdO origin; in analysis a Compensation Plan, with the aim of compensating 100% of scope 1.
- Aqualia España's GHG (Greenhouse Gas) Reduction Plan for the period 2020 - 2023.
- Certificate "CALCULO+REDUZCO" 2022 from the HC OECC Registry of the Spanish MITERD.



- Hellín Forest Project: analysis of a compensation project through the planting of a 1.5 ha forest at the Hellín WWTP.

### 21.1. Energy management

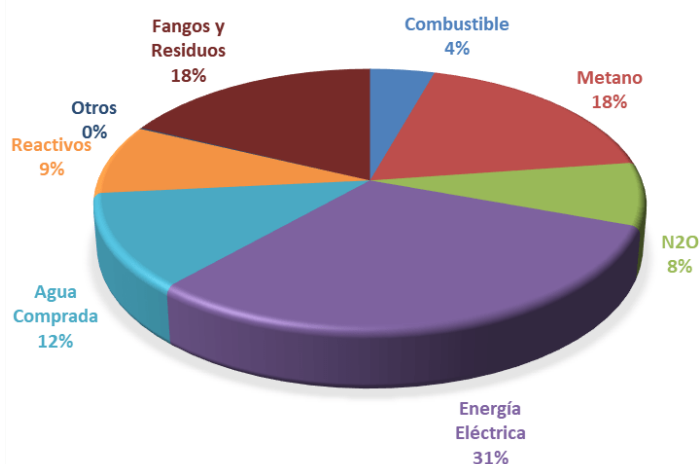
As part of its commitment to contribute to environmental sustainability, Aqualia has been implementing strategic measures to control and reduce Greenhouse Gas (GHG) emissions.

The balance sheet report for the year 2023 concisely presents these emissions, detailing their origin in various processes, as reflected in the table below:

	<i>t CO2</i>	<i>t CH4</i>	<i>t N2O</i>	<i>GHG (t CO2e)</i>	<i>%</i>
<b>SUPPLY</b>	121.054	0	0	121.110	<b>40,7%</b>
<b>SEWERAGE</b>	9.915	0	0	9.935	<b>3,3%</b>
<b>DEPURATION</b>	95.367	1.789	81	166.866	<b>56,0%</b>
<b>VARIOUS</b>	0	0	0	0	<b>0,0%</b>
<b>TOTAL</b>	<b>226.336</b>	<b>1.789</b>	<b>81</b>	<b>297.911</b>	

By issuing agent, the following graph shows the percentage impact of each of them:

GEI POR AGENTE EMISOR ESPAÑA (T CO2E)



+

The pie chart shows that the largest emitter in the company's activity is electricity consumption, accounting for approximately 31% of total emissions. Other significant emissions are linked to wastewater management, either as inherent to the infrastructure managed or dependent on the volume and pollution at the entrance to the facility. In this context, the effective reduction of these emissions is practically a challenge beyond the company's reach.



Consequently, Aqualia's strategic plans for the control and reduction of GHG emissions have focused mainly, although not exclusively, on reducing those derived from electricity consumption. These key initiatives include:

- Reduction of electricity consumption through substantial improvements in the energy efficiency of managed systems.
- Reduction of the emission factor associated with the energy consumed.

#### **21.1.1. Energy efficiency improvement plan**

The plan is being developed under the ISO 50001-Energy Management Systems standard, which Aqualia has had in place since 2016.

In accordance with the provisions of this management system, the contracts included within the perimeter of the management system are subject to an energy audit-review every four years, according to the guidelines established in the standard, the purpose of which is to see the results of the efficiency measures implemented since the previous review, as well as the proposal of new measures to improve energy efficiency.

The monitoring of the proposed improvements and their implementation is carried out by means of an IT tool, included in the technical *reporting* platform, *Aqualia RT-BI*.

During 2023, these audits have been extended to the new contracts in Georgia and Colombia, starting with the training of technical staff in these countries, which in Georgia have already reported the results of the first phase of the audit, with proposals for the renovation or improvement of several facilities. These proposals are being incorporated into the Master Infrastructure Plan that the company is drafting for those contracts.

The main objectives related to the reduction of energy consumption are set by the commitments of the Sustainability Plan undertaken by the company:

- P1.1 "By 2023, =<27% of the volume of unregistered water divided by the total volume of water introduced into the distribution network (contracts older than 5 years)".
- P1.2 "By 2023, =<12. Volume of unregistered water per kilometre of network per day (contracts older than 5 years)".
- P2.3 "By 2023, 3% reduction in KWh/m<sup>3</sup> of energy used in drinking water adduction, treatment and distribution processes (weighted calculation using the m<sup>3</sup> managed in each of the three processes. MWC and BOT contracts over 5 years)".
- P2.4 "By 2023. 3% reduction in KWh/Kg COD removed for energy used in wastewater treatment processes (weighted average value for MWC and BOT contracts older than five years)".

#### **21.2. Reducing the emission factor of the electricity consumed**

As is well known, the emission factor refers to the amount of greenhouse gas emissions released into the atmosphere per unit of activity or unit of production.

This factor is typically expressed in terms of carbon dioxide equivalent emissions (CO<sub>2</sub> e), which is a standardised measure that combines the emissions of different greenhouse gases in terms of the global warming potential of CO<sub>2</sub>. Therefore, decreasing this factor for energy consumed leads to a reduction of emissions from energy consumption.



The company's way of reducing the emission factor of the electricity consumed is through the use of renewables.

The commitments set out in the company's Sustainability Plan include:

- P.2 "By 2030, 50% of renewable energy used generated by own installations, PPAs or procurement, divided by total energy consumed (MWC and BOT contracts of more than three years)".

Currently, the objective is close, thanks to the installation of plants for self-consumption, the use of the biogas resulting from the digestion of sewage sludge for electricity generation, also for self-consumption of the plants themselves, cogeneration systems, hydraulic generation, etc.

By 2024, 34 MW of solar photovoltaic power is expected to be commissioned in various projects, mainly in Spain.

Another source of renewable energy supply is the purchase of green energy through PPAs (*Power Purchase Agreement*).

Since 2020, 76GWh/year of electricity from photovoltaic plants has been purchased through this model, and since October 2023, a new contract for 75GWh/year of electricity, also from photovoltaic plants, has been incorporated.

The company's energy mix for 2023 is shown in the graph below:



## NOTE 22. TRANSACTIONS WITH THE COMPANY'S DIRECTORS AND MANAGEMENT TEAM

*Board of Directors.*

The members of the Board of Directors have not received any remuneration from the Company.





In addition, no advances, loans or other guarantees of any kind have been granted to these members of the Board of Management, nor have any pension or life insurance obligations been entered into in respect of them.

Board members who hold positions in companies in which FCC Aqualia, S.A. participates do not directly or indirectly participate in other companies of the FCC Aqualia Group, but may hold positions, perform functions and/or have stakes of less than 0.01% in other companies of the FCC Group and the IFM Group.

In 2023 there were no significant transactions involving a transfer of resources or obligations between Group companies and their managers or directors.

Management Team:

The amount accrued for remuneration to members of the Management Team for salaries in 2023 amounts to 4,531 thousand euros (5,046 thousand euros in 2022). The management team consists of 16 people in 2023, two fewer than in 2022.

## **NOTE 23. FINANCIAL RISK MANAGEMENT POLICY**

The concept of financial risk refers to the variation, due to political, market and other factors, of the financial instruments contracted by the Company and their impact on the financial statements.

FCC Aqualia's risk management philosophy, in line with that of the FCC Group, is consistent with the business strategy, seeking maximum efficiency and solvency at all times, for which strict financial risk control and management criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred by the Company's operations, with the risk policy being correctly integrated into its organisation.

### Exchange rate risk

It arises from the different exchange rates used in investments and transactions with subsidiaries, associates and joint ventures, as well as with third parties whose activities are carried out in a functional currency other than that of the company preparing the financial statements. The Company's directors consider that the impact of this risk will not be material.

### Credit risk.

Credit risk is the risk that the counterparty to a contract will default on its contractual obligations, resulting in a financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy third parties and obtaining sufficient collateral to mitigate the risk of financial loss in the event of default.

Its main customers are public bodies or ultimate consumer customers in activities related to the integral water cycle, so it does not have significant exposure to credit risk. Likewise, the concentration of credit risk is not significant.

### Solvency risk

At 31 December 2023, FCC Aqualia's net financial debt amounted to 485,518 thousand euros (501,144 thousand euros in 2022), as shown in the following table:

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	Amounts in thousands of euros	
	2023	2022
Bonds and other marketable securities (Note 15.1)	658.344	657.975
Amounts owed to credit institutions (Note 15.2)	1.097.458	1.096.840
Current financial debts with group companies (excluding tax effect) (note 15.3)	114.905	76.466
Financial debts with third parties (note 15)	7.643	11.038
Loans to companies (excluding Group companies due to tax effect) (note 8)	(1.241.005)	(1.166.230)
Other current financial assets (note 8.3)	(13.189)	(12.915)
Short-term loans to third parties (note 9.2)	(13.526)	(12.691)
Treasury and cash equivalents	(125.112)	(149.339)
<b>Net financial indebtedness</b>	<b>485.518</b>	<b>501.144</b>

### Liquidity risk

In 2022, the Company signed a syndicated loan for an amount of 1,100,000 thousand euros and a maturity of 3 years, extendable to one more year, which has materialised in 2023, the current maturity date being 22 June 2026.

In terms of operational management, the impact of the Covid-19 crisis on the Company has been increasingly limited, with no interruption in service provision or even in sports facilities activities.

## **NOTE 24. OTHER INFORMATION**

### **24.1. Post-closing events**

No events have occurred since the end of the financial year that significantly affect the content of these annual accounts.

### **24.2. Information on payment deferrals made to suppliers. Third additional provision "Duty of information" of Law 15/2010, of 5 July.**

The Official State Gazette in Spain has published Law 18/2022 of 28 September on the creation and growth of companies, which aims, among other things, to reduce commercial late payments. The new law changes Law 15/2010 of 5 July 2010 amending Law 3/2004, which established measures to combat late payment by regulating payment periods in commercial relations between Spanish companies or between companies and the Spanish Administration. Specifically, it amends the Third Additional Provision which established that companies must expressly publish information on supplier payment periods in the notes to their annual accounts. Following the publication of Law 18/2022, unlisted companies that do not present abridged accounts, as is the case of the Company, must publish the average supplier payment period, the monetary volume and number of invoices paid in a period lower than the maximum established in the regulations on late payment and the percentage they represent of the total number of invoices and of the total monetary amount of their payments to suppliers, both on their website and in their annual accounts.

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In compliance with the aforementioned Law, a table with information on the average payment period to suppliers is set out below.

	Average supplier payment period	
	2023 Days	2022 Days
Average supplier payment period	56	60
Ratio of paid transactions	55	59
Ratio of transactions outstanding	62	64
	Amount	Amount
Total payments made	539.132	508.383
Total outstanding payments	56.773	75.201
Total payments made in a period shorter than the maximum period established in the late payment regulations	334.912	294.803
% of total payments made	62%	58%
Total number of invoices paid in the period	265.378	238.471
Number of invoices paid in a period shorter than the maximum period established in the late payment regulations.	164.624	124.052
% of total number of invoices paid in the financial year	62 %	52 %

## 25. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (See Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting and rules.

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## **MANAGEMENT REPORT 2023**

### **ON FINANCIAL STATEMENTS**

**AS OF  
31/12/2023**

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## 1. BUSINESS MODEL AND STRATEGY

Aqualia provides technical solutions and quality services in all phases of the integral water cycle with the aim of improving the well-being of people and the communities in which it operates, preserving water resources and the environment, and improving management efficiency, having as one of its main references the Sustainable Development Goals (SDGs) of the United Nations, and all in accordance with the legal and regulatory frameworks existing in each geography.

The rapid urbanisation process in emerging countries, as well as the need to improve the living conditions of the population and to optimise a scarce resource, in a process of climate change such as the one the world is going through, lead national and regional governments, local corporations and industrial corporations to search for specialised operators to help them provide effective solutions to the problems of water supply, sanitation and wastewater treatment.

Addressing the water challenge is undoubtedly the great challenge facing Aqualia, which in recent years has been facing scenarios of scarce rainfall in the geographies in which it operates, with episodes of particularly persistent drought in Mediterranean areas and Andalusia, accompanied by intense rainfall of dispersed location that, in some cases, have caused flooding with damage to supply infrastructures. The need to innovate in water and move towards a new, more conscious and sustainable paradigm requires innovation to overcome the challenge facing the sector, if the levels of well-being we currently enjoy are to be maintained.

Aqualia is one of the main international operators that focuses its management on business models based on public-private collaboration in specific geographic areas and acts guided by an objective of sustainable growth that maintains profitability criteria and allows the integration of all the capacities of the value chain in the water cycle, from the design of facilities to the management of large investment projects in water systems.

The most important activity is the management of integrated water services in municipalities, through long-term concession models or asset ownership, in countries with proven regulatory systems.

Aqualia operates municipal water concessions in Spain, Portugal, Italy, France and Colombia, as well as owned assets in Spain, the Czech Republic, Georgia and Colombia. One of the main objectives is to consolidate organic growth in these markets and extend its activity to other European and American

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countries with consolidated regulatory models. Of note in this regard is the entry into the perimeter of full-cycle management assets in the United States, as a result of the acquisition made at the end of the year.

Aqualia also develops alternative and/or complementary business models, such as infrastructure concessions.

In these cases, Aqualia designs, builds, finances and operates long-term infrastructures, often treatment plants (drinking water treatment, purification, desalination) through BOT (*Build, Operate and Transfer*) type contracts and *take or pay* mechanisms in which the recovery of the investment associated with the infrastructure to be operated is guaranteed by availability, without assuming demand risk.

These formulas, which combine technical *know-how* with the ability to design structured financing, are increasingly in demand by operators or public agencies and industrial corporations in emerging countries.

Aqualia concentrates its activity in this business model in Spain, America (Mexico, Peru, Chile and the USA) and MENA (Saudi Arabia, Algeria, Egypt, Qatar and the United Arab Emirates).

These two business models, with relevant, high added value and long-lasting investments, are another of Aqualia's lines of development, on which it is basing part of its growth.

Other business models, such as O&M (*Operation & Maintenance*) or EPC (*Engineering, Procurement and Construction*) contracts, are considered on a project-specific and strategic basis.

Generally speaking, in these activities, Aqualia competes in projects where either the fundamental competitive factor lies in the technical capacity or quality of the services and not exclusively the price, or where the projects are of a significant size, or have a strategic interest or potential synergies due to the territory, the technology or the client where the contract is being developed.

In EPC contracts, Aqualia takes advantage of the opportunity offered by its experience with leading construction companies to create alliances in the construction of large infrastructures, which allows for a reduction and/or transfer of construction risk.

Aqualia consolidates and develops its activity in certain territories, avoiding excessive dispersion and taking advantage of commercial and scale synergies.

In **Europe**, especially in the municipal concessions business, maintaining the high renewal rates of its contracts and taking advantage of opportunities that may arise in both organic growth and value-adding

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acquisitions.

In **the Americas**, through the consolidation of long-term concession and municipal district contracts, infrastructure concessions or flagship design-build projects.

In **MENA**, developing a consolidated position in infrastructure concession or high value-added O&M contracts.

## 2. MARKET SITUATION

### 2.1. Domestic market

During the year 2023, the effects of the Covid-19 pandemic in terms of water consumption have been definitively overcome. Unfortunately, a new crisis of resource availability has appeared, due to the prolonged drought in large parts of Spain. The recovery of economic activity, especially in the services and tourism sectors, has also been affected by the effects of the Ukrainian invasion, especially due to the exorbitant increase in material costs, which have been offset by the drop in energy costs, resulting in a Consumer Price Index (CPI) that has remained high, although it has moderated in relation to the year 2022, ending the year with a year-on-year increase of 3.1% and the underlying CPI of 3.8%.

With regard to the drought, the accumulated water reserve began the year at values of 47% of the available volume of water in reservoirs, reaching 39% in August, with a slight recovery in the last quarter of the year. Overall, reserve values have remained nearly 20 points below the average of the last 10 years. The internal basins of Catalonia, Andalusia and Murcia maintain reserve values below 20%. In these territories, consumption restriction rules have been adopted by lowering supply pressure, night-time cut-offs and severe restrictions on non-priority consumption (swimming pools, irrigation, washing, beaches). In these areas, the volumes billed in the second half of the year have been affected, and are still affected at the beginning of 2024.

The Spanish Government and some Autonomous Regions have approved emergency plans, especially for the construction of new infrastructures such as new deep water catchments, expansion of desalination plants and improvement of surface water use. Of particular note are new desalination projects in Barcelona, Almeria and Malaga, and water reuse in Andalusia and Alicante, valued at a total of 1.4 billion euros, which will be implemented in 2024 and subsequent years. The Spanish Government also approved the third cycle of hydrological planning for all the national basins, for the period ending in 2027, with special attention to

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maintaining ecological flows and maintaining the quality standards set by the European Directives, with a total budget of 22.8 billion euros for the necessary actions.

The Government of Spain approved the PERTE project for the Digitalisation of the Urban Water Cycle, with 1.6 billion euros in funding from the European Mechanism for Reconstruction and Development. Two calls for tenders were launched during the year, each with a grant of 200 million euros. In the first, Aqualia was awarded the project submitted for the Campo de Gibraltar (Cádiz). We have submitted 13 proposals in different areas of the country for the second call, which we expect to be resolved during the first half of 2024.

With regard to the evolution of electricity costs, Aqualia has maintained a policy of diversification of its suppliers, through the contracting of two PPAs (*Power Purchase Agreement*) and the closure of fixed tariffs in the fixed and futures markets for a high percentage of our CUPs supply points. This has allowed us to depend on the free market (OMIE) for only 17.7%, which has allowed us to maintain an average cost in the year 34% lower than in 2022. On the other hand, the reagents necessary for water treatment rose by 9.4% and the cost of purchasing materials increased by 18% in the year compared to 2022. Likewise, average labour costs in Spain increased by 5.7% in 2023, the highest increase in the last 20 years.

With regard to tariff billing for residential and industrial customers, there has been very irregular behaviour in 2023. In the first half of the year, there was an increase of 2.3% in the volumes billed to low customers, recovering pre-pandemic values. In the third quarter, due to the effect of consumption restrictions due to the intensity of the drought, especially in Andalusia and Catalonia, there was a restriction of -2.6% in the average consumption of customers. The average value for the year finally ended with a slight growth compared to 2022 of 0.2%. During 2023, the ban on water cut-off for non-payment by vulnerable customers has been maintained, without in practice having significantly affected Aqualia's collection capacity.

As for the sale of bulk water, in 2023 the volumes supplied increased by 6.6% compared to 2022. In any case, this type of supply has little weight in Aqualia's overall business. The aforementioned upstream supplies have benefited in their growth from the prolonged drought in Spain.

A special effort has been made to obtain tariff increases or subsidies to compensate for cost increases and to maintain the profitability levels of previous years, despite the fact that 2023 is an election year in the municipal sphere, which is traditionally accompanied by difficulties in tariff revisions.

In the commercial sphere, 2023 was the year in which Aqualia consolidated its presence in the industrial



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water sector. The WWTP at the Tarragona Chemical Park built for AITASA, which was inaugurated by the President of the Government of Catalonia, is the largest facility of its kind in Spain.

In the municipal concessions market, new contracts or the renewal and extension of contracts already operated by Aqualia were awarded. The main ones were those of Guía de Isora (Tenerife), Fuente del Maestre (Badajoz), Piloña (Asturias), MANSERMAN Mancomunidad de la Manchuela (Cuenca), La Roda (Albacete), Casas Ibáñez (Albacete), Hellín (Albacete), Ibiza, Sant Andreu de la Barca (Barcelona), Linares (Jaén), Puerto de la Cruz (Tenerife) and Martos (Jaén).

In O&M contracts, of note are the contracts for the operation of the water supply system in the western coastal area of Asturias, the operation and maintenance service for the sewerage network in the municipality of Madrid (Canal de Isabel II) in lots 5 Viveros sub-basin and 6 La Gavia, Sur and Sur Oriental sub-basins; the WWTPs of Plaza, La Muela and Épila and of Caspe, Maella, Calaceite and Mazaleón (Zaragoza); the improvement of sewerage networks managed by CYII in lot 1 (Madrid); technical-sports services in the indoor swimming pools of Travesas, Lavadores, Teis and Valadares de Vigo (Pontevedra); maintenance services for the water supply and sewerage installations of the Mairaga Community (Navarre); maintenance of the WWTPs in the Tudela area (Navarre) and the cleaning and inspection of sewerage networks of EMACSA (Cordoba).

In addition, the main O&M contracts extended or renewed were those for maintenance of the wastewater treatment plants in Castilla-La Mancha, zone 1 (Toledo), maintenance service for the Levinco DWTP in Mieres (Asturias), operation services for the Picadas-Almoguera (Toledo) and Mancomunidad El Girasol (Cuenca) supply systems, Maintenance and breakdown management services for the secondary supply networks of the municipalities in Zones A of the Consorcio de Aguas de Bilbao Bizkaia (Vizcaya), operation and maintenance services for the peripheral sewerage networks managed by Canal de Isabel II in lots 3 Guadarrama, 7 (Jarama,), 4 (Culebro A), 9 (Torrelaguna) and 11 (Santillana); Maintenance service for the wastewater treatment plants of Toledo and Santa María de Benquerencia in Toledo (Toledo); maintenance service for the sewerage network of the city of Zaragoza (Zaragoza) and EMASESA (Seville) and maintenance of the wastewater treatment plants of Chiclana de la Frontera and La Barrosa (Cádiz).

In terms of EPC activity, the most noteworthy awards include the enlargement works at the San Roque WWTP (Cádiz), the enlargement works at the IDAMs in Fuerteventura, Fonsalía and Granadilla de Abona (Tenerife) and the WWTP for *Fortune Pig* in Mollerusa (Lleida). During the year, construction was completed on the Seville composting plant (Ranilla WWTP), the extension of the Melilla WWTP, and work is nearing completion on the new Vigo DWTP, the Mar de Alborán WWTP (Almeria) and the Galindo WWTP (Bilbao).

Aqualia obtained new contracts in Spain in 2023 and renewed services it already operated in a total of 318 contracts. This represents an annual turnover of 241 million euros and a contracted portfolio of 720 million euros. This represents a renewal of 94% of the contracts that expired during the year, which demonstrates

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the trust and loyalty that Aqualia's customers maintain.

In the institutional and legislative field, it is worth highlighting the holding of municipal, regional and general elections in May and July 2023. There have been many changes in local and regional governments and many delays in the constitution of the new Central Government, which has led to the paralysis of many tender processes that were underway, as well as the momentum of the EU's Reconstruction Plan.

The meetings of the Urban Water Cycle Round Table have been held throughout 2023, with the presence of MITERD, business associations, trade unions and users, as an embryo of the future Urban Water Observatory of Spain, foreseen in the PERTE. The Government has approved, in the first days of 2023, the transposition of the new Water Quality Directive intended for human consumption. It has also amended the Consolidated Text of the Water Law and the Public Hydraulic Domain Regulations. Finally, the Water Laws of Extremadura, Aragón, Castilla la Mancha and Galicia have been revised, with a strong commitment to the regulation of the urban water cycle.

It is a continuous policy of the company to seek efficiency in operational management, highlighting the effort made in 2023 to reduce costs, especially in the reduction of consumption (energy, materials and water purchases), an action that has allowed for an improvement in efficiency ratios, despite the aforementioned price increases. Progress has been made in the creation of eleven regional logistics centres to obtain synergies in purchasing capacity and to have warehouses provided by suppliers.

During the year, we continued to reduce costs linked to customer management, with policies of pursuing fraud in the measurement of consumption, strengthening electronic invoicing, increasing the direct debit of bills, controlling bank fees, reducing face-to-face customer service and moving to other channels (telephone, social networks, Internet).

In the field of digitalisation, the technology centres in Denia (Alicante), Oviedo and Toledo have been put into operation, where the *Aqualia Live* integrated digital management tool for water services is being developed, which enables integrated management of water networks, incidents, issuing of work orders, asset management and meters.

Aqualia has promoted actions in Spain as a socially committed company, with the renewal of the agreements with Caritas, and with the environment, with numerous initiatives aimed at reducing greenhouse gas emissions, opting for green energy. Likewise, Aqualia, as a founding member of the *StepbyWater* Alliance, continues to promote the development of its founding objectives, under the chairmanship of Aqualia's CEO.

## 2.2. International market

In the international sphere, Aqualia has concentrated its activity in 2023 mainly in Europe, North Africa and

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the Middle East (MENA) and Latin America (LATAM).

### 2.2.1. Europe

Developments in Europe in the financial year 2023 were characterised by the following highlights:

- **Moderate reduction in consumption**, due to: a) the effects of the health crisis that began in 2020, the consequences of which are still being felt in some regions, b) public awareness of the need to save water and care for the planet, and c) the sensitivity of demand to tariff increases due to the rise in operating costs. In this respect, it is worth highlighting the 3.4% reduction in consumption in the Czech Republic and 2% in Italy compared to the previous year.
- **Increases in water and sewerage tariffs**. As a result of inflation due to the global energy crisis caused by the war in Ukraine, the operating costs of water services have risen significantly which, thanks to the resilience of water contracts supported by mature regulatory systems, have translated into parallel increases in tariffs. Thus, the Czech Republic has increased its tariffs by 24.3% and France by 6.7%.
- Member states have adopted **supply-side policies in the face of water scarcity** based on the search for new water resources in desalination and reuse and greater control of groundwater and surface water, as well as **demand-side policies** for leakage reduction, sectorisation and digitalisation through the allocation of European funds.
- The **sustainability plans** for the reduction of the carbon footprint and the circular economy for the use of waste from the sector in new usable resources (reused water, biogas, biofertilisers, renewable energies) promoted by the European Union and the improvement of the quality of distributed and discharged water, have served as a guiding thread for the development of new regulations and the promotion of innovation in treatment technologies.

In the **Czech Republic**, annual inflation has grown in double digits, with the resulting increase in operating costs which, due to the application of the regulatory system, ends up having an impact on the setting of new supply and sanitation tariffs. The rise in prices has not been a barrier to implementing investments in network improvements in order to maintain the high levels of efficiency of their infrastructures.

The strength of the Czech koruna (annual average CZK 24/€) has had a favourable impact on the company's consolidated financial statements expressed in its functional currency (euro).

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In 2023, the Czech subsidiary SmVak has designed an ambitious Sustainability Plan, aligned with Aqualia's Sustainability Plan, establishing new investments aimed at improving the energy efficiency of existing infrastructures and reducing the system's carbon footprint.

Commercial activity in the country has been intense, especially in the last part of the year, with the tendering of water tenders in major cities in Bohemia with existing private operators such as Příbram and Písek, despite the trend of changing the management model towards direct management. In the geographical area of coverage, Silesia and Moravia, Aqualia, through its Czech subsidiary, was successful in winning tenders in Opava, Třinec, Žabeň, Doubrava, Háj ve Slezsku and Těrlícko.

**France** continues to be the European country with the most business opportunities for organic growth despite having the world's largest competitors in the sector. Indeed, public tenders for the management of water supply, sanitation and the complete water cycle are proliferating with a French management model with special characteristics (*DSP, Délégation des Services Publiques*) with low investment needs, contract durations of between 6 and 12 years and joint management by the municipalities. Although competition is deeply rooted in the territory and margins are narrowing, Aqualia has managed to increase the population served in the country to 920,000 inhabitants, with the Pays de Dreux contracts (first for sanitation and later for distribution) and the renewal of Andresy being the most relevant milestones for 2023. In addition, the Brittany-based management unit continues to expand with the award of new contracts in Iffendic, Lamballe, Theil de Bretagne and Dinan.

All this has contributed to consolidating Aqualia's position as the fourth largest water operator in the country.

In addition to the classical model of water management, scarcity is driving new opportunities. The French Ministry of Ecological Transition took an important step on the road to water security by publishing key legislation on reuse and reinforcing support for industrial efficiency projects. The measures represent the most tangible steps so far towards the goal of increasing reuse nationally to 10% by 2030, set earlier this year in the country's Water Plan, up from 1% today.

All this, together with the constant interest of the French authorities in improving the quality of the water supplied through the application of membrane technologies, will lead to new public tenders in concession mode with investments in the improvement and extension of treatment infrastructures, as in the case of the management of the Paris metropolitan area.

In **Italy**, the concession managed by Aqualia's subsidiary in the country, Acque di Caltanissetta, has successfully implemented its 15.5 million euro project under the REACT-EU funding programme of the

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Recovery and Resilience Plans, for the installation of new remote metering systems for 90,000 subscribers, the automation and remote control of the installations and the improvement of the networks in the Sicilian province.

In addition, Acque di Caltanissetta has received funding from the Sicilian region for two new projects for the Niscemi water network and the sewerage of Manfria for a total of 8.1 million euros. In addition, the Ministry of the Environment and Energy Security has granted funding for three other projects for the improvement of sewerage and wastewater treatment in the municipalities of Delia, Marianopoli and Gela-Manfria for a total amount of 8.3 million euros.

Independently of the above, the relevant milestone of the year was the ruling of the Provincial Court of Appeal of Caltanissetta (*Corte di Appello di Caltanissetta*) in favour of the company in the amount of 10.8 million euros for cost overruns incurred at the beginning of the concession. Compensation has been made for the tariff deficit, subject to the approval of the competent authority and the Italian regulator.

The dominant management model in the Italian market is *multi-utility through* joint ventures with mixed public-private participation, as demonstrated by the recent acquisition by the gas company Italgas of the shares that Veolia managed in the country.

In **Portugal**, drought-related problems are significantly conditioning the country's water management. On the one hand, with policies of special protection of the use of water resources through increased monitoring of groundwater consumption and the holding of public tenders to promote the efficiency of distribution networks within the framework of the digital transition of the sector. On the other hand, policies have been adopted to increase supply with the announcement of the construction of new desalination and reuse infrastructures.

In this regard, the Portuguese Water Strategic Plan (PENSAARP 2030) aims to revitalise leakage reduction activity. The plan foresees that any network upgrades will introduce smart grids, in order to meet the target of 20% (10 percentage points below the current level) of non-revenue water by 2030 set by ERSAR, the sector regulator.

In the field of desalination, mention should be made of the seawater desalination projects planned for the tourist area of the Algarve, the industrial area of Sines and the agricultural area of southern Portugal.

Likewise, a new stage is opening up in the industrial sector which, aware of the water situation, is actively seeking more efficient solutions for the consumption and purification of its liquid effluents. The expectations generated by the "green energy corridor" signed by Spain, Portugal and France are paving the way for the proliferation of emerging sectors such as the production of green hydrogen, which requires intensive use of water technologies to obtain quality water and subsequently hydrogen by means of electrolysis.

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With regard to operating costs, inflation has been contained mainly thanks to the normalisation of electricity costs and their coverage, which has been ensured by the revision formulas stipulated in the concession contracts which, following negotiations with the granting administrations, have generally been passed on to the tariffs.

The gradual recovery of normality, as the restrictions in response to Covid-19 were eliminated, caused water consumption to fall by 1.4% on average in the areas where Aqualia operates in the rest of the European continent, mainly due to lower demand from residential customers. However, the growth in perimeter, tariff management and the increase in consumption by non-residential customers caused Aqualia's turnover in Europe to increase in aggregate in 2023.

On the other hand, the increase in prices in the energy markets also caused a large upward change in prices in the European countries in which Aqualia operates. However, the solidity of the regulated systems and, in general, the inclusion in the contracts of closed price clauses, futures contracts and participation in PPAs (*Power Purchase Agreements*), which has characterised the company's management in previous years, meant that Aqualia was not totally affected by the sharp increase in energy costs.

In **Georgia**, the acquisition of *Georgian Global Utilities* (GGU) was completed in February 2022, which provides the integrated water cycle service in the country's capital Tbilisi, as well as in two other nearby towns, Mtskheta and Rustavi. In total it serves a population of 1.4 million inhabitants.

During 2023, progress has been made in the following areas:

- Reorganisation of the company with the aim of increasing operational efficiency in all its processes, especially those related to repairs of breakdowns and leaks in the drinking water supply network and the reduction of energy consumption.
- Reorganisation of the company's investment execution capacity, with the objective of preparing the organisation to execute the investments planned and agreed with the regulator, at a much higher level than previously.
- Preparation of the Master Plan for the Tbilisi, Mtskheta and Rustavi integrated water cycle. Main technical document that establishes the priorities and evolution over time of the investments and the general state of all the service facilities.

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- Joint development with the *Georgian National Energy and Water Supply Regulatory Commission* (GNERC) of work on a future tariff structure with consumption blocks and fixed tariffs.
- Raising public awareness of water scarcity and the value of water through communication campaigns and public events.

At the end of December 2023, the regulator GNERC published the new water tariffs for the period 2024-2026, previously agreed with GGU, which will allow for a higher level of investments in the improvement of water cycle infrastructures.

### 2.2.2. MENA

In **Algeria**, the two desalination plants, Mostaganem and Cap Djinet, have continued to operate at full capacity and without significant incidents, providing a critically important service to the population of the country's most important metropolitan areas, Oran and Algiers.

Throughout 2023, administrative difficulties have continued to be experienced as a result of the cooling of relations between Algeria and Spain caused by the change in the Spanish government's position on the Sahara conflict.

In **Egypt**, Aqualia continued to operate to full satisfaction the Abu Rawash wastewater treatment plant, with a treatment capacity of 1,600,000 m<sup>3</sup> /d serving the western area of the city of Cairo.

As for the operation of the 250,000 m<sup>3</sup> /d New Cairo wastewater treatment plant, it continued to operate at full capacity and to the customer's satisfaction throughout the year.

The Alamein desalination plant, with a capacity of 150,000 m<sup>3</sup> /d, is a first level reference within the desalination plan designed by the Egyptian government with the aim of reducing the country's water stress in the Mediterranean and Red Sea coastal areas. In 2022, an extension of the operation and maintenance contract was signed for a period of 5 years and during 2023 the plant has been operating without incident.

In 2023, new desalination and purification tenders were put out to tender in Egypt in PPP (*Public-Private Partnerships*) and DBO (*Design-Build-Operate*) format, the results of which have not yet been published, but where Aqualia expects to be one of the winning companies.

In **Saudi Arabia**, Aqualia has completed the final works for the extension of the water service infrastructures for lines 5, 6 and 7 of the Riyadh metro in 2023.

Likewise, with regard to the 3 desalination plants traditionally operated by the Haaisco subsidiary, the Jeddah

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International Airport desalination plant, the KAUST University desalination plant and the Petrorabigh desalination plant, all of them worked at full capacity. As for the Jizan desalination plant, which is also operated by Haaisco, it finally became fully operational at the end of 2023.

Haaisco signed in June 2023 a new operation and maintenance contract for three floating desalination plants of 50,000 m<sup>3</sup> /d each for the Saudi state-owned shipping group Bahri. By the end of the year, one of the three desalination plants was already in operation, pending the addition of the remaining two. These mobile plants will initially be located in the Red Sea port of Yanbu, but can be moved to wherever they are needed on the country's coasts for periods of several months.

Aqualia leads consortia that won two of the six regional delegated water service management contracts for the national operator National Water Company in 2022: those of the North Cluster and the South Cluster. The other four contracts were awarded to consortia led by Saur, Veolia and Suez.

Each of these two contracts, Cluster Norte and Cluster Sur, have continued in 2023 to develop to the client's satisfaction, and are each comprised of an extensive team of professionals who manage and transform the client's existing water management organisation in the provinces of each Cluster. They also carry out an ambitious programme of modernisation and optimisation of the full water cycle services, aimed at preparing them for the future phase of privatisation.

The South Cluster includes the governorates of Jizan, Al Baha, Najran and Asir, and serves a population of 5.5 million. Work started on 1 June 2022. The Northern Cluster includes the governorates of Qassim, Hail, Al Jouf and Northern Border, serving a population of 2.5 million. Work began on 1 January 2023. In both the North and South, work has been progressing satisfactorily throughout the year.

In terms of new projects in Arabia, bids have been submitted in 2023 for two major projects under the *Long Term Operation and Maintenance* programme with investment in renovation and expansion of wastewater treatment plants and 15-year operation, which are still pending award.

In the **United Arab Emirates**, the subsidiary Aqualia MACE continued to provide the operation and maintenance service for the networks of collectors, pumping stations and wastewater treatment plants in the geographical area of Al Ain and Abu Dhabi capital without incident and at full capacity.

The operation and maintenance contract for the operation and maintenance of water distribution infrastructure for irrigation in agricultural production facilities and for irrigation of recreational areas also continues to operate for Al Ain Distribution Company (AADC).

In **Oman**, Aqualia continued to operate the management of the complete cycle of the Sohar port area without



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incident during 2023 through the subsidiary Ornan Sustainable Services Company. All the infrastructures for seawater desalination, supply and distribution of drinking and process water, distribution of cooling water for industries, collection and treatment of wastewater and distribution of reused water for irrigation are now fully operational.

In **Qatar**, the Al Dhakhira wastewater treatment plant in the north of the country, with a capacity of 55,000 m<sup>3</sup> /d and operated by Aqualia MACE, continued to operate. The plant supplies treated water for garden irrigation to areas near the Al Khor stadium, one of the main venues for the World Cup.

Likewise, within the framework agreements that Aqualia has signed with Ashghal, Qatar's Ministry of Public Works, for the execution of works on sewerage networks and infrastructures, work continued in 2023 on several internal lining projects for collectors and network extensions.

Within this framework of activity, a new contract was signed for the refurbishment of the Doha South wastewater treatment plant.

### 2.2.3. United States

During 2023 Aqualia has maintained its commercial activity in the United States with the active search for new projects and business opportunities. Specifically, efforts have been intensified in the acquisition of a platform for business development in the US market.

On 31 December, through its subsidiary FCC Aqualia USA Corp, acquired 97% of the company Municipal District Services (MDS), whose main purpose is the integral management of water and sanitation infrastructures in the Municipal Utility Districts (MUD) around the metropolitan area of Houston (Texas). MDS currently serves 360,000 inhabitants through 136 contracts.

Water scarcity, the obsolescence of hydraulic infrastructures and the scarce penetration of private operators in the sector are the main growth opportunities for the company in certain states. The increasingly demanding legislation on the control and elimination of emerging pollutants for the protection of aquifers and surface water is a business opportunity to be explored in the coming years.

### 2.2.4. LATAM

The deficit of water infrastructures and the search for efficiency in the existing ones are two factors that boost Aqualia's growth possibilities.

In 2023 Aqualia has continued to position itself as a benchmark in the sector in **Mexico**, thanks to a highly

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diversified portfolio of assets, which makes it a benchmark in the country. This portfolio includes the distribution and purification of water with the Querétaro and San Luis de Potosí BOT contracts, desalination through the Guaymas BOT, wastewater treatment thanks to the Cuernavaca WWTP BOT contract and the Integrated Management Improvement project, with a BOT contract structure, in Los Cabos, Baja California Sur.

The experience acquired in the BOT contracts is being used to propose projects of similar characteristics to institutional clients, where the technical and financial capacities employed give Aqualia a relevant position.

The Guaymas desalination plant, awarded in 2018 by the CEA (State Water Commission) of Sonora under a BOT scheme, and whose execution was slightly delayed by the pandemic, came into operation in mid-2022 and continues to operate satisfactorily, actively contributing both to the development of the region and to alleviating the severe drought situation that the state of Sonora is going through.

In June 2023, the first phase of the Integrated Management Improvement Project (MIG) formally began, which will increase efficiency levels and improve the provision of drinking water services in the municipality of Los Cabos through the implementation of actions related to sectorisation, user registration, micro-metering, leak detection and control, among others, under a public-private partnership scheme.

In **Colombia**, work continued on the completion of the construction of the El Salitre WWTP (Wastewater Treatment Plant) in Bogota. The plant is expected to be completed during the first half of 2024.

On 1 June, Aqualia began the execution of the contract for the management, financing, operation, rehabilitation, construction, design, expansion, replacement and maintenance of the infrastructure of the residential public utilities of aqueduct and sewerage in the district of Riohacha (Guajira). This is the company's largest operation in Colombia and will serve a population of around 310,000 inhabitants for 30 years.

With the entry into operation of the capital of the department of Guajira, Aqualia strengthens its presence in Colombia, where it now has 30 municipalities served in 8 of the country's departments, and provides services to around 1,200,000 inhabitants, consolidating its position as the second largest private operator in the country.

In addition, Aqualia has continued with the integration and improvement of the management of the services acquired in 2020 in the department of Córdoba (Aguas de Sinú, Uniaguas and OPSA), the municipality of Villa del Rosario, as well as the incorporations made in 2022 and corresponding to the services of Flandes, Ruitoque, Aguas de la Sabana, Aguas de la Península, Aguas de Albania, Aguas de Aracataca, Aquamag Fundación, Aquamag Retén and Aguas del Sur del Atlántico.

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In **Peru**, the State is immersed in a process of evaluating the efficiency of its public supply services in order to give way to private initiative in those with the worst management indicators. Aqualia is developing seven co-financed private initiatives corresponding to wastewater treatment plants and desalination plants. Four of these projects are at an advanced stage of structuring and form part of ProInversión's important portfolio of *app* projects in the short term.

### 3. FORESEEABLE DEVELOPMENTS

In Spain, expectations for 2024 are for the definitive consolidation of the recovery of pre-pandemic activity levels in non-residential consumption. This situation of application in the perimeter of Aqualia's concessions, both national and international, will be reinforced by the new assets incorporated into the perimeter in Colombia, France and the USA, together with the commissioning of the IDAM Mar de Alborán (Almería).

It is expected to maintain the high rates of contract renewal that Aqualia has historically recorded at the expiry of these contracts, over 90%. The normalisation of electricity tariffs and the maintenance of policies that increase the number of contracts that mitigate potential price volatility with a greater volume of consumption closed at a fixed price are envisaged.

It is also considered that a good part of the municipalities that Aqualia manages will adjust their tariffs or the company's remuneration to reflect the effect of the CPI increase during 2022-2023.

During the 2024 financial year, the process of awarding projects eligible for the PERTE programme's subsidy mechanism to promote the digitalisation of the integral water cycle management is expected to speed up, a process in which Aqualia is expected to be awarded some of the proposals presented.

In the concession businesses of the international activity, tariff revenues will grow as a result of the generalised increase in water and sanitation tariffs to be applied to end customers. Despite the inflationary crisis, the EBITDA margin of these businesses will be maintained due to the application of water and energy efficiency measures derived from the company's sustainability strategy. The entry into the North American market with the acquisition of a majority stake in MDS opens up prospects for new projects, not only in the state of Texas, but throughout the country.

Throughout the year, the design of renewable energy generation projects will be promoted in order to reduce the carbon footprint of the activity in the countries in our area of activity (Mexico, Qatar, Georgia, Portugal). The development of construction projects will be fairly limited in international activity as a result of the completion of the El Salitre WWTP in Colombia and the Glina WWTP in Romania, remaining fundamentally limited to the execution of projects linked to our own concessions, although we will continue to explore the

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possible participation in projects linked to hydraulic infrastructure in which Aqualia's competitive advantage, from a technological point of view, will allow us to enter into initiatives in the countries in which we are currently present.

No major variations in O&M activity are expected. Existing contracts will continue to develop at their normal pace and we expect a significant contribution from the new contracts in Saudi Arabia (management of the clusters awarded in 2023).

In Colombia, the concession business will evolve favourably with the 100% consolidation of the concessions acquired and awarded in 2022, with a consolidation of operational efficiency improvements in the existing perimeter and by obtaining synergies from the integration of the concessions implemented throughout 2023. New municipal concession tenders and new acquisition opportunities will also be presented during the year.

The final overcoming of the operational issues that arose in Mexico in the Realito aqueduct and a significant progress of the project for the Integral Improvement of Management of Los Cabos, which started in 2023, are expected.

In Peru, the definitive launch of some of the water infrastructure projects in desalination and purification through the Private Investment Promotion Agency (Proinversión) is expected in 2024. Aqualia has 5 private initiative projects under development in water treatment and another 2 in desalination.

In France, development activity will continue to increase through the search and selection of new business opportunities in municipalities within the current perimeter (Ile de France, Brittany) and beyond (Normandie, Alsace, Lorene, Val de la Loire, Haut de France, etc.).

Georgia is expected to maintain the trend of the current year's results and will start the new regulatory triennium 2024-2026 once the foundations for the three-year Infrastructure Master Plan and the new tariff framework have been laid.

During the year, the ambitious Desalination Plan in Egypt associated with photovoltaic energy generation will begin, in which Aqualia is leading a multidisciplinary and multinational consortium for its participation.

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## 4. CUSTOMER MANAGEMENT

For Aqualia, it is essential to extend the company's commitment to society, seeking excellence in customer service. The company aims to differentiate itself in the market by developing services adapted to the needs of its users. During 2023 it has continued to make progress in a strategic orientation towards the end customer, with special attention to the quality of the channels of interaction with its users, boosting technological investment.

### 4.1. Customer Service Channels

The main indicators for 2023 in the Customer Service Channels (**aqualia contact**) are:

- The specialised attention of the telephone managers, as well as the proactivity and speed in carrying out the telephone service under the *Presence* solution (*Evolutio*), allows customers to be attended continuously and without interruptions through various customer service and fault communication channels, such as: Telephone Customer Service Centre, Virtual Office, mobile application, Twitter and e-mail.
- Customer service call centre. As the first most used non-face-to-face customer service channel by users, **1,024,688 calls were** received in 2023, an increase of 4% compared to the previous year.

The Customer Service Centre by telephone offers customers the "**Appointment Management**" service to avoid waiting and crowds in the face-to-face offices, improving not only the telephone service but also offering a faster, more efficient and agile face-to-face service.

In 2023, **33,621 appointments** have been arranged for face-to-face service in the offices in a more controlled manner and without waiting.

- aqualia contact virtual office. It is the second most usable channel for users. In 2023, **145,042 interactions were** managed through the virtual office. Of these, 32.30% were for modifying data,

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20.83% for activating electronic invoicing, and 23.91% for payment by bank card.

- Application for mobile devices. Through the mobile application, available to customers on *smartphones* and tablets, **87,702 interactions were** managed in 2023, with 70.74% of them involving payment by credit card and 16.02% involving the modification of data.
- Twitter @aqualiacontact. Through the @aqualiacontact account, messages sent by users are dealt with and managed (**918** in 2023). Also SMS messages for notifications of bills with incidents and notices of network breakdowns (954,697 SMS messages sent in 2023).

The efficiency of all customer relations channels has led to a **very low complaints rate of 0.69%** in 2023, with a maximum average response time to complaints set at 11 calendar days. Also noteworthy is the maximum average time for meter installation (from the time the meter is requested), set at 6 calendar days.

In order to meet customers' high expectations regarding the service offered, Aqualia will continue to make progress in offering an omnichannel quality experience in their interactions with the company. The objectives set in this area are as follows:

- More pleasant and higher quality customer experience
  - Any operation from any channel
  - Single processes for all channels
- More responsive and capable care
  - Cross-platform clients
  - Leveraging resources, developing communication skills by channel.
- Projects will be initiated in 2024 with the use of new technologies allowing a greater attention with more agile and efficient management for customers, such as:
  - Professional *Whatsapp*
  - *Click to call* from the web
  - *Bizum®* payments
  - Electronic signature of documents

## 4.2. Invoicing and collection management

At December 2023, billing has changed compared to the previous year, on a like-for-like basis, with an increase in m3 of 2.56%, mainly due to domestic consumption in Georgia (9.13%) and high water consumption in the Czech Republic (7.83%) and Spain (6.61%). This increase has an impact on the 5.72% increase in the invoicing amount, also taking into account a high increase in tariffs in the Czech Republic,

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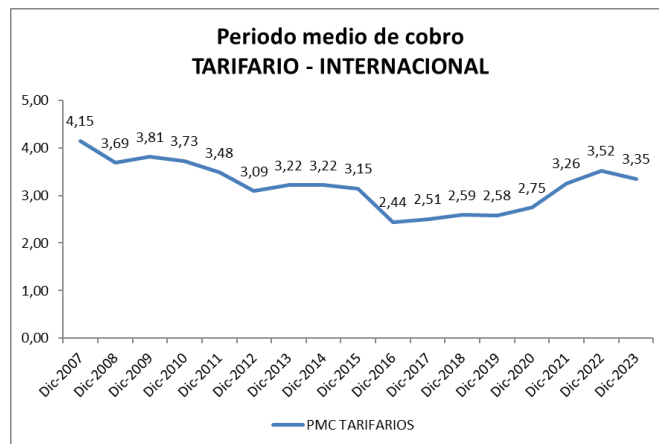
both in supply and sewerage (24%), and in high water (14%) in Colombia and in France, and the impact of the exchange rate variation of the Georgian lari.

With regard to the different collection methods, direct debit accounts for 89% of total collections, followed by bank transfer (5%), cash collection (2%), bank counters (2%) and POS (2%).

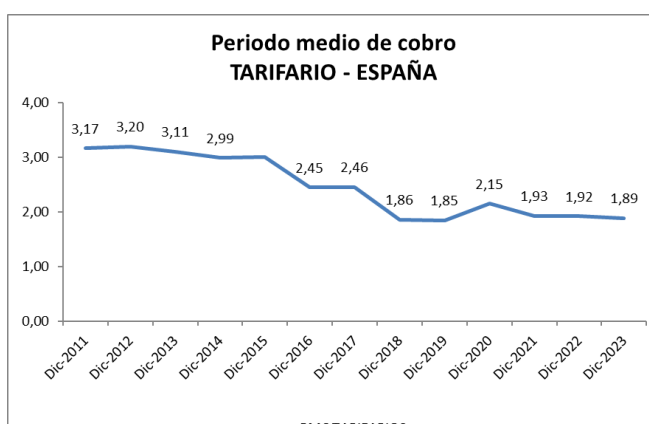
#### 4.2.1. Average collection and default period

Aqualia's global average collection period has seen an upturn mainly due to the increase in activity in the international area in recent years, with the recent incorporation of the concessions: in Colombia, of Magdalena, Flandes and Sabana (at the end of 2022) and Riohacha (and in mid-2023) and in France, the new concessions of Bretagne (January 2023) and Dreux (October 2023).

In Spain, the continuous improvement of management processes has led to an average tariff collection period of 1.89 months, which places Aqualia at values similar to those prior to the pandemic.

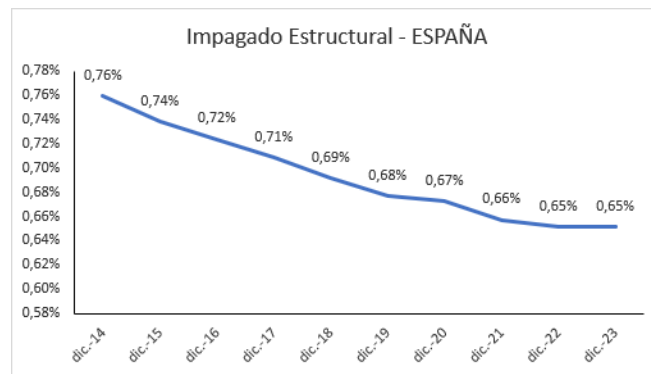


In the tariff non-payment has the most important the following



processes, structural been improving annually, case being Spain, with evolution:

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Aqualia has continued to promote the use of electronic billing among its customers, carrying out specific campaigns in 2023 to promote the use of electronic billing and progressively replacing as many paper bills as possible. This action has led to a 15% increase in the number of electronic invoices issued by December 2023 compared to the previous year, reaching an overall ratio of 24.42% in Spain and an overall accumulated total of 38.72%, thus contributing to the fight to preserve the environment, with 1,526,887 customers opting to receive this type of invoice and issuing more than 10,700,000 electronic invoices per year.

#### 4.2.2. New virtual office project

The project includes the construction of a new website aimed at the end customer, which will replace the current virtual office, with the aim of improving service levels, providing new functionalities and guaranteeing



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ease of use and agility in the different procedures to be carried out.

It has a modern and intuitive design adapted to the Aqualia brand and optimised for browsing on mobile devices.

The solution is integrated with business management systems, allowing queries and interactions to take place *online*.

It is a solution that provides flexibility in the face of changes in business systems and organisational structure, such as the incorporation of a new farm, contract, company or country.

The solution includes a parameterisation module with multiple configuration options associated with the different levels of the organisational structure.

It will be deployed to cover all farms, with appropriate country and legal entity adaptations.

Production is planned for the first half of 2024.

#### **4.2.3. Electronic signature of documents project**

The aim of the project is to have a SaaS platform integrated with the commercial system and allowing the electronic signature of documents.

A large number of files requiring signatures, physical archiving and digitisation of documentation are handled on a daily basis.

This solution will allow the achievement of efficiencies and improvements in different business aspects such as:

- Improvements in different processes and automation of tasks.
- Improvements in customer orientation and service.
- Reducing costs by minimising the time spent on tasks and the use of paper.
- Improved access to and storage of documentation.
- Ensuring the signature, validity and security of documents.

The solution is currently under construction and will be available in production in the first half of 2024.

#### **4.2.4. Genesys Cloud platform implementation project**

This involves the implementation of a *cloud-based contact centre* platform that will enable the incorporation of significant improvements in the customer services provided by telephone. The main features of the tool include:

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- Unified communications solution for both telephone and other channels such as email or social networks.
- High availability and redundancy of the platform, guaranteeing 99.99% availability, with 24x7 support.
- Roadmap/Innovation, additional improvements are included on a weekly basis and can be used automatically.

The solution will be deployed in production for *call centre* agents in the first quarter of 2024.

### 4.3. Data protection

Since the entry into force on 25 May 2018 of EU Regulation 2016/679, RGPD, as well as the entry into force on 5 December 2018 of Organic Law 3/2018, on the Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD), Aqualia began the process of regulatory adaptation in terms of data protection. A continuous review of compliance and adaptation to the legislation in force is carried out on an ongoing basis in all the entities, given that it applies to all the areas affected in the following aspects:

- Employee Scope
- Customer Scope
- Supplier Scope
- Scope of Contractual Relations FCC Group
- Area of Contractual Relations Public Administrations
- Documentation and internal management
- Area Information Technology and Information Security
- Technical and organisational measures

The organisation's data protection risks are shown in risk heat maps. The heat map is a tool that is presented as a two-dimensional matrix showing the probability of a risk occurring while the impact of that risk is plotted on the Y-axis.

The origin of these results is the risk analysis of the different personal data processing activities carried out by the company, which tries to reflect the extent to which a processing activity, due to its characteristics, the type of data to which it refers or the type of operations, may cause harm to data subjects.

The following aspects of actions and reviews implemented in 2023 are included in the risk analysis:

- Draft Binding Corporate Rules
- Updating and implementation of contractual clauses for employees, customers and suppliers
- Review Register Data processing activity

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- *econtrols* Privacy Governance Project

Heat maps:

**Initial situation May 2018:**

PROBABILIDAD				
Muy alta - Máxima	0	0	0	0
Alta - Significativa	4	171	0	0
Media - Limitada	132	468	224	0
Baja - Despreciable	0	1	0	0
	Muy bajo - Despreciable	Medio - Limitado	Alto - Significativo	Muy alto - Máximo

**Status December 2023:**

PROBABILIDAD				
Muy alta - Máxima	0	0	0	0
Alta - Significativa	0	0	0	0
Media - Limitada	9	87	18	0
Baja - Despreciable	127	615	199	0
	Bajo - Despreciable	Medio - Limitado	Alto - Significativo	Muy alto - Máximo
	IMPACTO			

A continuous review of implementation and compliance with the principles of the Regulation and the LOPDGDD is also carried out:

- Management, review and reply to emails received in the departmental data protection mailbox.
- Review and analysis of new suppliers, contracts and systems prior to implementation.
- Stakeholder rights management
- Carrying out on-site visits at national level to monitor compliance in the offices.
- Compliance monitoring management through questionnaire and meeting via *Microsoft Teams* in international area.

**4.4. Social action**

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Although the capacity to set tariffs and regulate the provision of services in the full water cycle in Spain is the exclusive competence of the Administration, Aqualia actively promotes social action mechanisms in tariffs and solidarity funds for the most disadvantaged users. In addition, the company has worked to improve coordination with the social services of the local councils to protect customers at risk of social exclusion. For example, as part of its commitment to ESG (*Environmental, Social and Governance*) criteria, Aqualia has been renewing its collaboration agreement with *Cáritas Española* since 2015, subsidising the total water consumption of all *Cáritas* facilities in Spain where Aqualia provides services. To date, more than 350,000 euros have been subsidised with *Cáritas* since 2019 to support initiatives of this humanitarian organisation in Spain. In the same way, access to water has been guaranteed to any person in a situation of vulnerability. During the pandemic, tailor-made payment plans were prepared for affected customers, and these have been maintained and extended over the years.

The information on tariffs and social vouchers is available on Aqualia's website for all users. Aqualia also informs customers in the notifications sent to them of the possibility of setting up deferred payment plans. During this year, more than 6,200 payment plans have been made according to each customer's needs. During 2023, 2,900,000 users had access to subsidised tariffs in Spain, 600,000 more than last year, and in the rest of the countries, the number exceeds one million users.

For Aqualia, it is essential to extend the company's commitment to society, seeking excellence in customer service. The company aims to differentiate itself in the market by developing services adapted to the needs of its users. During 2023, it has continued to make progress in a strategic orientation towards the end customer, with special attention to the quality of the interaction channels with its users, boosting technological investment.

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## 5. EFFICIENT AND SUSTAINABLE MANAGEMENT

### 5.1. Management systems

Aqualia continues to work on the development and implementation of an Integrated Management System, which will allow:

- Ensure compliance with all applicable contractual and legal requirements.
- To have information and indicators that ensure the effectiveness and efficiency of Aqualia's processes.
- Enable continuous improvement, through Management System objectives and Committees.

To this end, in 2023, work has been carried out on the following aspects:

1. Expansion of the scope of the Integrated Management System (Quality, Environment and Health and Safety; ISO 9001, ISO 14001 and ISO 45001 standards), including new certifications in the following contracts:
  - HAAISCO desalination plants (Saudi Arabia).
  - Desalination plant UTE O&M Mostaganem (Algeria).
  - GWP Integrated Water Cycle (Georgia).
  - ETAP El Realito (Mexico).
  - UTE Depuración LOTE I (Spain).
2. Definition of the documentation and implementation of a BIM Information Management System, according to ISO 19650-1 and ISO 19650-2.
3. Implementation of an Asset Management System, according to the ISO 55001 Standard in the IDAM Abona Contract (Spain).
4. Carbon footprint: calculation, verification, reduction and offsetting actions:
  - Carbon Footprint Calculation, Reduction and Offset Project (Lleida) (2022-2024): Established a Reduction Plan for the period 2023 - 2024; reached a 0 footprint for scope 2, through the consumption of electrical energy with GdO origin; in analysis a Compensation Plan, with the aim of compensating 100% of scope 1.
  - Aqualia España's GHG (Greenhouse Gas) Reduction Plan for the period 2020 - 2023.
  - Certificate "CALCULO+REDUZCO" 2022 from the HC OECC Registry of the Spanish MITERD.
  - Hellín Forest Project: analysis of a compensation project through the planting of a 1.5 ha forest at the Hellín WWTP.

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5. Participation in the UNE 343 Committee on the United Nations Sustainable Development Goals Management System, with the aim of participating and establishing the national position in the development of the ISO 52001 standard, which will establish the requirements of a management system for the United Nations Sustainable Development Goals (SDGs).

## 5.2. Energy management

As part of its commitment to contribute to environmental sustainability, Aqualia has been implementing strategic measures to control and reduce Greenhouse Gas (GHG) emissions.

The balance sheet report for the year 2023 concisely presents these emissions, detailing their origin in various processes, as reflected in the table below:

	<i>t CO2</i>	<i>t CH4</i>	<i>t N2O</i>	<i>GHG (t CO2e)</i>	<i>%</i>
<b>SUPPLY</b>	121.054	0	0	121.110	<b>40,7%</b>
<b>SEWERAGE</b>	9.915	0	0	9.935	<b>3,3%</b>
<b>DEPURATION</b>	95.367	1.789	81	166.866	<b>56,0%</b>
<b>VARIOUS</b>	0	0	0	0	<b>0,0%</b>
<b>TOTAL</b>	<b>226.336</b>	<b>1.789</b>	<b>81</b>	<b>297.911</b>	

By issuing agent, the following graph shows the percentage impact of each of them:

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The pie chart shows that the largest emitter in the company's activity is electricity consumption, accounting for approximately 31% of total emissions. Other significant emissions are linked to wastewater management, either as inherent to the infrastructure managed or dependent on the volume and pollution at the entrance to the facility. In this context, the effective reduction of these emissions is practically a challenge beyond the company's reach.

Consequently, Aqualia's strategic plans for the control and reduction of GHG emissions have focused mainly, although not exclusively, on reducing those derived from electricity consumption. These key initiatives include:

- Reduction of electricity consumption through substantial improvements in the energy efficiency of managed systems.
- Reduction of the emission factor associated with the energy consumed.

### 5.2.1. Energy efficiency improvement plan

The plan is being developed under the ISO 50001-Energy Management Systems standard, which Aqualia has had in place since 2016.

In accordance with the provisions of this management system, the contracts included within the perimeter of the management system are subject to an energy audit-review every four years, according to the guidelines

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established in the standard, the purpose of which is to see the results of the efficiency measures implemented since the previous review, as well as the proposal of new measures to improve energy efficiency.

The monitoring of the proposed improvements and their implementation is carried out by means of an IT tool, included in the technical *reporting* platform, *Aqualia RT-BI*.

During 2023, these audits have been extended to the new contracts in Georgia and Colombia, starting with the training of technical staff in these countries, which in Georgia have already reported results from the first phase of the audit, with proposals for the renovation or improvement of several facilities. These proposals are being incorporated into the Master Infrastructure Plan that the company is drafting for those contracts.

### 5.2.2. Reduction of the emission factor of the electrical energy consumed

As is well known, the emission factor refers to the amount of greenhouse gas emissions released into the atmosphere per unit of activity or unit of production.

This factor is typically expressed in terms of carbon dioxide equivalent emissions (CO<sub>2</sub> e), which is a standardised measure that combines the emissions of different greenhouse gases in terms of the global warming potential of CO<sub>2</sub>. Therefore, decreasing this factor for energy consumed leads to a reduction of emissions from energy consumption.

The company's way of reducing the emission factor of the electricity consumed is through the use of renewables.

The commitments set out in the company's Sustainability Plan include:

- P.2 "By 2030, 50% of renewable energy used generated by own installations, PPAs or procurement, divided by total energy consumed (MWC and BOT contracts of more than three years)".

Currently, the objective is close, thanks to the installation of plants for self-consumption, the use of the biogas resulting from the digestion of sewage sludge for electricity generation, also for self-consumption of the plants themselves, cogeneration systems, hydraulic generation, etc.

The current situation regarding the implementation of plants for self-consumption is as follows:

<b>INSTALLED POWER (Kw)</b>	<b>Spain</b>	<b>Georgia</b>	<b>Rca. Checa</b>	<b>Colombia</b>	<b>OMAN</b>	<b>TOTAL</b>
<i>Solar Photovoltaic</i>	6.976				1.736	8.712
<i>Hydraulics</i>		149.700	214			149.914



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<b>Biogas Generation</b>	10.888	1.757	6.000	18.645
<b>Biogas Boilers</b>	40.969	5.488	6.976	53.433
<b>Biogas Heat Engine</b>	16.261	1.757	1.692	19.710
<b>Gas stations</b>	0,17			0,17
			<b>TOTAL</b>	<b>250.414</b>

The company's energy mix for 2023 is shown in the graph below:



### 5.3. Technical management improvement projects

During 2023, the company continued with the implementation and development of activities related to the improvement of management, both at the operational level and the deployment of new platforms to standardise best practices at the technical level of the company. The most important of these have been:

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### 5.3.1. Technology Hubs

During 2023, the deployment of 9 Technology *Hubs* in Spain has continued, increasing the network sensors and plant control, reviewing the systems and operations to have all the systems fully implemented in the services, acting as testing services for new developments, and serving as Operation Centres, which provide support to a large geographical area of the delegations, performing analysis, event classification, study of aeration curves and plant processes through the systems, in a centralised manner once the systems are implemented at regional level.

The systems have been upgraded to have the capacity to control all systems, incidents and alarms from the operations centre. This will generate a change in operations and take advantage of synergies in the areas of operation.

The IOCs (Integrated Operations Centres) will visualise what is happening in their sphere of influence. All these modifications are being tested in the Toledo IOC, as it is the most advanced in terms of implementation within Aqualia.

### 5.3.2 PERTE Spain projects

The control and correct management of water use in Spain is a constant challenge, in which the different administrations work in a coordinated manner for its correct management. The PERTE project promotes the use of new information technologies in the integral water cycle, which will improve its management, increase its efficiency, reduce losses in the supply networks and advance in the fulfilment of the environmental objectives set by the hydrological planning and international regulations.

The specific objectives of the PERTE are:

- Improve knowledge of water uses to consolidate integrated water resources management.
- Increase transparency in water management in Spain.
- Contribute to the fulfilment of the environmental objectives set out in water planning

In the second call for applications, Aqualia worked on the creation of 12 new projects with the aim of grouping together applicants and impacting the largest number of municipalities. During the last three months of the year, the Production, Legal, Zones, Communication and Operations areas have been involved to achieve this objective, covering 596 municipalities with a requested subsidy of 100 million euros in total.

### 5.3.3. Logistics centres



The aim of the centres is not only to unify the criteria for the operation of the services in terms of quality of materials, but also to take advantage of synergies and promote common management operations, to work in a uniform and perfectly organised way.

The project was born as a system that promotes the reduction of fixed assets, distribution and service, reducing the time spent by contracts not only in the choice of material, but also in the follow-up of orders, etc., favouring internal purchases. The objectives are to minimise the work of the services when placing orders, optimisation and reduction and control of fixed assets (transfer of service parts), improvement of the price of large consignments (suppliers see their transport costs and administrative time minimised), agreement with a logistics company for the transport of material, traceability of materials through NOW, favouring invoicing through SAP internal purchases, connectivity, availability and service.

In 2023, progress was made in the implementation of two new logistics centres. This, together with the development of the management tool for logistics centres and purchases, will give potential and unification to the purchases made from these centres during 2024.

#### **5.3.4. Drones**

In 2016, Aqualia obtained accreditation as a drone operator from the Spanish Aviation Safety Agency (AESA), which began with a PHANTOM drone and a pilot. The Works department, together with the Operations and Technological Transformation department, has been evolving with photogrammetry, topography, works monitoring and image processing tests. All of this has been carried out with our own resources and training, which has led us to currently have five pilots, four UAS (*Unmanned Aircraft System*), a submarine and a boat. We are currently able to tackle complex situations from flights in CTR (*Controlled Traffic Region*) zones to overflying urban areas.

This action, together with the training of specialised personnel in the Zones, facilitates the operation of this equipment, oriented towards the daily actions of the services, such as:

- Thermographic leak detection in high voltage networks
- Checking hot spots in critical electrical installations
- Inspection of installations (floor slabs, structures)
- Surveys and checking of stakeouts
- Point cloud
- Inspection of the interior floors of tanks, channels, etc. using a drone boat.
- Underwater drone inspection of reservoirs, water intakes, etc.

During 2024, we will continue to make progress in the programming of infrastructure surveys due to their



importance, whether at facility level, commercial or for any other requirement. This point cloud survey by 3D *scanner* and aircraft can be incorporated into a viewer in our asset management software to further enhance the platform's potential.

#### **5.3.5. Technology transfer. From innovation to business**

With regard to the technology transfer of innovative products resulting from successful projects of the company's R&D&I department, three full-scale preliminary projects were incorporated in 2023, two at national level and one at international level, which have served as a commercial offer to be presented to the customer. On a national level, a Dual Digestion project has been developed at the Salamanca WWTP and an ELAN ANAMMOX project at the Valdebebas WWTP. Internationally, an ELAN ANAMMOX project has been developed in Portugal, at the Frielas WWTP.

To carry out this work, information on the operation of the reactors installed in Aqualia and the data from the innovation pilots has been compiled in order to define, together with engineering, the design data for these two flows, drawing up a document for each technology that can be used for future projects.

#### **5.3.6. Water quality and discharges. Performance improvement plan**

In 2023, a Hydraulic Performance Improvement Plan has been carried out, selecting the towns where the greatest return on economic improvement is achieved in the different geographies. The plan focuses on improvement actions in:

- Remote control and flow control
- Hydraulic Audit Plan. Due to the entry of the new RD 3/23 and different European regulations, it will be necessary to carry out and send hydraulic audits, for which a first milestone model has been carried out, focusing on the ILLI index, which is currently being completed by all services with more than 10,000 inhabitants. This point is necessary and will be carried out in all the services indicated.
- Water Efficiency Plan. A pre-diagnosis must be carried out to identify the weak points of the network, propose and implement an action plan and optimise the actions from a technical and economic point of view.
- Sectorisation. This enables continuous and precise control, allowing instant detection of leaks and minimising water losses.
- Renewal of assets: renewal of the fleet of meters to replace older meters with new, more accurate ones or *Smart metering* that allows consumption to be monitored more efficiently with a frequency of less than 24 hours.
- Review plan for selected services: phased review of objectives
- Search for leakage of own resources, mainly for the maintenance of the current NRA.
- Search for external media leakage, linked to the framework agreement concluded for this purpose.

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- Improvement in active pressure management. Investment in active pressure management equipment and regulators in certain areas under study.
- Improvement of material, through the formalisation of the framework agreement unifying the quality of materials.
- Linear asset studies: renovation and investment based on the repair rate, resources allocated and their costs for renovation proposals to the relevant administration.

### 5.3.7 Technological transformation

One of the biggest challenges is the promotion of operational improvement through digitalisation and the design and use of management tools that are useful for the heads of service/plant managers and, in turn, serve as an information reporting mechanism, reducing the bureaucratic and administrative burden that weighs on the heads of service. As the implementations and start-ups progress, the systems evolve and are nourished by both experience and new needs that are analysed and developed in conjunction with the IT department. During this year, the evolution has been significant.

During 2023, the implementation of AWA (Aqualia Water Analytics) continued, enhancing its usability both in the Operations Centre environment and in the introduction of new applications aimed at greater digitisation and decision-making support.

With this application, a further step can be taken in the digitisation of the process and data analysis, through the use of artificial intelligence algorithms. In this sense, AWA is a very effective tool to assist in the treatment and analysis of laboratory and process data, as well as flow and consumption data collected in the corporate SCADA database, establishing Decision Support Systems (DSS), alarms or direct action on equipment and processes.

Among the improvements proposed are:

- AWA functionalities for Operations Centre (IOC - Integrated Operations Centre)
- Connection Leak Detection Module - NOW (Creation and management of TOs in AWA)
- Investment Plan
- Performance of all service sectors in the selected time period (Related to the new CMN module) (In process)
- Large consumer test (In progress)
- Correlation factor (Demand forecast)

For the development of the tool, in the field of processing, it is carried out in three pilot locations:

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- Lleida WWTP, where several intelligent controls are currently in place, which will help in the design of their own.
- Salamanca WWTP, similar in size and process to Lleida WWTP, where the same controls can be developed but with its own technology.
- La Puebla de Montalbán WWTP, smaller than the previous ones, but of the most common type of treatment in the plants operated by Aqualia.

The following developments are being worked on for integration into the platform:

- Contamination by imaging: early detection by imaging.
- Balances and relations between the consumption of drinking water served and the quantity of wastewater received at our facilities.
- Centrifuge regulation and poly dosing.
- Digestion decision support system.
- Own control of aeration.

### **5.3.8. AqualiaLAB**

The entry into force of the RD on the Quality of Water for Human Consumption is causing a change in our procedures, including the way in which analyses are managed. A functional document has been drafted and a new web portal has been developed where all the planned analyses have been integrated, in accordance with the current legislation on Water Quality, carried out by both accredited laboratories and the rest of the certified laboratories. This portal will provide access to all the bulletins, as well as all the information about the infrastructures that are linked to the National Drinking Water Information System (SINAC), such as the infrastructures of the Supply Zones. All this consolidated information will serve as a starting point for applying some of the requirements included in the new Royal Decree 3/2003 on water quality. At this time it is essential to have all the analyses in a single portal where they can be consulted in the rest of the systems, or to migrate them for different uses.

In addition, all external and compulsory analysis bulletins can be uploaded through it, thus enabling the monitoring of compliance with legal requirements in terms of discharge and water quality.

### **Accredited laboratories**

Aqualia currently maintains a network of laboratories accredited by ENAC, Acredia, CAI and GAC, under the Aqualia LAB brand, comprising 7 laboratories in Spain (Oviedo, Vigo, Lleida, Avila, Jerez, Badajoz and Adeje), 1 in Italy (Caltanissetta), 2 in the Czech Republic (Ostrava) and 1 in Georgia (Tbilisi).

In January 2023, RD 3/2023 was published and came into force in Spain, establishing the technical-sanitary

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criteria for the quality of drinking water, its control and supply in Spain. This RD responds to the transposition of Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption.

The increase in the number of analyses that the entry into force of this new law has meant for Aqualia LAB, at a quantitative level, can be summarised as follows:

<i>PARAMETERS</i>	<i>ENTRY INTO FORCE</i>	<i>No. Analysis full year</i>
COLIPHAGOS	2023	<b>13.699</b>
VINYL CHLORIDE	2023	<b>5.070</b>
EPICHLOROHYDRIN + ACRYLAMIDE	2023	<b>4.190</b>
AEROBES AT 22°C	2023	<b>18.765</b>
ENTEROCOCOS	2023	<b>13.554</b>
CHARACTERISATION	2023	<b>1.228</b>
PESTICIDES OPERATIONAL CONTROL	2023	<b>6.752</b>
MICROCYSTIN	2023	<b>2.936</b>
GLYPHOSATE	2023	<b>5.378</b>
BROMATO	2023	<b>4.063</b>
NITRITES	2023	<b>3.294</b>
CHLORITE	2024	<b>4.550</b>
CHLORATE	2024	<b>4.550</b>
BISPHENOL A	2024	<b>5.070</b>
HAA	2024	<b>4.199</b>
PFAS	2024	<b>4.190</b>
WATCH LIST	2024	<b>1.507</b>
URANIUM	2024	<b>3.640</b>
<b>TOTAL NO. OF ANALYSES:</b>		<b>106.635</b>

The increase in the number of samples corresponds to the analyses called Watch List and Operational Controls, which the new legislation incorporates. These are:

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Observation list:	1,507
Operational controls:	9,549
Characterisation:	1,228
<b>Increase samples new RD:</b>	<b>12.284</b>
Samples year 2022(Before the new RD):	27.060
<b>INCREASE IN SAMPLES (%):</b>	<b>45.4%.</b>

In order to cope with this sharp increase, including the accreditation of the new techniques, it is necessary to expand the human and material resources, as well as the extension and adaptation of some of the laboratories to provide the necessary space. Not only to carry out the new analytical techniques, but also the management, transport and storage of samples, given the drastic increase in the number of samples.

As a first step, a new laboratory has been installed, replacing the one in Ávila, which started operating in October 2023. This new 400 m<sup>2</sup> laboratory replaces the previous one of 90 m<sup>2</sup>, with new storage, training, etc. spaces.

## 6. INNOVATION AND TECHNOLOGY

Aqualia's innovation activity promotes the transition towards a circular economy with a zero carbon footprint, in line with European *Green Deal* policies. The Department of Innovation and Technology (DIT) develops new sustainable services and processes, thanks to smart and eco-efficient management tools. Thus, ITD projects support the company's activity to achieve the UN SDGs, with particular emphasis on affordable, high-quality water and sanitation services (SDG 6), an optimised energy balance (SDG 7) without affecting the climate (SDG 13) and responsible production and consumption (SDG 12).

The attached table lists the 21 projects developed by the DIT during the year 2023 (and their start and completion dates), which strengthen Aqualia's technological proposal:

Register	Acronym	Full name	Starting year	Year end
18 02	H2020 REWATERGY	Sustainable Reactor Engineering for Applications on the Water-Energy Nexus	2019	2023
19 05	LIFE ULISES	Upgrading wastewater treatment plants towards energy self-sufficiency and zero-waste concept	2019	2023



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22 01	RIS3 EFLUENT-EX	Research on the use of bio-waste in Extremadura: a sustainable source of renewable energy, mobility and bio-products.	2022	2023
19 03	BBI B-FERST	Bio-based FERtilising products as the best practice for agricultural management SusTainability	2019	2024
19 04	BBI DEEP PURPLE	Conversion of diluted mixed urban bio-wastes into sustainable materials and products in flexible purple photobiorefineries	2019	2024
19 06	LIFE INTEXT	Innovative hybrid hybrid INTensive-EXTensive resource recovery from wastewater in small communities	2019	2024
20 02	H2020 SEA4VALUE	Developing radical innovations to recover minerals and metals from seawater desalination brines	2020	2024
20 03	H2020 ULTIMATE	indUstry water-utiLiTy symbiosis for a sMarter wATer society	2020	2024
20 06	LIFE ZERO WASTE WATER	Positive energy wastewater treatment plant for combined treatment of waste water and bio-waste in small populations	2020	2024
20 07	LIFE INFUSION	Intensive treatment of waste effluents and conversion into useful sustainable outputs: biogas, nutrients and water	2020	2024
21 03	HATCHING MISSIONS	New materials, technologies and processes for the generation, storage, transport and integration of renewable hydrogen and biomethane from biowaste	2021	2024
21 04	ZEPPELIN MISSIONS	Research on Innovative and Efficient Green Hydrogen Production and Storage Technologies based on the Circular Economy	2021	2024
20 04	H2020 REWAISE	REsilient wATer Innovation for Smart Economy	2020	2025
20 05	LIFE PHOENIX	Innovative cost-effective multibarrier treatments for reusing water for agricultural irrigation	2020	2025
21 01	H2020 NICE	Innovative and enhanced nature-based solutions for sustainable urban water cycle	2021	2025
21 02	LIFE RESEAU	RESilience EnhAncement in the Urban water sector	2021	2025
22 04	UMI AQUATIM	Joint research unit: sustainable future of the circular, efficient and resilient water cycle.	2022	2025
22 02	HE D4RUNOFF	Smart implementation of adaptive hybrid solutions in sewage networks for preventing and managing diffuse pollution from urban water runoff	2022	2026
22 03	HE CHEERS	Producing novel non-plant biomass feedstocks and bio-based products through upcycling and the cascading use of brewery side-streams	2022	2026
22 05	HE NINFA	TakiNg actioN to prevent and mitigate pollution oF groundwATer bodies	2022	2026
23 01	HE RESURGENCE	Industrial water circularity: reuse, resource recovery and energy efficiency for greener digitised processes	2023	2027

During the 2023 financial year, **three projects** in which Aqualia had a stake were completed:

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- 1 *Marie Skłodowska Curie European Industrial Doctorate* training project: Rewatergy. To recover hydrogen from wastewater, and develop new oxidation methods.
- 1 EU LIFE project: Ulysses. On energy self-sufficiency and waste recovery in conventional WWTPs using novel low-cost technologies.
- 1 RIS3 project (*Regional Innovation Strategies for Smart Specialisation*) with FEDER funds from the Regional Ministry of Economy, Science and Digital Agenda of the Regional Government of Extremadura: Efluent-EX. It investigates the use of bio-waste as a sustainable source of renewable energy, mobility and bio-products.

The development of **17 other ongoing projects** has continued:

- 5 from the European Life programme: IntExt, Phoenix, Zero Waste Water, Infusion and Reseau.
- 2 of the EU H2020 Joint Initiative / Bio-Based Industries (BBI): B-Ferst and Deep Purple
- 4 from the EU H2020 programme: Sea4Value, Ultimate, Rewaise and Nice.
- 2 CDTI Science and Innovation Missions on Renewable Gases: Ecllosion and Zeppelin
- 3 of the EU's new Horizon Europe programme: D4Runoff, Cheers and Ninfa
- 1 of the Mixed Research Units (UMI) programme with ERDF funds from the Galician Innovation Agency (GAIN): Aquatim - for the study and implementation of new technologies throughout the entire water cycle.

In the EU Horizon Europe 2023 programme's call "*Sustainable and efficient industrial water consumption CL6 40-01*", a new project has been selected: Resurgence (*Industrial water circularity: REuse, reSoURce recovery and enerGy efficiENCY for greenEr digitised processes*).

## 6.1. Projects completed in 2023

Projects completed in 2023 achieved the following results:

- **EU MSCA - Rewatergy**

This project focuses on scientific training, within the *H2020 Marie Skłodowska Curie* programme of European academic networks. It was led by the Universidad Rey Juan Carlos, and Aqualia participated as an industrial partner by hosting two PhD researchers to carry out technological development work at its wastewater treatment plants:

- at the Lleida WWTP, methods for the adsorption of ammonium from wastewater and its conversion into hydrogen were developed in collaboration with the University of Cambridge,
- at the Jerez WWTP, photo- and electro-disinfection processes were evaluated to remove micropollutants in drinking or waste water, supported by the University of Ulster.

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- **Life Ulysses**

Three technology centres (CENTA, EnergyLab and CIESOL - University of Almeria), together with Aqualia as coordinator, have worked to transform conventional WWTPs into "energy and biofertiliser production factories", achieve energy self-sufficiency and eliminate their carbon footprint. At the El Bobar WWTP in Almeria, operated by Aqualia, anaerobic pretreatment has been implemented with the PUSH reactor, which has also been successfully evaluated in Portugal, first at two WWTPs operated by Aguas de Algarve, and then at the Cartaxo WWTP, operated by Aqualia.

In order to improve the energy balance in Almeria, biomethane is used as a vehicle fuel supplied through a gas plant powered by an ABAD Bioenergy® refining system. Within the fertiliser production strategies, struvite precipitation, enzymatic hydrolysis and Fresnel lens solar disinfection have been developed.

- **RIS3 Efluent-EX**

The Efluent-EX project is financed by FEDER RIS3 regional specialisation funds as part of the Extremadura region's commitment to a circular green economy. To promote clean energy and the use of organic and agro-industrial waste, Aqualia is working to convert WWTPs into biofactories and renewable energy sources, promoting sustainable mobility based on green biofuels.

At the Badajoz WWTP, managed by Aqualia, solar solutions were implemented to heat the digesters with photovoltaic panels and a Fresnel lens solar drying and sanitisation system. To maximise the production of biomethane and hydrogen, the co-digestion of agro-industrial substrates was optimised by evaluating the inventories and characteristics of agro-livestock and food industry waste (wineries, fruit and vegetable and dairy processors). Several thermal processes were also tested to transform the final solid waste into carbonaceous materials (biochar): hydrocarbonisation, pyrolysis and activation.

## **6.2. Projects under development**

- **Life IntExt**

The project optimises low-cost wastewater treatment technologies in small towns to minimise energy costs, carbon footprint and waste from wastewater treatment. Led by Aqualia, the AIMEN and CENTA technology centres and the University of Aarhus (Denmark) are evaluating ecologically and economically sustainable solutions for urban centres of less than 5,000 inhabitants, supported by specialised SMEs from Germany, Greece and France.

At the Talavera WWTP, managed by Aqualia, a 16-technology demonstration platform is operated that compares different systems (wetlands, algae, biofilm reactors or granular sludge). In parallel, the wetlands are also tested at the facilities of the Andalusian Environment and Water Agency in the province of Seville,

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to quantify the climatic effect, and to compare various pretreatment options (Push, Imhoff).

- **Life Phoenix**

The project, led by Aqualia, and supported by the technology centres CETIM and CIESOL, optimises tertiary treatment to achieve the most ambitious objectives of the new European regulation on water reuse (EU 2020/741). Aguas de Portugal, the Diputación de Almería and the Confederación Hidrográfica del Guadalquivir are contributing several locations to the project, where effluents are evaluated through several mobile plants.

This equipment combines physico-chemical treatments with advanced filtration, and various membrane tuning *skids* for ultra and nanofiltration. In addition, Newland Entech's European subsidiary tests ozone and ultraviolet light modules, which enable advanced oxidation and disinfection. For continuous monitoring of the reuse water quality, a sensor from the Dutch company MicroLan is integrated in the tests, which enables online microbiological measurements and meets the risk control requirements of the new EU reuse standard.

- **Life Zero Waste Water**

Aqualia as leader, and Canal Isabel II as a partner in this project, have installed a combined treatment unit for urban wastewater (ARU) and the organic fraction of municipal solid waste (FORSU) at the Valdebebas WWTP (Madrid). To achieve a zero carbon footprint treatment process, an anaerobic reactor with AnMBR membranes has been installed, which produces biogas, followed by the ELAN® in-line water process to remove nitrogen with low energy consumption. FORSU management is assessed with the transport of the organic matter mixture in a single stream in the sewerage system.

In addition to the Universities of Valencia (co-holder of the AnMBR patent) and Santiago de Compostela (co-holder of the ELAN® patent), the Portuguese SME Simbiente is participating to develop an advanced management system, combined with on-line monitoring of microbiological quality by the Austrian SME VWS (Vienna Water Systems).

- **Life Infusion**

This project is coordinated by the Barcelona Metropolitan Area (AMB), and is a continuation of the Life Methamorphosis project. At Ecoparc 2 in Barcelona, the pilots of the previous project are being used to design new plants for the recovery of resources from municipal solid waste. Together with the EureCat technology centre and the operator of Ecoparc2, EBESA, the leachate digestion system was optimised with Aqualia's AnMBR and ELAN® technologies, with the addition of ammonium *stripping* from the Belgian company Detricon. The process will be transferred to COGERSA, the waste management entity in Asturias, to evaluate new leachate management solutions at its plants.

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- **LIFE Reseau**

The RESEAU project seeks to increase the capacity and resilience of existing hydraulic sanitation infrastructures in the face of the impact of climate change. It is led by Aqualia, with the participation of the technology centre ITG (Fundación Instituto Tecnológico de Galicia) and the public operator VCS (Vand Center Syd AS) in Odense (Denmark). Sensors (speed, flow, level, etc.) have been installed in the sewerage network of Moaña (Pontevedra), operated by Aqualia, to monitor and model its behaviour. The aim is to develop a flexible flow management model.

In addition, a 500 m<sup>3</sup> aerobic granular reactor is being built at the Moaña WWTP to treat up to 2,000 m<sup>3</sup>/d of wastewater. This advanced biofilm system multiplies the biological treatment capacity several times over compared to conventional activated sludge, while improving the adaptability of the WWTP to load variation and reducing the space required for its implementation. It also significantly reduces the environmental impact of the treatment process by reducing energy needs and avoiding the emission of greenhouse gases.

- **H2020 BBI B-Ferst:**

Fertiberia is leading the project to develop new biofertilisers from urban wastewater and by-products from agri-food industries, with the participation of Aqualia and ten partners from six different countries. It analyses the potential of raw materials recovered from urban waste and effluents in the production of fertilisers in three countries (Spain, Italy and the Czech Republic). At the Jerez WWTP (Cadiz), managed by Aqualia, a struvite precipitation facility is being operated to incorporate the phosphorus recovered in a new Fertiberia biofertiliser demonstration plant in Huelva.

It is being verified that the Aquavite® product complies with the limits of the 2019/1009 legislation on fertiliser products, both in terms of phosphoric oxide content (16%) and the presence of pathogens. At the same time, an infrared thermal dryer is tested for disinfection. The resulting product is also used in the recovery of land affected by forest fires in Ávila. Finally, agro-food sludge, such as the waste from the Coosur WWTP (Jaén) operated by Aqualia, is being characterised for incorporation into Fertiberia's formulations.

- **H2020 BBI Deep Purple:**

Aqualia, with the support of thirteen partners from six countries, implements in the project a new model of biorefinery on a demonstration scale, integrating purple phototrophic bacteria (PPB) in anaerobic carousels. These bacteria use solar energy to treat wastewater without aeration, and transform the organic content of

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wastewater and municipal waste into feedstock for biofuels, plastics, cellulose and new base materials in the chemical and cosmetics industry.

After optimising a first prototype of the photobioreactor at the Toledo-Estiviel WWTP, a 10 times larger demonstration reactor was built in 2022 at the Linares WWTP (Jaén), and a similar installation is being completed at the Badajoz WWTP (Extremadura). At SmVaK in the Czech Republic, a biogas purification column is installed to increase the performance of the generators.

- **H2020 Sea4Value**

The EureCat technology centre coordinates this 100% EU-funded project, with 14 partners from seven countries, to recover resources from concentrated brine in seawater desalination plants (WWTPs). At least eight innovative technological solutions are being developed at a basic scientific level. The aim is to enrich the most valuable components of seawater (lithium, caesium and rubidium), and to recover critical raw materials (magnesium, boron, scandium, gallium, vanadium, indium, molybdenum and cobalt) to a purity that allows them to be exploited on the market.

Aqualia's Desalination Innovation Centre in Denia (Alicante) has been reinforced, and a new test platform in Tenerife and pilot units are being implemented in several EDAMs operated by Aqualia. At these locations, the technical and economic impact of more sustainable desalination methods is being analysed, as well as new solutions for the recovery of brine. Work is being carried out on the solar concentration of brine, selective precipitation of magnesium, obtaining chlorine dioxide, and optimisation of the remineralisation of permeate with micronised calcite, to reduce CO<sub>2</sub> consumption, turbidity and the size of the installations.

- **H2020 Ultimate**

In the H2020 EU *Smart Water Economy* call, Aqualia participates in two of the five selected consortia, which have joined together in the CirsEau cluster. In Ultimate, the Dutch technology centre KWR coordinates 27 partners, which implement innovative demonstrations of synergies between water services and industries in nine *living lab* locations.

Aqualia has installed a fluidised anaerobic reactor (FBBR / Elsar) on an industrial scale at the WWTP of the Mahou-San Miguel brewery in Lleida, to recover biomethane and feed a fuel cell. Co-digestion of waste yeast is also being studied, as well as support for AITASA in Tarragona, where Aqualia has built a new industrial effluent treatment system, which could be used to feed the petrochemical pole.

- **H2020 Rewaise**

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The Rewaise project is the second of the EU's H2020 Smart Water Economy call in which Aqualia participates. In this case it acts as the coordinating entity of a consortium of 25 partners, which includes water companies from the United Kingdom (Severn Trent), Sweden (Vasyd) and Poland (AquaNet). Together with 7 SMEs and universities from Croatia, Italy, Poland, Czech Republic, Sweden and the United Kingdom, new circular economy and digital management solutions are implemented in "living laboratories" including Aqualia's operations in Asturias, Badajoz, Canary Islands, Denia, Salamanca and Vigo.

Rewaise reinforces Aqualia's strategic lines of technological development, such as sustainable desalination and new membranes, the recovery of materials from brine, the reuse of wastewater and its transformation into energy and by-products. To improve the operation and control of the processes, work is being carried out on the simulation of networks and plants, optimising the efficiency of the service and the quality of the water.

An AnMBR reactor was installed on the Balaídos industrial estate (Vigo) to recover resources from the urban effluents of the Citroën/Stellantis factory. In Salamanca, the Centro de Innovación en el Ciclo Integral del Agua (Innovation Centre for the Integrated Water Cycle) was inaugurated. In Denia, desalination processes are being improved, and a new platform for recovering salts from brine is under construction in Tenerife.

- **H2020 Nice**

The Nice project generates scientific knowledge from *nature based solutions (NBS)*, such as wetlands or green facades. These elements intervene in the purification of urban wastewater and in the recovery of resources. This project led by the CETIM technology centre has 14 partners from 9 countries, and implements these options aimed at sustainable cities in a dozen sites, including Aqualia facilities in Algeciras, Benalmádena, Madrid, Talavera and Vigo. The pilots integrate developments by SMEs and universities in Denmark, France, Italy and Sweden, and include actions with partners in Colombia and Egypt.

- **Eclosion Missions**

Co-funded by the CDTI (Centre for Technological Development and Innovation), the project's main objective is to create new materials, technologies and processes for the generation, storage and transport of renewable and indigenous gases, such as hydrogen and biomethane. These energy carriers will be produced from urban waste, agri-food waste, wastewater and sewage sludge, and will be accompanied by eco-efficient, flexible and intelligent optimisation tools.

The consortium of eight companies, led by Aqualia, together with FCC Medio Ambiente, CADE, Ghenova, ARIEMA, H2B2, Idecal and MindCaps, is carrying out the research at four development centres, the Valladolid Waste Treatment Centre, managed by FCC Medio Ambiente, and the wastewater treatment plants in Salamanca, Lleida and Jerez de la Frontera, managed by Aqualia. Research will be carried out into



bioelectrochemical processes for generating renewable gases, thermochemical treatment with supercritical gasification, and new processes for separating and storing the gas mixtures produced to generate high-quality pure gases.

- **Zeppelin Missions**

A second CDTI co-funded project is investigating a flexible set of green hydrogen production and storage technologies based on the use of waste and by-products (agri-food, textile, sewage treatment and refinery). The aim is to produce this energy vector more efficiently, addressing the technological challenges linked to biogas and bioethanol reforming, dark fermentation (FO), microbial electrolysis (ME), gasification and hydrogen storage.

With new models for obtaining green hydrogen, complementary to electrolysis using renewable energies, decarbonisation is promoted under the principles of the circular economy and digitalisation. The consortium, led by Aqualia, includes seven key companies in the hydrogen value chain: Repsol, as the leading national producer and consumer of hydrogen; Naturgy, Redexis and Reganosa, as gas distributors; and Norvento, Perseo and Técnicas Reunidas as technology partners.

The companies are collaborating with 9 research organisations (including CETIM, CIEMAT, EnergyLab, CIDAUT, and IMDEA-Energía) to implement several innovative hydrogen production pilots at the Algeciras WWTP, managed by Aqualia, which can supply large hydrogen consumers in the area such as Acerinox, Viesco, Air Liquide, Linde, as well as the port companies.

- **HE D4Runoff**

The project is led by the public water company Vand Center Syd (VCS) in Odense (Denmark), and brings together 12 partners from 5 countries, including Aqualia and its subsidiary Hidrotec, the Technological Institute of Galicia (ITG), the University of Cantabria and the Catalan SME Mitiga, specialised in risk control software. Tools are developed to quantify, prevent and manage diffuse pollution caused by urban runoff water.

The work programme includes the development of new analytical methodologies with Aqualia's laboratories (Hidrotec), the online measurement of micropollutant and bioplastics indicators, and the implementation of preventive strategies to reduce diffuse pollution with multi-criteria analysis and artificial intelligence. The *Nature Based Solutions (NBS)* will be validated in Odense (Denmark), Pontedera (Italy) and Santander, and their replicability will be assessed in Algeciras, Ostrava (Czech Republic) and Cairo (Egypt).

- **HE Cheers**



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It is coordinated by the Mahou-San Miguel brewery group and involves 10 partners from 5 European countries, including Aqualia and its subsidiary Hidrotec, the AINIA technology centre and the University of Valladolid. The project aims to revalue the underused or wasted by-products of the brewing industry, such as bagasse, wastewater, CO<sub>2</sub> and methane.

Using a biorefinery approach, inspired by nature's biodiversity (insect and microbial platforms), 5 market-competitive innovative bioproducts are generated: insect protein, disinfectant, microbial protein, ectoin and caproic acid. New sustainable bioprocesses for transformation are validated on a demonstration scale to achieve a 50% reduction of the carbon footprint in each value chain.

- **HE Ninfa**

The project develops groundwater monitoring and protection systems, starting with the measurement, modelling and treatment of various pollutants (nutrients, pesticides, pharmaceuticals, hydrocarbons, heavy metals, microplastics and salinity). The strategy for pollution prevention and groundwater management is based on early detection systems, a better understanding of synergistic effects and the control of risks from multiple disturbance factors. These elements are combined with predictive methodologies to increase resilience and implement treatment and mitigation solutions.

The project is coordinated by the technological centre Leitat, and brings together 9 partners from 6 countries. Aqualia participates with its laboratories (Hidrotec), and implements activities together with another partner, the city council of Alcázares (Murcia). Aqualia France and the Instituts Mines-Télécom Atlantique in Brittany (Brest, Rennes, Nantes) are also expected to collaborate.

- **UMI Aquatim**

The CETIM technology centre, Aqualia and its subsidiary Trainasa make up this Joint Research Unit (UMI). Its objective is to respond to current challenges by studying and implementing new technologies throughout the entire water cycle. Innovation, the development of new circular economy models and digitalisation are key factors for obtaining new sources of green energy (H<sub>2</sub> and biogas), new natural resources and their efficient use (nutrients, metals and water). It also includes the protection of ecosystems and biodiversity through nature-based solutions (SBN), the development of new digital technologies (sensors, traceability, models and predictive systems) and the introduction of improvement actions to ensure the quality of water bodies.

### **6.3. Projects started in 2023**

The new Resurgence project is part of the Horizon Europe programme in the RIA (*Research and Innovation Action*) modality with 100% funding. The consortium is led by the technology centre CETIM and is made up

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of 20 partners from 11 countries covering the entire geographical scope of the EU, with international cooperation from Turkey and Pakistan. The project addresses a circularity model in industrial water consumption with a broad perspective: efficient technologies for water circularity, energy and raw material recovery, with the aim of contributing to climate neutrality, circularity and competitiveness of the European Union.

4 case studies will be developed including 3 industrial sectors (pulp and paper, chemical and steel), as well as a fourth case to explore synergies between urban and industrial wastewater treatment. Digital tools will also be developed and applied, enabling the optimal configuration of water treatment technology and day-to-day operation taking advantage of flexibility opportunities in smart grids.

## 6.4. Patents

During the year 2023, the 10 families of patents and trademarks that have continued to grow since 2014, and 2 patents still in force for Aqualia industrial, summarised in the attached list, will be maintained.

	Tipo de protección	Nombre corto	Fecha de concesión	Nº Concesión
	Patente nacional OEPM	Sistema reparto de agua y lavado para filtro	08/02/2005	ES2196949
	Patente nacional OEPM	Sistema anaerobio de depuración de agua por lotes	06/05/2009	ES2300164
1.	Patente nacional OEPM	Sistema de carbonatación	04/03/2015	ES2451579
	Patente europea EPO	Sistema de carbonatación	18/11/2015	EP2712917
				ES2466090
	Patente nacional OEPM	Proceso Anammox ELAN ELAN ®		EP2740713
	Patente europea EPO	ELAN ®UK	10/09/2014	11256559
	Registro de marca	ARON ®	17/12/2014	UK00911256559
2.			03/09/2014	12785771
	Patente europea EPO	Algas-HRAP optimizado (LEAR)	06/01/2016	EP2875724
3.	Registro de marca	LEAR ®	03/09/2014	12785713

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In

	Tipo de protección	Nombre corto	Fecha de concesión	Nº Concesión
4.	Patente europea EPO Registro de marca	MFCs lecho fluidizado FBBR (ELSAR) ELSAR ®	22/04/2020 02/06/2021	EP2927196 18398327
5.	Patente europea EPO	Influent distribution and Mixing Device for UASB Reactors PUSH	05/10/2016	EP3009408
6.	Patente europea EPO Patente internacional PCT Registro de marca	Biogas upgrading Biogas upgrading USA y MEXICO ABAD Bioenergy ®	29/03/2017 27/02/2018 02/12/2021 22/05/2017	EP3061515 US9,901,864 B2 388417 016146151
7.	Patente europea EPO Patente internacional PCT	MDC (Microbial Desalination Cells MIDES) MDC USA	26/08/2020 23/03/2021	EP3336064 US10,954,145
8.	Patente europea EPO Patente internacional PCT	SAnMBR SAnMBR USA y MEXICO	20/05/2020 03/03/2020	EP3225596 US10,577,266 B2
9.	Patente europea EPO Registro de marca	ADVANSIST (ANPHORA®) ADVANSIST/ ANPHORA®COLOMBIA	10/07/2020 02/06/2021 27/03/2019	EP3546562 18398329 41631
10.	Patente europea EPO	DARE	19/05/2021	EP3527538

2023, 3 new protections were applied for: one patent and two trademark registrations for the DAHLIA® and CAMELLIA processes. Of the 6 patent applications filed in previous years, two are in the final granting phase (AquaElan and PUSH), and a third looks likely (Struvite). A further 4 are still awaited in the patent pending table:

	Tipo de protección	Nombre corto	Fecha de solicitud	Nº solicitud	Resultado
1	Patente europea EPO	AQUELAN (ELAN en línea de aguas)	10/06/2016	EP16382266.1	Concesión anunciada
2	Patente europea EPO	Cristalización de estruvita	26/09/2016	EP15754933.8	Concesión probable
3	Patente europea EPO	Reactor a presión	19/10/2017	EP17382699.1	En evaluación
4	Patente europea EPO	Mejora PUSH	13/10/2021	EP21382918	Concesión anunciada
5	Patente europea EPO	Purasand High Recovery	30/09/2022	EP22382912.8	En evaluación
6	Patente europea EPO	WETFAN	28/11/2022	EP22383139.7	En evaluación
7	Patente europea EPO	Producción ectoína	03/03/2023	EP23382198,2	En evaluación

## 6.5. Publications and events

With 305 actions in 2023 in terms of publications and participation in conferences, the average rate of references to Aqualia's R&D of the previous four years has been maintained, reaching more than one mention

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per working day, as shown in the table below.

	2019	2020	2021	2022	2023
<b>Scientific articles</b>	<b>14</b>	<b>13</b>	<b>11</b>	<b>9</b>	<b>9</b>
<b>Trade press</b>	<b>108</b>	<b>67</b>	<b>73</b>	<b>75</b>	<b>62</b>
<b>Mainstream press</b>	<b>139</b>	<b>98</b>	<b>187</b>	<b>152</b>	<b>185</b>
<b>International events</b>	<b>24</b>	<b>14</b>	<b>29</b>	<b>27</b>	<b>21</b>
<b>National events</b>	<b>19</b>	<b>12</b>	<b>27</b>	<b>22</b>	<b>28</b>
<b>TOTAL</b>	<b>302</b>	<b>204</b>	<b>327</b>	<b>271</b>	<b>305</b>

## 7. PEOPLE AND CULTURE

### 7.1. General lines of action

Following the formulation of the activity of the People and Culture department around the **Be Aqualia** project, our different functions converge under a common orientation and motto: people working for people.

*Be Aqualia* is the company's cultural transformation project through a coherent and consistent intervention from the human resources function. This intervention is in line with the Strategic Plan and the company's business vision and is supported by the people management led by the company's executives.



Udet&r90



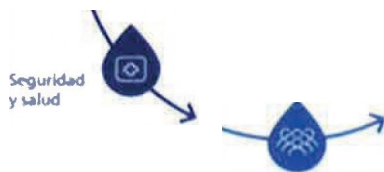
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Conciliación

# qualia



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During this financial year, while maintaining the key objective of becoming a **healthy organisation**, work has continued on the basis of the seven blocks of action identified as "health assets", which constitute the different lines of work that will be detailed in the different sections below.

## 7.2. Reconciliation



Aqualia maintains its **efr** (family-friendly company) certification obtained in 2017, which it renewed until 2023. Aqualia raised its score from the initial certification from C to C+.

In 2023, the Employee Voice Survey was conducted to analyse the Effectiveness of *Be Aqualia* Measures.

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The results obtained indicate that the most valued measures are related to flexibility of working hours and health-related issues. The main suggestions received are related to spatial flexibility.

## 7.3. Diversity and Equality

### 7.3.1. Diversity and Social Inclusion

In 2023 Aqualia renewed its participation in the **Diversity Charter** where the company states that it respects the regulations in force regarding equal opportunities and anti-discrimination .

The alliance **#CEOPorLaDiversidad**, an initiative led by the Adecco Foundation and the CEOE Foundation (Spanish Confederation of Business Organisations) to unite companies and the people who manage them around the values of diversity, equity and inclusion .

Entidad adherida a la alianza



Equipos y Talento, a reference in Human Resources, has recognised Aqualia as one of the 70 leading companies in diversity, renewing the **Diversity Leading Company** Seal, obtaining 600 points, surpassing the score obtained the previous year (556).

Aqualia has set up a **Diversity Committee**, where diversity-related issues and projects are discussed. In 2023, the first Diversity, Equity and Inclusion Protocol was approved, which allows further progress to be made in the implementation of an inclusive culture free of bias.

Through the agreement signed with FELGTBI+, Aqualia joined the EMIDIS programme in 2023 to carry out a diagnosis on LGTBI diversity. The initial result obtained of 46.30 points was positive, well above the 30 points that, on average, companies that begin to implement these policies obtain.

Aqualia has maintained in 2023 the agreement with the **Asociación Red Empresarial por la Diversidad e Inclusión LGBTI (REDI)**, an ecosystem of companies and professionals in Spain that works to promote safe and respectful working environments for all people, regardless of their identity, gender expression or sexual orientation . Through REDI, awareness-raising sessions have been held for the workforce.

Aqualia also celebrated Diversity Week, participating in different activities to raise awareness and support for the LGTBI+ community.

Aqualia maintains its **agreement with MyGWork**, a global recruitment and networking platform for professionals, graduates, allies and LGBT organisations to promote diversity and inclusion in the workplace.

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A tool to attract diverse talent at Aqualia.

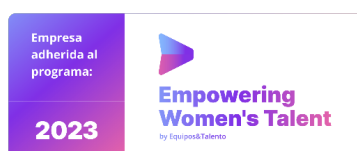
In addition, in 2023, Aqualia has made its commitment to diversity visible through different forums such as its participation in the **Round Table of the Congress of Deputies on: "Diversity, Inclusion and Sustainability, business challenges and challenges for Spain as a society"**, held on 2 June.

With the Adecco Aqualia Foundation, it continues to develop the Family Plan aimed at children of employees with a certified disability greater than or equal to 33%. It also maintains the collaboration agreement with the Down's Syndrome Foundation and with FSC Inserta de la Once.

### 7.3.2. Equality

- **Empowering Women's Talent (EWT)**

For its commitment to the development of female talent and diversity, Aqualia has renewed the *Empowering Women's Talent* seal awarded by the specialist Human Resources magazine Equipos&Talento.



- **Continuation of the Internal Network of Female Talent "Aqualiawomen".**

To promote *networking*, access to training and *coaching*. Currently 50 women are part of this network. 83.4% of the participants rate very positively the activities developed within the initiative in its first year of creation.

- **Cross Mentoring Programme within the framework of Empowering Women's Talent (EWT).**

In which different companies participate and in which mentor/ *mentee* pairs cross paths. This programme brings the richness of diversity of sectors and business models. Three *mentees* and three mentors from Aqualia have participated in the 2023 programme, which will continue in 2024.

- **Equality Badge**

Aqualia has obtained in 2023 the extension of its "Equality in the Company (DIE)" distinction for five more

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years. The Ministry of Equality has recognised Aqualia's work in the field of equality with the renewal of this distinction that the public body awarded in 2010.

- **Equality Plan**

In 2023, Aqualia implemented the commitments made in the 3rd Equality Plan it signed on 5 October 2021 for the period 2021-2025, thus renewing its commitment to guaranteeing gender equality (SDG 5) and reducing inequalities (SDG 10).

- **Aquamaior receives the Equal Pay Seal 2023**

Aquamaior, the Aqualia subsidiary that manages the integrated water cycle in the Portuguese municipality of Campo Maior, has been distinguished by the Portuguese Commission for Equality in Work and Employment (CITE) for its good practices in promoting equal pay for women and men.

- **Let's Talk Equality Training**

Its aim is to promote equal opportunities in the workplace, not tolerating direct or indirect discrimination on the grounds of gender, race, age, nationality, religion, sexual orientation, disability, etc. This course has been incorporated into the initial training for new recruits.

- **Campaigns: Women's Day, Gender Violence, etc.**

The company continues to show its commitment against gender violence through the implementation and participation in various awareness and sensitisation campaigns carried out in different municipalities and with the collaboration of Aqualia's staff.

- **Management Development Programme for Women**

In 2023, a new edition of the Management Development Programme for Women with High Potential of the School of Industrial Organisation (EOI) was held with the participation of 5 members of Aqualia's staff.



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- **Agreement with the Adecco Foundation**

For the development of activities aimed at achieving employment for women in vulnerable situations, such as:

- Camp for Employment. Socio-occupational integration project aimed at women in vulnerable situations. With this initiative, Aqualia aims to help overcome the barriers that these women face when attending employment workshops due to their limited financial resources and lack of family support.
- Participation in the Gender Violence and Employment Report with the aim of positioning employment as a key element for the comprehensive recovery of women victims.

- **Agreement with the Ministry of Equality**

Aqualia maintains the agreement with the Ministry of Equality (Government Delegation against gender-based violence) to promote awareness and social awareness against gender-based violence within the framework of the initiative "Companies for a society free of gender-based violence", signed in November 2022.

## 7.4. Leadership

During 2023, training continued to be given in the Aqualia Leadership Model, aimed at the organisation's managers. The training is based on three pillars of leadership for Aqualia: **participative, healthy and inclusive**.

## 7.5. Development

### 7.5.1. Professional and Personal Development

With the aim of contributing to a good working environment and reducing conflicts, Aqualia maintains its **Interpersonal Conflict Management Procedure**, which aims to be an effective tool for the management and resolution of conflicts arising in the workplace through mediation.

In 2023, the **Standard Job Manual containing** job descriptions of the organisation's jobs according to professional families has been updated. This manual is intended to be a basic tool for the organisation's human resources processes.

**Training** at Aqualia is linked to the company's strategic objectives, to improving the performance of the workers' functions and to ensuring their health and well-being. To this end, we work to develop training

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adapted to the requirements of each of the company's jobs.

Globally, in all the countries where Aqualia operates, **2,146 courses** were organised in 2023 and employees received **196,546 hours of training**.

Throughout 2023, the language policy has been implemented, in which the **multilingual platform** stands out, where the following languages can be studied: English, French, Portuguese, Italian and Spanish. 407 people have participated in the platform, 81% of whom have completed courses/training modules.

**Likewise, language groups and individual classes** have been organised according to the profiles and scope of activity of the posts. 199 people have taken part in these training courses, with a take-up and completion rate of 78%.

Training and awareness-raising in the areas of Diversity and Equality has taken on special relevance in 2023, with the following actions standing out:

- Course on awareness-raising and comprehensive protection against sexual violence in the workplace.
- Awareness raising on LGBTI DE&I. 146 people trained.
- Diversity and Inclusion awareness-raising for new recruits. Employees with access to e-mail take the course through the FCC Campus and employees without access to a computer take part in campaigns through posters in different countries.
- In addition, a training on inclusive language has been developed in which 1,666 people have participated and another on unconscious bias, which has been completed by 2,245 people.
- As part of the commitments of Aqualia's 3rd Equality Plan, it is worth highlighting the awareness-raising on the Gender Violence Cycle and Support Networks that 2,284 employees have carried out *online*, as well as the poster campaign and the *Be Aqualia app*.
- In addition, 884 people have participated in Cyberbullying training in 2023.

Likewise, in 2023, training on the **Code of Ethics and Conduct** continued to be developed for new recruits. In the area of regulatory compliance, 1,018 employees received training on **Conflicts of Interest**.

Given the importance of **cybersecurity**, various courses on this subject were held throughout 2023, in which 4,365 participants took part.

Training sessions on **Cultural Transformation in Sustainability** were held for Aqualia's team managers, with the aim of highlighting the cultural transformation that the company is undergoing towards sustainability, as evidenced by the launch of the 2021-2023 Strategic Sustainability Plan. These training courses will continue in 2024.

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The focus continues to be on training related to emotional health. Training in stress management and productivity, as well as psychosocial and mental wellbeing workshops have been organised, in which 612 people have participated.

In 2023 Aqualia has been recognised as a "**Espacio Cerebroprotegido**", a distinction awarded by the Fundación Freno al Ictus. This recognition is due to the training provided to its employees at its headquarters in Madrid, Barcelona and Seville, with the aim of training them in the identification, stabilisation and effective response to cases of stroke that may occur both in the company's facilities and in the performance of their work duties. The "Espacio Cerebroprotegido" certification programme has trained a total of 358 people. Aqualia continues to promote and develop professional competence accreditation processes. Aqualia currently has 17 accredited experts (11 for energy and water, 6 for safety and environment).

### **7.5.2. Recruitment and Internships**

Aqualia's Recruitment and Internships department works with one objective in mind: to attract talent, guaranteeing objectivity and equal opportunities in the selection and recruitment processes.

To this end, throughout 2023, work has continued on Aqualia's Employer Brand Image through *Employer Branding* programmes to promote the company's main objective of guaranteeing equal opportunities.

In addition, Aqualia has once again invested in the most relevant job portals with the greatest national and international capacity, maintaining in 2023 the contracting of the *myGwork* platform for the attraction of diverse talent in Aqualia.

Over the course of 2023, 741 selection processes have been carried out.

On the other hand, Aqualia continues to work on attracting young talent by signing agreements with Universities and Vocational Training Centres in different communities. New students have joined the Advanced Degree in Water Management and the Intermediate Degree in Water Treatment Networks and Stations of the Dual Vocational Training in the Community of Madrid, promoted by Canal de Isabel II.

### **7.6. Quality of Employment: Collective bargaining, industrial relations and personnel administration.**

In terms of collective bargaining, the trend of reducing the number of smaller collective bargaining agreements continued and, by adhering to the Sectoral Agreement, the 6th State Agreement on the Integrated Water Cycle continued to be extended as a reference framework for labour regulations.

Agreements have also been reached at provincial and autonomous community level, such as the

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Autonomous Collective Bargaining Agreements of Murcia, Madrid and Catalonia, as well as the provincial agreements of Toledo and Alicante, in which Aqualia has been involved in the negotiating committee.

In terms of relations with the social partners, there continues to be stability and collaboration between the most representative trade union organisations (UGT and CC.OO.) and the companies that represent the sector at employer level (AGA), with no collective conflict at sector level or strikes in the Aqualia Group in 2023.

Labour disputes remained at a low level. In terms of collective disputes, there have been several low-impact disputes due to the application of collective bargaining agreements, most of which have been resolved through conciliation. In the international area, there were no significant collective labour disputes. With regard to Labour Inspections, these have been reduced by 30% compared to 2022, having conciliated or obtained a favourable result in all of them with the exception of one case of slight seriousness.

In terms of equality, all the Aqualia Group companies, with the regulatory obligation to do so, have established Equality Plans in force and agreed with the social partners. With regard to compliance with the regulations on disabled personnel, the Aqualia group complies with these regulations in full, maintaining the required 2% of disabled personnel in companies with more than 50 employees and in the case of FCC Aqualia S.A. through the corresponding alternative measures.

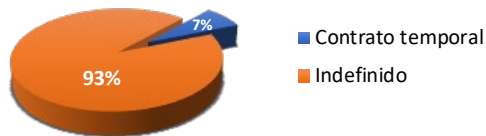
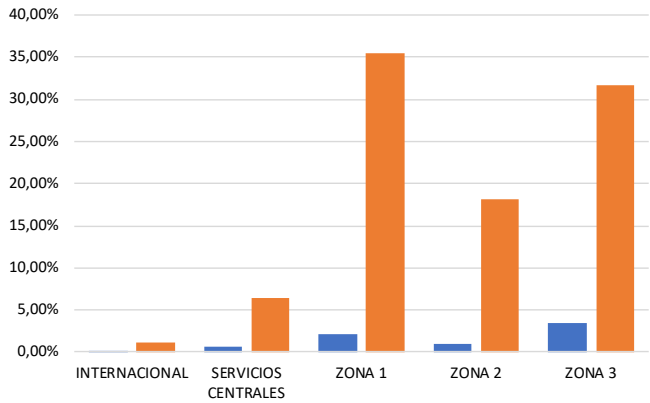
With regard to quantitative data, the employment stability policy is maintained at national level at the same level of 93% of permanent contracts in 2023. In terms of gender, the percentage of women employed has increased compared to 2022 at the national level, reaching 23% in 2023. Internationally, employment stability stands at 70% permanent contracts and 30% temporary contracts, and in terms of gender it stands at 83% of employees and 17% of female employees. This variation is due to the significant increase in the number of employees in the international area compared to 2022.

## SPAIN

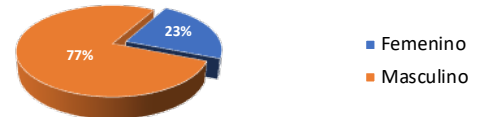
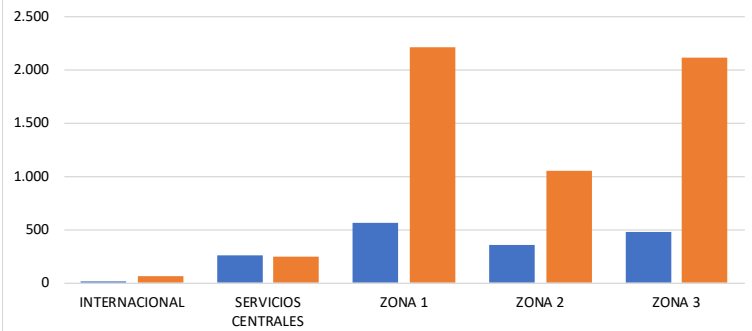
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### SITUACION CONTRATACIÓN



### PERSONAS POR GÉNERO



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## INTERNATIONAL



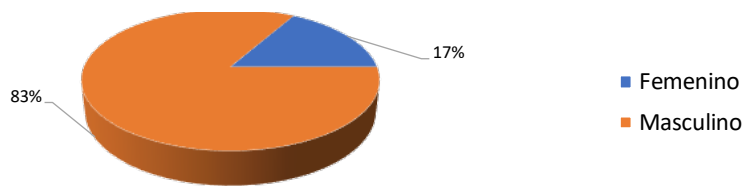
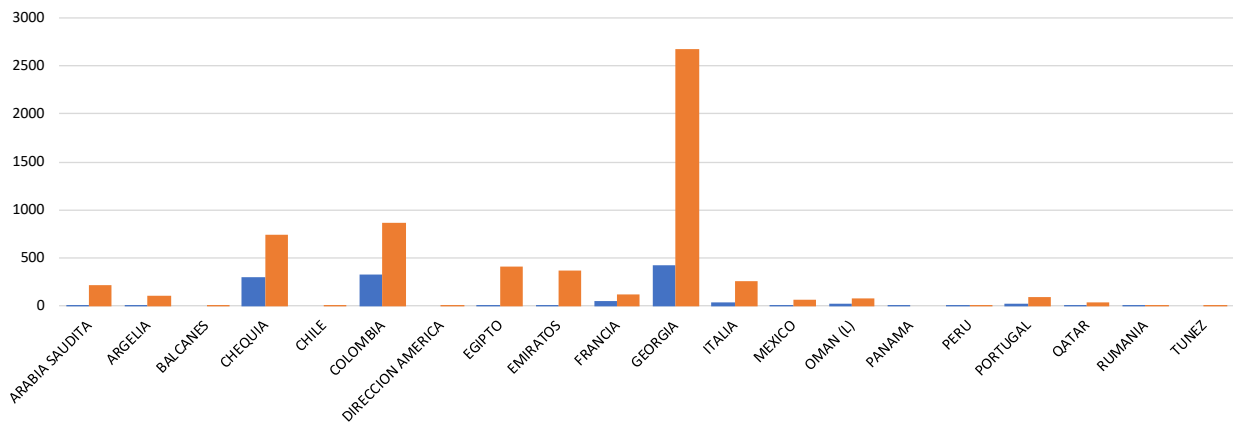
## 7.7. Health and Welfare

### 7.7.1. Evolution of Aqualia's accident rate over 2023

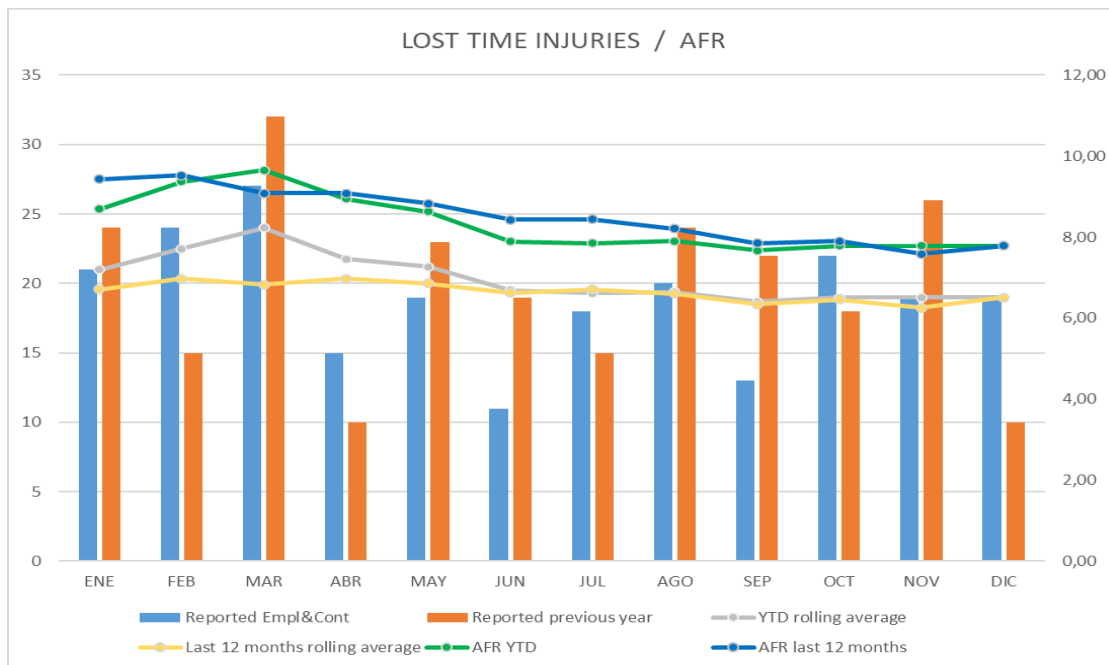
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### PERSONAS POR GÉNERO



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In 2023, the accident rate reduction target is achieved. The AFR is around 7.79\* compared with 9.84 in December of the previous year and 10.12 in October 2022.

It is noteworthy that there have been no serious accidents among the company's own staff.

\* Consolidated data up to October 2023 and averaged for November and December.

### 7.7.2. Health and Welfare Milestones

During 2023, the **Strategic Health and Wellness Plan** was redesigned and aligned with the company's Strategic Plan, translating it into actions to be carried out until 2026.

Work has been carried out on the implementation of some of these actions which, under the five lines of work that make up the Strategic Plan of the Health and Wellbeing area, represent progress in the effective, efficient and continuous improvement management not only of safety, but also of health and wellbeing in the company: both for the workforce and their family and social environment.

The most significant actions carried out during the year were as follows:



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- **Outstanding projects or initiatives aimed at achieving "Zero Harm" to workers:**

- Aqualia's Accident Prevention Action Plan is designed and disseminated, adapting it to each area.
- Indicators are defined and designed to identify the recurrence of accidents, as well as the segregated analysis of accidents by age, sex and other variables of interest.
- Awareness-raising, learning and training resources are generated with gamification and new technologies.
- The use of the *Be Aqualia app* as a communication tool is encouraged.
- Specialised face-to-face training on contractor management and the use of documentation control and tracking platforms.
- 3rd Aqualia International Health and Safety Conference.

- **Outstanding projects or initiatives aimed at controlling critical risks in Aqualia:**

- Update and submission for approval of the asbestos work plan.
- Control visits and improvement plan as part of the comprehensive ATEX risk installation control campaign.
- Control visits and improvement plans as part of the comprehensive campaign to control chlorine gas installations.

- **Projects or initiatives aimed at improving people's well-being:**

The *Be Aqualia* and Healthy Organisation Project is consolidated through various cross-cutting and specific initiatives, focused on improving the overall health of the workforce.

Cross-cutting actions:

- Physical activity (Women's races or closing of the *United Heroes* pilot).
- Food (*Be Aqualia* strategy against overweight and obesity, *Befit* with training routes, monthly menus, targeted challenges, and integration through health monitoring, *webinars*, workshops and various talks on eating habits and their influence on health).
- Talk on Cervical Cancer Prevention.
- Talk *Be Aqualia* Project and healthy eating at El Endrinal construction site: nutrition in personnel with high energy demands.
- Intensification of the strategy against overweight through the Fit Week with Webinar, Bicycle Activity and *Be Aqualia* Packs, various initiatives to promote healthy breakfasts.

Local initiatives:

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- Organisation, promotion and in some cases sponsorship of sporting activities such as races, hiking days, paddle tennis, football matches or yoga aimed at postural improvement.
- Fruit distribution, recipe competitions and healthy breakfasts.
- *Family day*.
- Local agreements with physiotherapy clinics, as well as promotion of active breaks in the office and physical activity to start the working day.

Special mention should be made of the emotional health programmes and the management of psychosocial risks in the company, which once again this year have been the subject of intervention, with the help of our partner *Affor Health*, multiple interventions have been carried out in this area, consolidating a cultural change in the organisation when it comes to addressing mental health through:

- Participation as co-creator and promoter of a New Psychosocial Assessment Tool *Mentally Pro*, in collaboration with the University of Barcelona, *Affor Health* and multiple national and international public and private entities.
- Participation as a speaker at the Conference on Suicide Prevention and Approach to Suicide in the workplace at the Official College of Psychology of Madrid. April 2023.
- Employee Assistance Portal (PAE), with the use of the Psychomet as a tool for psychosocial diagnosis and monitoring.
- Training on techniques and tools for individual management and coping to improve our psycho-emotional health through workshops and free webinars available to employees, for example, a workshop on emotional first aid.
- Action plans derived from the Work Climate Survey.

Some of the health promotion actions carried out in 2023 were:

- Certification of corporate centres as Companies with Brain-protected Spaces through the Fundación Freno al ictus. Talk on stroke prevention and action in the event of a stroke.
- Intervention in Voice Care in the group of Teleoperators (CAC).
- Influenza campaign with coverage of approximately 700 workers.
- Extended MRI analysis with PSA dosage is maintained in men over 50 years of age.
- Asepeyo Back Schools.
- Within health surveillance, 6809 medical examinations were carried out in Spain in 2023 (5896 through Cualtis and 913 in SMFCC).

- **Optimisation of the department:**

- Training in specific functions of designated technicians.
- Working group to improve the efficiency and fluidity of work in the S&B area (SUMA).

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- Design, development and implementation of new Health and Wellbeing *software* in Phase I on work-related injuries, inspections and actions.
- **Awards and participations with health and safety recognition:**
  - Our Aqualia Mace project in the United Arab Emirates has been recognised for its HSE performance with the *HSE Towards Future 2023 Award*.
  - In Oman, the OSWS project also received the following awards in 2023: *British Safety Council Safety International Silver Award* and *ROSPA International Safety Award*.
  - Second prize was won in the 5th VIVE Saludable Awards FCC Group -. Category: Health Promotion. Emotional Wellbeing in Aqualia: "Reto Covid-19".

In addition, it is worth highlighting Aqualia's participation in:

- PRL Innovation in various lines of work and in the VI Congress on PRL Innovation.
- Official College of Psychology of Madrid for the approach and prevention of suicide in the workplace.
- SMART HSE from Nalanda.

## 8. CORPORATE COMMUNICATION AND SUSTAINABILITY

### 8.1. Communication

#### 8.1.1. Aqualia's Communication Plan: national and international

The water sector faces major challenges that place Aqualia in a position of great responsibility towards the environment, the population and its future. As a provider of an essential public service, the company has the capacity to solve problems in the territories under environmental, social and governance (ESG) criteria, thus building its social legitimacy.

In this context, **Aqualia's Communication Plan 2023 (PCOM)** incorporates the expectations of the stakeholders regarding the company's activity, and configures the company's strategic lines for each of its audiences. The PCOM marks the work of the department, through the communication axis: "Sustainability through digitalisation, with a focus on efficient management".

The Plan includes the company's general lines of action in communication from a strategic vision and its adaptation to each moment and territory and to the triple ESG sustainability:

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- To achieve a position as a leading company with the capacity to influence the integral water cycle management sector, achieving a **social licence**. This goal links to **economic sustainability** and impacts on SDG 17: Strategic Partnerships.
- Transferring the **real value** that the company brings to municipalities through the management of the water cycle (impact on **environmental sustainability** and SDG 6: Water and sanitation).
- To highlight the digital transformation, technological evolution and the company's ability to **adapt** to climate change, while raising awareness of sustainability. This is the area of **social sustainability**, which impacts SDG 12: Responsible production and consumption.

2023 has been marked by various circumstances, such as the municipal elections in Spain, the PERTE, or the regulatory requirements for sustainability and transparency in the sector, in addition to Aqualia's own circumstances, such as its entry into Georgia and expansion in Colombia and France.

**Throughout 2023, 2,012 press releases were sent to the media and 426 meetings were held with all types of media.**

Once again, one of the milestones of the Corporate Communication and Sustainability department was the presentation of the **7th Aqualia Journalism Award**, held on 7 June at the headquarters of the Madrid Press Association (APM). In the competition, 41 journalists from Spain and Colombia presented a total of 60 journalistic works that reflect the importance of the management of the integral water cycle and raise awareness of this valuable and scarce resource. The jury awarded the prize to a Canal Sur TV report on water management in the face of climate change by the team of the programmes "Tierra y Mar" and "Espacio Protegido", a piece directed by José María Montero and presented by Ángela Blanco. Two runners-up prizes and two special mentions were also awarded. The total number of works presented in the seven editions of the Prize is 340.

One of Aqualia's major milestones in 2022 was Aqualia obtaining a **syndicated green corporate loan of 1,100 million euros** from ten banks, led by CaixaBank. This fact has also had repercussions in 2023, as it has received two awards: the "Award for the best sustainable loan of 2022" granted by the organisation OFISO; and the "Impact project/investment of the year 2023", from the publication *Environmental Finance* in December.

However, the award that received the most national and international media coverage of the year was the **'Water Company of the year 2022'** awarded to Aqualia by the Global Water Intelligence information platform.

The year began with the publication of an **interview with Félix Parra, CEO of Aqualia, in the** February issue of the magazine Agua y Medioambiente, which El Economista publishes in print and digital format. The economic newspaper interviewed Félix Parra in his capacity as president of the StepByWater Alliance and asked him about the challenges of the water crisis in Spain, the investments needed in the urban water cycle,

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the generation of renewable energy in the purification process, the increase in energy costs and the Spanish water market.

Another of the milestones that marked the year were the PERTE calls for proposals for the digitalisation of the water cycle. In the first call, which was resolved in the second half of the year, Aqualia presented 7 projects, from which the Ministry for Ecological Transition and the Demographic Challenge (MITERD) finally selected one: the PERTE of Campo de Gibraltar. The milestone was communicated by the Corporate Communication and Sustainability department to the media through a press release that was covered by both national and, especially, local media in the sector.

### 8.1.2. Digital communication and social networks

In 2023, **Aqualia's website** reached 706,000 visits by 698,000 users, with a low bounce rate (users leaving the site after viewing a page) of 31.3%.

**The Responsible water use** section ([aqualia.com](http://aqualia.com)) has been created on the website so that the local councils can make responsible water use campaigns their own. The new space has two sections: "Water sanitation" and "Responsible consumption", where the public administrations can find communication tools to raise awareness among citizens about responsible consumption ([posters](#), [videos](#), commercial breaks, digital tools, bottles, backpacks and stickers, among others).

In addition, Aqualia's website has also created an access to the **Citizen Information Portals search engine**, through which users can search for their municipality and directly access the portal of the municipal water service of their locality. Over the last year, progress has continued to be made in the **migration plan for the "Citizen Information" portals**. This plan was born as a result of the transposition in Spain of Directive 2020/2084, which affects the quality of water intended for human consumption, and whose new requirements include guaranteeing the availability of updated information. The local web portals are changing to a new format to comply with the regulation, and are accessible both from [aqualia.com](http://aqualia.com) and from the websites of the Spanish local councils. By the end of 2023, 200 portals had been published. The remaining phases to be completed are phase 6, with 50 portals under review (pending receipt of content from the technical department) and phase 7, with 60 portals under "contribution" (also pending from the technical department).

Another area of Aqualia's website is dedicated to the Sustainability Report. This year, the **2022 Sustainability Report**, available in Spanish, English, French and Portuguese, includes two new features. A fifth format was adapted: "The report at a glance", a very reduced version with the most essential data. The second new feature was the publication of nine interviews with executives from Aqualia's Management Committee, heading each chapter of the report.

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Aqualia's **social networks** have maintained their growth in 2023 compared to the previous year, both in terms of the number of followers and the publications made.

- On YouTube, the company has 3,600 subscribers and 2,344,152 views (around 300,000 new views this year).
- On X (formerly Twitter), it has gained more than 500 new followers this year, to the current 7,618.
- On LinkedIn, Aqualia's followers have increased from 37,854 last year to 49,510 this year, an increase of more than 30%.
- Aqualia's Instagram profile, which was launched in March 2022, already has 2,270 followers (1,170 more than last year).

The company's social networks continue to play an important **training/information role** in the company's initiatives, as in the case of the campaign against gender violence, the World Environment Day campaign and the promotion of the Sosteniblómetro. The **Employee Use and Participation Manual for RRSS**, published in 2022, is still in force as a guide so that all Aqualia's professionals know how to use their social networks correctly.

### 8.1.3. Events

#### 8.1.3.1 National events

Aqualia continues to take part in various events and conferences of reference within the sector, both nationally and internationally. This calendar of events opened in January with the **2nd StepByWater meeting**, held at the headquarters of the Spanish Federation of Municipalities and Provinces (FEMP) in Madrid. The conference, entitled "Europe in the face of water scarcity", was supported by the Spanish government and was attended by several authorities. Félix Parra, CEO of Aqualia, opened the event. StepByWater is a pioneering multi-sector alliance in Europe and Spain, which promotes key supranational initiatives, such as the 2030 Agenda, the Decade of Action for Water, the Agreements of the different Climate Summits and the Urban Agendas, in an integrated, cross-cutting and alliance framework. Aqualia is one of these actors in the "Cultural Water Revolution" and Félix Parra holds the presidency of the alliance. In September, another meeting of the Alliance took place, in which Aqualia participated, to present the work "In our hands" in the lagoon of Calzada de Oropesa (Toledo). The action, created by the international artist SAYPE, raised awareness of the importance of protecting water.

The company also participated in **SMAGUA 2023**, held in Zaragoza in March, where PERTE initiatives for the digitalisation of urban water were presented. José Gabriel Lumbreras, Director of Operations and Technological Transformation, presented the projects developed jointly with 130 city councils. That same month, the company also participated in the **2nd Castilla-La Mancha Economic Forum. Achievements and Challenges**, organised by El Español, Invertia and El Digital in Toledo (Spain). The event was attended

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by Santiago Lafuente, Director of Aqualia España, and Francisco Jiménez, Director of Aqualia Industrial, who analysed the region's challenges in the use of water.

Aqualia was also present at the **Quality Water Summit**, an event organised by the iAgua portal and held from 24 to 28 April to analyse the main trends in the sector. Aqualia was one of the main players and took part in different parts of the event: a round table on the future of water management, a session on the energy transition in the water cycle and a session on biofactories and reuse. Zouhayr Arbib, head of the Sustainability area of the R&D department, moderated a round table on wastewater treatment in small and medium-sized towns. *Country managers* Javier Sierra (Egypt) and Javier Díaz (Saudi Arabia) led the round tables focused on business opportunities.

In June, Granada (Spain) hosted the **13th International AEDYR** (Spanish Association of Desalination and Reuse) **Congress**, a forum where the latest research and developments in desalination, reuse and water treatment are presented. The programme included six presentations by technicians from the company's Engineering and R&D teams. In addition, Lyvia Mendes, an Aqualia researcher, won the AEDYR prize for the most voted paper.

Also in Spain, Aqualia participated in events such as the **Spain Smart Water Summit 2023**, organised by iAgua from 19 to 21 September. The event brought together 250 experts to analyse the implications of the digital transformation of the water industry. One of the presentations was given by Marcelino Ortega, *Process Control Engineer* at Aqualia, who focused on data management and its environmental impact. Renzo Lovón, *Head of Operations Applications & Data Analytics* at Aqualia, gave a presentation entitled "Transforming cities with data: technologies and success stories of leading operators".

The company participated in the **IDA Water and Climate Change Summit**, held in Seville from 15 to 18 October. The congress, organised by the International Desalination Association and supported by MITERD, focused on climate emergency and reuse solutions. Aqualia participated in the conference, which focused on the challenges of achieving carbon neutrality through innovation.

In November, Aqualia participated in the **Digital Water Summit** organised by the International Water Association (IWA) in Bilbao, in collaboration with the Consorcio de Aguas de Bilbao Bizkaia and AEAS, to discuss the digitalisation of the water sector, which brought together more than 400 international experts. Diego Naranjo, head of Efficiency Models and Smart Solutions, gave a presentation focused on the efficient management of networks, Aqualia's platform and its operational control centres. Pedro Rodríguez, Director of Operations and Technology, closed the event as Vice-President of AEAS, in his capacity as representative of the IWA in Spain.

### 8.1.3.2 International events

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In May, one of the major international events of each year took place, the **Global Water Summit**, held in Berlin, which analysed the key challenges facing the water sector today. Aqualia took part in several presentations and presented its success stories. Guillermo Moya, Director of the Europe Area, and José Enrique Bofill, Director of the MENA-Asia Area, participated in the *Water leadership panel* and in the round table *The future of SDG6 finance*, respectively. In these sessions, they were able to discuss strategic and sustainable global water management issues with top-level CEOs and profiles.

The first of the two major events held in France with the presence of Aqualia was the **Carrefour des gestions locales de l'eau fair**, held in Rennes on 25 and 26 January. The event, which is essential for public bodies, water management entities and technology suppliers in northwest France, was held for the 24th time, with 500 exhibitors and more than a hundred conferences and workshops.

Also in France, in this case to close the year, the **Salon des Maires et des Collectivités Locales** was held in Paris in December, supported by the AMF (French association of mayors).

Also at the end of the year, Aqualia was present at the **4th Silk Road Forum in Tbilisi** (Georgia) which, under the slogan "Today Connected, Tomorrow Resilient", took place in the Georgian capital in November. Around 2,000 participants from more than 60 countries discussed regional and global trade and connectivity. José Enrique Bofill, Aqualia's *Regional Director MENA and Asia*, participated in the panel discussion "Boosting investment through policy decisions".

In the Americas, the **XXV ANDESCO Congress** was held in Cartagena de Indias (Colombia) in June. Aqualia took part in the debate on the public services model that Colombia needs for the future. More than 3,000 people attended the presentations by Juan Pablo Merino, Director of Corporate Communication and Sustainability, and Yolanda Barahona, Head of Corporate Sustainability: "Nativos Sostenibles: la esencia de la gestión en el Ciclo Integral del Agua" (Sustainable Natives: the essence of management in the Integrated Water Cycle).

In November, the **XXXV Annual Convention and Expo ANEAS** (National Association of Water and Sanitation Entities in Mexico) was held in Monterrey, with more than 8,000 attendees. Aqualia participated as a collaborator and with the presence of the *Country Manager*, Juan Miguel Martínez, and the production director, Humberto Morales. In addition, Samuel García, an expert in water project management, gave the conference "Water and the future: the challenge of Nuevo León".

In the Middle East, the company participated in events such as the **Oman Energy and Water Exhibition and Conference** (OEWEC), held in March, through its Omani subsidiary OSWS, with its partner and customer Majis. In November, the *joint venture* formed by Aqualia and GS Inima, which has been operating the Mostaganem and Cap DJinet desalination plants in Algeria since 2011, was invited as a benchmark in desalination to the **Algerian Desalination Day** event held in Algiers, a meeting point for the country's main desalination players and to present the latest advances in reducing energy consumption.



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#### 8.1.4. Prizes and awards

The great recognition that Aqualia received in 2023 took place during the Global Water Summit, held in Berlin in May. The *Global Water Awards 2023* were presented by the British communications platform Global Water Intelligence. Aqualia won the **Water Company of the Year 2022** award. The jury particularly valued the company's financial, commercial and sustainability achievements in 2022, such as obtaining the 1.1 billion euro green loan, its comprehensive energy efficiency and emissions reduction plan and the renewal of almost 100% of its concessions in Spain, together with new contracts in Georgia, France, Colombia and Saudi Arabia. In addition, the Abu Rawash plant project, executed by Aqualia in Cairo (Egypt), was a finalist in the 'Best wastewater treatment plant of the year' category.

The awards won by the company in 2023 are intrinsically linked to sustainability. Aqualia's securing of a 1.1 billion euro green loan in 2022 led to the receipt of two awards. One of these, for the **"Best Sustainable Loan of 2022"**, was awarded by OFISO (Spanish Observatory of Sustainable Finance) in May, recognising the commitment of institutions and individuals to drive financial resources towards sustainable activities. Isidoro Marbán, CFO of the company, collected the award. The loan also led to the **"Impact project/investment of the year 2023"** recognition, awarded by the *Environmental Finance* publication in December, highlighting the "large-scale and diverse geographic impact" of the investment.

Closer to the direction of Communication and Corporate Sustainability was the achievement of the position of **finalists in the Dircom Ramón del Corral Awards**. The Association of Communication Managers, Dircom, placed **Aqualia's Sustainability Report 2021 ("#Actúa")** among the finalists in its sixth edition of the Awards, which distinguish excellence and best practices in corporate communication in Spain. The document competed in the "Non-financial information" category in the "ESG" area.

Two other awards related to sustainability and of a local nature were, on the one hand, the recognition of the **Confederation of Entrepreneurs of the province of Cadiz (CEC) in its 3rd Contest for the Recognition of Business Commitment to the Sustainable Development Goals (SDGs)**. Aqualia received the award for its "Sosteniblómetro" initiative, the citizens' barometer of sustainable behaviour. It also received an award at the **27th edition of the Andalusia Environment Awards**, organised by the Department of Sustainability, Environment and Blue Economy. In this case, the initiative recognised was the Life Ulises project, developed at the El Bobar WWTP in Almeria as a model for transforming wastewater treatment plants into zero discharge biofactories.

There have also been recognitions related to leadership and people management. On the one hand, Aqualia was awarded the **Diversity Leading Company 2023 seal**, which included Aqualia among 83 companies committed to diversity and inclusion. On the other hand, the company renewed its **"Equality in the**

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**Company-DIE" distinction**, awarded by the Ministry of Equality to entities that develop gender equality policies, for a further five years. The distinction was obtained in 2010 and has been extended.

Internationally, in the United Arab Emirates, the public company Al Ain Distribution Company recognised AqualiaMACE, a company formed by Aqualia and the Emirati company MACE, as a **Partner in Responsibilities**, for its commitment to its more than 500 workers in terms of safety, health and the environment. In Colombia, the Secretary of Education and the Municipal Library of Cereté recognised the company for contributing to the education of new generations on the importance of water through Aqualiaeduca. In addition, **Aqualia received recognition from the Ministry of Labour of the Republic of Colombia** in collaboration with the Organisation of Ibero-American States for Education, Science and Culture, for its outstanding participation in the Labour Inclusion Strategy in Riohacha (La Guajira).

## 8.2. Sustainability

### 8.2.1. Sustainability Strategy. Sustainability in Aqualia. PESA

The macroeconomic context, rising inflation, the difficult geopolitical situation, as well as the energy crisis and trade wars increase protectionism and generate mistrust in society. The need to alleviate the climate emergency has led many states to promote a framework of rules that push companies towards positive impact, technological progress and decarbonisation of the economy.

Water and water resource management are directly affected by the climate crisis. Under these premises, Aqualia has consolidated its position on the international stage this year, thanks to the ability of its professionals to adapt and to the generation of innovative, digital and sustainable solutions.

In 2021, Aqualia published its first three-year Strategic Sustainability Plan (PESA), which has enabled it to implement projects that promote sustainable water management. During these three years, the company has implemented the strategic lines established, based on the adaptation and mitigation of climate change, culture and the well-being of people, ethics and social impact, the promotion of technology for integrated management, digitalisation and communication with all stakeholders.

Once again, and successfully audited by AENOR, Aqualia has demonstrated its strong commitment to environmental sustainability and its contribution to the United Nations Sustainable Development Goals. Aqualia promotes and integrates the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs) into its corporate culture. Thus, the PESA focuses on achieving the goals established by the 2030 Agenda, with a vocation for cross-cutting action, linking them to the company's activity.



### **8.2.2. Sustainability Report 2022**

Aqualia published its Sustainability Report 2022, which covers the company's performance and reflects the evolution of its Strategic Sustainability Plan 2021-23. The document, addressed to all its stakeholders, integrates the progress made in the three main areas: economic development, environmental performance and social justice.

The Report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards, updated in 2021, which detail the impact of the company's activity on the economy, people, the environment and human rights. The document has been audited by AENOR and is in line with the new CSRD (Corporate Sustainability Reporting Directive) of the EU, which proposes the analysis of the impact of the company's activity.

One of the novelties of the Report were the interviews with Aqualia's managers whose activity is directly involved in the subject matter of the strategic lines of the PESA, heading each chapter.

For its dissemination, different pieces were produced internally and externally, in physical and online format. A space was opened on the corporate website in Spanish and two others in Portuguese and French. The report was distributed and advertised on Aqualia's digital channels. A month before, a pre-launch campaign was carried out in X. In April, the report was presented to the Management Committee, the complete book was delivered and banners were published on the website and in the sector's media, as well as an email to all employees and a video. A week later, a press release was distributed to the media and executive summaries were distributed to all the municipalities where Aqualia operates.

"The environmental axis is directly related to the essence of our work: the care and preservation of water through service to citizens," says Félix Parra, CEO of the company, in the interview that opens the report. In it, he stresses the importance of managing the water cycle efficiently to preserve the water resource.

### **8.2.3. Strategic materiality. Listening process.**

Through a process of active and continuous listening with stakeholders, Aqualia identifies the most relevant issues in environmental, social and governance matters. This exercise is repeated every year, generating initiatives that seek to maximise the positive impacts and minimise the negative ones.

The Strategic Materiality Study identifies and analyses aspects that serve to update the issues of interest to the relevant audiences identified. Based on the research of secondary sources such as the *Green Deal* or OECD and UNESCO documents, and interviews and surveys with internal (employees) and external stakeholders (public administrations, customers, users, suppliers, media, NGOs), the topics of interest are

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segmented by area (social, people, governance and environmental) and importance for the stakeholders and the company.

The recent European Sustainability Disclosure Directive (ESDD) and its European Sustainability Reporting Standards (ESRS) propose a more comprehensive approach to ESG performance and governance. For the first time, during 2023, Aqualia has constructed the first dual impact materiality matrix, which involves assessing the company's influence in terms of sustainability from two perspectives:

- Impact materiality. How sustainability-related corporate issues impact stakeholders and the environment.
- Financial materiality. How sustainability issues impact the company's financial performance and position.

#### **8.2.4 Elaboration of the new Strategic Sustainability Plan**

During the last half of the year, work has been carried out on the drafting of Aqualia's Strategic Sustainability Plan 2024-26. The document has been drawn up taking into account:

- The requirements of AENOR in the latest revision and certification of the Strategic Sustainability Plan.
- Listening to employees following communication and training on the SPFS 21-23
- Listening process carried out with all stakeholders.
- European and global regulation in all areas of sustainability.
- Voluntary reporting standards.
- Sustainability performance rating.

The Plan has been elaborated jointly and in a cross-cutting manner, through sessions with the responsible teams to determine objectives and feasible actions and to establish homogeneous frameworks.

A draft proposal of PESA 24-26 was presented to Aqualia's ESG Committee in December. Once approved and agreed, the final document will be submitted for approval by Aqualia's Board of Directors in the first quarter of 2024.

#### **8.2.5. Awareness raising**

##### **8.2.5.1. Environmental**

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For yet another year, Aqualia launched a new edition of the **Digital Children's Drawing Competition** on the *microsite* [www.aqualyods6.com](http://www.aqualyods6.com), an initiative that has been running for more than two decades. On this occasion, the main characters are accompanied by the *Sustainable Gang*, who embody everyday actions that help to care for the environment, and together they travel through different ecosystems. On the portal, 3rd and 4th grade children can learn about the SDGs as well as complete their drawing online. With this initiative, promoted in Spain and Colombia, Aqualia aligns itself with and supports academic institutions and public administrations while at the same time approaching SDG 4: "Quality Education". Throughout its history, nearly 300,000 students have already participated. **In 2023, the competition counted 7,932 entries and provided 4,100 hours of digital training.**

**The promotion of the Sosteniblometro**, the first sustainable habits meter for citizens, has also continued. Through an online *test*, available at [sosteniblometro.com](http://sosteniblometro.com), citizens can measure how sustainable their daily actions are. Thanks to the data extracted, content was generated for the media, enabling positioning as a reference on sustainability issues. In June, on World Environment Day, Aqualia presented the conclusions of the 3rd Sustainable Behaviour Barometer; and in December, it published the data from the 4th Barometer.

On the occasion of **World Water Day** (22 March), Aqualia launched the message that companies specialising in water cycle management have a key role to play in improving efficiency and sustainability through the advancement of technology. Content was published in more than 30 print and digital media (8 national media and 21 regional headers).

On the occasion of **World Sanitation Day**, on 19 November, Aqualia focused on emphasising "your role is essential", pointing out the harmful effects of not taking care of the sanitation network. Aqualia resumed its [actuaconaqualia.com](http://actuaconaqualia.com) initiative, appealing to citizens' commitment to make good use of the toilet and not use it as a wastepaper basket, through press releases, advertising graphics and social networks.

At different times of the year, other campaigns were activated, such as World Environment Day and the eighth anniversary of the Sustainable Development Goals, launching the **#ComprometidODS campaign**.

Another example of environmental awareness was the participation in the **15th National Congress of Environmental Journalism**, organised by the Association of Environmental Journalists (APIA), which was held in Madrid under the slogan "Water counts". At the conference, held in October, different cases of communication in relation to water were presented. Juan Pablo Merino, Aqualia's Director of Corporate Communication and Sustainability, presented the paper "Ten days of working against the clock to solve the biggest water crisis in Castilla-La Mancha", in which he recounted the crisis caused by a damaged infrastructure in the flow of water from the Picadas reservoir to the Valmojado DWTP.

Another of the initiatives that Aqualia carried out at local level were the **campaigns for responsible water use**, promoted in August due to the pressing drought that particularly affected the south of Spain. Numerous

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municipalities asked Aqualia to carry out awareness-raising actions: Jaén, Barbate (Cádiz), Tarifa (Cádiz), Alcalá de Henares (Madrid), Berja (Almería), various municipalities in the Canary Islands, Miajadas (Cáceres), Ronda (Málaga), Arcos de la Frontera (Cádiz), Rota (Cádiz), Torrox (Málaga), Vigo (Pontevedra), among others.

Other local initiatives were also launched. For example, in the case of the Ibiza 2023 Multisport World Championship, which became the first "zero waste" triathlon championship in the world, thanks to the innovative waste-free water system implemented by Aqualia at the refreshment posts. In this way, the athletes were supplied with more than 11,000 litres of water, avoiding the use of 35,000 plastic bottles. In Hellín (Castilla-La Mancha), Aqualia distributed cardboard cups and tap water for the Hellín "Ciudad de Hellín" Half Marathon. In Burgos, Aqualia donated 350 reusable water bottles so that researchers at the Atapuerca excavations could relieve their thirst in a sustainable way.

Other biodiversity-related initiatives included "The Tree of Life", also in Hellín (Albacete). In collaboration with the local town council, more than 80 students were able to learn about the importance of caring for water and how to protect the environment by planting trees to form a forest around the Hellín WWTP.

Internationally, in Cordoba (Colombia), on the occasion of International Tree Day in October, 100 trees were planted in the municipalities of San Antero and Planeta Rica. Throughout the year, Aqualia planted more than 500 trees in similar actions in different parts of the country, reminding people of the importance of protecting green areas. In the same department, more than 1,000 river turtles were released in the municipality of Lorica. In Italy, Caltaqua signed an agreement with the Zero CO2 association with the aim of reducing CO2 emissions by planting trees and at the same time helping families in Tanzania.

Aqualia's activity incorporates, in itself, the concept of sustainability, and has been reflected in numerous actions implemented. For example, **the inauguration of the largest industrial water treatment plant in Southern Europe in Tarragona (AITASA)**, which was attended by Juan Luis Castillo, Director of Zone II; Santiago Lafuente, Director of Spain; and Felix Parra, CEO of Aqualia. This facility regenerates water from the Tarragona and Vila-seca WWTPs for reuse in industry.

One of the local highlights was the **visit to the Toledo WWTP by Javier Ariza, the general director of Circular Economy of Castilla La-Mancha**. In addition, other circular economy projects in the region were presented during this visit, such as **Life Answer** (Alovera brewery), **Life Memory** (Alcázar de San Juan WWTP) and **Life Intext** (Talavera de la Reina WWTP).

**The inauguration of the photobiorefinery of the Deep Purple project took place** at the Linares wastewater treatment plant. The event was attended by the mayoress of Linares, M<sup>a</sup> Auxiliadora Del Olmo, and the Secretary of State for the Environment, Hugo Morán, among other authorities. This initiative purifies water using purple bacteria and its main objective is to use wastewater as an energy resource through the generation of bioproducts.

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On the other hand, the **results of the RE - CARBON project were presented at Aqualia's offices in Oviedo**. [This research](#) has been carried out since 2019 in three Asturian facilities: the Grado WWTP, the Luarca WWTP and the Entralgo DWTP. It is a circular economy initiative to test the technical and economic feasibility of the regeneration of spent activated carbon and the production of *biochar* (charcoal) to reduce waste, the consumption of raw materials and promote energy savings.

#### 8.2.5.2. Social

Aqualia develops and participates in initiatives to raise awareness of equality and diversity. On **International Women's Day** (8 March), under the slogan "Inspiring and real", Aqualia encouraged users to share their female role models. The campaign was developed through the [aqualiaigualdad.com](http://aqualiaigualdad.com) website. Aqualia collaborated with the preparation of the report "#Empleoparatodas: women at risk of social exclusion in the world of work" together with the Adecco Foundation.

On the occasion of **World Day Against Gender Violence**, on 25 November, Aqualia launched a new initiative on the [aqualiacontigo.com](http://aqualiacontigo.com) website, under the slogan "Faced with gender violence, drops of solidarity". The financial support provided by Aqualia is dedicated to a project of the Adecco Foundation aimed at the integration of women in different complicated situations into the labour market: the 'Camp for Employment' 2024. In this camp, several of the workshops were developed by the People and Culture department. In 2023, thanks to this campaign, Aqualia contributed to the training of 15 women through a training and job orientation workshop.

Aqualia collaborates in promoting employment for women at risk of exclusion within the Adecco Foundation's "Women's Programme". A group of 26 **women at risk of exclusion**, some of them victims of gender violence, visited the Aqualia Contact customer service centre in Madrid.

Aqualia has maintained the **agreement with Caritas**, in force since 2016, by which it donates the amount of the water bills of the centres located in the towns where it provides service to the NGO. In 2022, this amount totalled more than 62,000 euros, benefiting more than 25,000 vulnerable people or those at risk of exclusion. The alliance between was articulated through 143 centres in 42 towns.

Similarly, the **social funds of Arcos de la Frontera and Chipiona (Cádiz) were renewed** for the payment of water, sewerage and water treatment bills for people with economic difficulties.

This year, the 2022-2023 edition of the **Community Grants Programme of the Australian fund IFM Investors** selected two Aqualia projects in collaboration with local NGOs in Spain and Colombia. The programme, which supports associations that promote social or environmental initiatives in different communities, will provide a grant to both. One of them will be developed in Galicia through an agreement with Asperga (Galician Asperger's Association), with the aim of promoting the employment of two people with

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Asperger's syndrome. The other will consist of the supply and installation of filters to improve water quality for 1,800 people in rural communities in Colombia, in collaboration with the Rotary E-Club association.

In the area of diversity, Aqualia supported inclusion through the **employment of people with disabilities** in Tomelloso (Ciudad Real) and San Juan del Puerto (Huelva). The company recently launched two initiatives to hire people with different disabilities. One of them in San Juan del Puerto (Huelva), with the Asociación de Jóvenes Especiales de Moguer-Abriendo Puertas, and the other in Tomelloso (Ciudad Real) with the Cadisla Foundation.

Aqualia continues to promote equality between men and women, which is why this year saw the **first meeting of the AqualiaWomen network**, the internal network to promote professional development that aims to consolidate the commitment to equality and diversity.

The company is involved with the communities in which it provides services, also at a cultural level. In Catalonia, Aqualia supported the Sant Jordi Diada in Lleida, on the occasion of the Book Day festival. The company placed 76 banners with the slogan "**Water and culture, essential**".

### 8.2.5.3. Governance

Aqualia acts to achieve its sustainable business objectives and establishes mechanisms to take responsibility for the impact that its decisions have on sustainability. For this reason, the company reports on its decisions and activities through reports, giving information on sustainability as much weight as financial information. This results in documents such as the **Sustainability Report**.

The 2022 Sustainability Report covers Aqualia's economic, environmental and social performance, with complete quantitative and qualitative information. It includes all the strategic lines of its Strategic Sustainability Plan 2021-23 (PESA), with its indicators, their evolution and the SDGs where they have an impact. Through the Strategic Sustainability Plan (PESA) 2021-2023, Aqualia addresses its commitment to sustainability and defines its strategies and priority lines of action. And as a basis for establishing the axes and commitments of the Strategic Sustainability Plan, Aqualia uses its **Strategic Materiality Study**.

At corporate level, Aqualia continues to focus on continuous improvement without losing sight of the principles of **transparency**. This is one of the examples that has motivated the migration of local web portals to a new format, mentioned above. In order to adapt to the recent Directive (EU) 2020/2184 on the quality of water intended for human consumption, Aqualia is working on the migration of the "Citizen Information" portals to a new format that complies with the regulation and even extends it in certain aspects.

The company seeks to continue to contribute to the objectives of health and wellbeing, equality and diversity, and decent and healthy employment, which it reflects in every internal and external communication and campaign. The Corporate Communications and Sustainability department draws its communications on these bases. It also does so at the level of ethics and regulatory compliance, transmitting its culture of ethical



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values through internal communication. A clear example is the dissemination of **Compliance Tips**, the periodic sending of small information pills to all Aqualia's staff about the main *Compliance* policies.

## 9. REGULATORY COMPLIANCE

The Compliance Department has continued to work on the deployment of the Compliance Model in new companies included in the perimeter in Colombia (through the implementation of the SAGRILAF program, on the prevention of money laundering, and PTEE, on transparency and ethics), Saudi Arabia and France, thereby achieving the implementation of the Code of Ethics and Conduct and corporate policies in the new companies. Likewise, work has continued to ensure that a *Compliance* model is made available to several joint ventures in which Aqualia has a shareholding with different Spanish Public Administrations.

Following the implementation of the Compliance Model in the company *Georgian Global Utilities JSC*, during 2023, specific control and process owners have been appointed to be responsible for the execution of these controls in order to mitigate the main compliance risks in its activity and that of its Georgian subsidiaries. During this year, for Aqualia's activity in Georgia, the aforementioned self-assessment on the execution of controls and processes has been carried out through the corresponding owners. This self-assessment has also been carried out in the rest of Aqualia's geographical areas in the same way as usual in recent years, and monitoring has also been carried out by the Compliance department to verify the correct application of the controls.

From the third line of defence, for yet another year, FCC's Internal Audit Department has carried out a review of the Compliance Model, where the continuous evolution of the *Compliance* Management System within Aqualia has been verified.

### 9.1. Compliance Policies and Procedures

As a result of the entry into force in Spain of Law 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption, an adaptation was made to the different

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rules of the Compliance Model that were affected by the requirements of this law and which were duly approved by Aqualia's Board of Directors. In other European jurisdictions, similar legislation has also been approved in 2023 as a result of the transposition of the Directive in this area, which, in most cases, have been covered by the adaptations made by Aqualia's parent company.

In addition, a new reporting procedure has been approved for the Compliance function, which establishes the criteria to be followed by the *Compliance Officers* and local *Compliance* coordinators by country and region to make periodic reports and a protocol on management of conflicts of interest applicable to the entire organisation.

## 9.2. Training and awareness raising

The launch of online training on the Code of Ethics and Conduct in the Czech Republic, Italy, Portugal, France, Colombia, Mexico, Peru, Chile, Saudi Arabia, United Arab Emirates and Egypt, following on from last year's course in Spain, was a major milestone in the training plan, as the course has been adapted and translated into the predominant languages in each of these countries, to convey the ethical principles and values that should guide the conduct of Aqualia's employees.

Also in 2023, job-specific online training was provided to employees of Aqualia's activity in each of the countries listed above, and also for Spain, on conflicts of interest in which the different types of conflicts of interest were explained and practical cases were provided to identify the existence of possible conflicts of interest.

New employees joining the company receive training on the Code of Ethics and Conduct and, depending on their positions, on international standards to prevent the commission of corruption offences and their concrete application in the organisation.

In Colombia, specific training has been carried out on the SAGRILAF and PTEE systems and in Italy on the update of the Organisation and Management Model based on Legislative Decree 231/2011.

As part of the continuous awareness-raising of the workforce, various *Video Compliance Tips* recorded by the *Chief Compliance Officer* and the rest of the *Compliance Officers* and local *Compliance* coordinators have been launched. Through them, messages have been conveyed about the *Compliance* culture, the new whistleblower protection regulation, the due diligence procedure with third parties, what influence peddling is, how the Ethics Channel works, how to preserve the company's assets and the ethical commitment in the daily practice of employees.

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### 9.3. Risk assessment, controls and monitoring

Due to the inclusion, in 2023, in the Spanish Criminal Code of new offences that may trigger the criminal liability of the legal person, such as animal abuse, the *Compliance* risk analysis has been revised to take into account this new regulation. Similarly, the risk analysis for Aqualia's activity in Italy has been updated due to the introduction of new offences for which companies may be liable (payment instruments other than cash, offences against cultural and landscape heritage).

Once again, two self-assessments of the implementation of controls by the control and process owners have been carried out, allowing the level of implementation of these controls to be determined, as well as possible improvements to be made based on the information provided by the owners. In addition, in 2023, the Aqualia companies operating in the Republic of Georgia and the Czech subsidiaries Vodotech and Aqualia Infraestructuras Inženýring were included in the self-assessment of controls and processes.

The correct effectiveness of the execution of the controls is verified through the monitoring carried out by the *Compliance* department as a second line of defence in risk mitigation.

For the mitigation of risks, the second line of defence monitoring carried out by the *Compliance* department is particularly relevant, *in which the* processes identified in Aqualia's activity are analysed by sampling the evidence that demonstrates the execution of controls. This allows us to know whether the evidence is sufficiently robust to mitigate the initial risks identified and, if they can be improved, to propose effective action plans that allow us to have effective controls, thus working on the continuous improvement of the *Compliance* system. During 2023, the execution of 45 controls carried out by more than 220 control owners was analysed. It has been observed that there has been a strengthening both in the execution of the controls and in the evidence of their execution, strengthening the storage of this evidence to make it more accessible to the different areas of the organisation responsible for their execution, verification, supervision and auditing.

### 9.4. Compliance Due Diligence with Third Parties

The due diligence procedure for third parties in terms of *compliance* has been updated during 2023 to include the assumptions for reviewing the risk of those third parties that continue to have relationships with Aqualia. Depending on whether the risk determined at the time of the due diligence was low, medium or high, the analysis will be reviewed every three years, every two years or every year, respectively, in order to monitor whether there are changes in the level of risk and if, in the worst case, the mitigation plans with the third party need to be reinforced to reduce Aqualia's exposure to risk.

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At year-end 2023, 83 internal requests were received at corporate level to analyse third parties. Of the final assessment reports issued by the Compliance Department, 12% of the third parties were classified as high risk, 55% as medium risk and 33% as low risk. Depending on the risk levels, mitigation measures are applied and, subsequently, the correct implementation of these measures is monitored.

### **9.5. Ethical Channel (*Whistleblowing line*)**

Up to 31 December 2023, a total of 68 alerts have been received in the Ethics Channel on matters related to labour issues (25%), customer management (19%), conflict of interest (4%), improper use of company resources (4%), harassment (3%), internal fraud (2%) and other issues such as technical management, works management and organisational issues, which make up a total of 6%. In addition, 37% of the alerts have been considered as not relevant because they are customer queries, complaints or claims that have to be managed through *aqualia contact* or for other reasons that mean that they should not be considered as alerts for the purposes of the Ethical Channel.

By country, 60% of the alerts refer to the activity in Spain, but they have also been received from Portugal (16%), Czech Republic (7%), Mexico (6%), Colombia (3%), Georgia (3%), France (3%) and Saudi Arabia (2%), which shows that the Ethical Channel is increasingly known in the international jurisdictions in which Aqualia operates.

Those alerts that are classified as high or medium risk are analysed in detail and, if necessary, an investigation is launched to clarify the facts and, if necessary, addressed through an action plan for the improvement of internal control.

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## 10. DIGITALISATION AND CYBERSECURITY

### 10.1. Digitisation

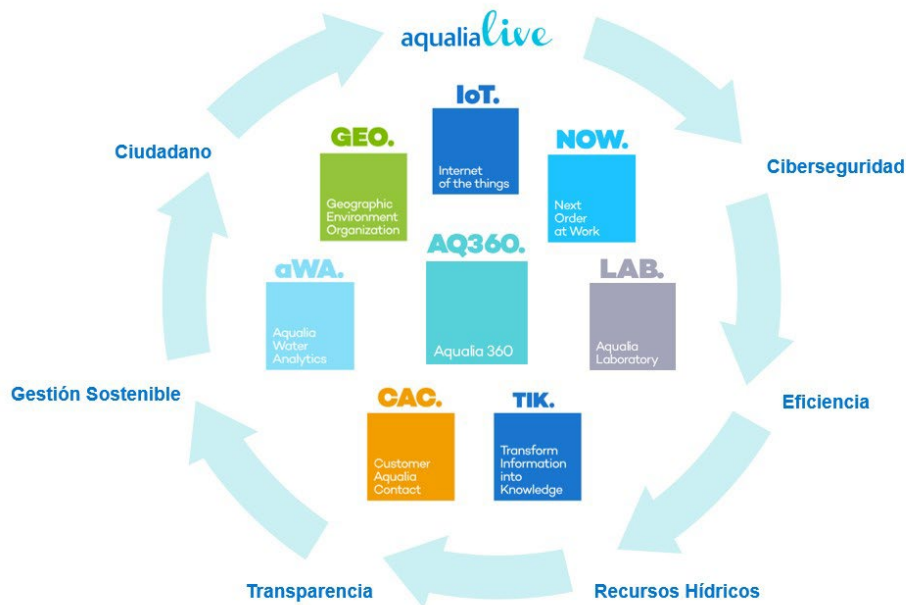
Aqualia has continued its commitment to digitalisation as a key tool for achieving its objectives in terms of sustainability, efficiency, improved service to citizens and transparency, all of which, together with detailed analysis of the data managed, allows us to make clear improvements in decision-making as a company for the benefit of citizens.

*Aqualia Live* is our platform designed and created by Aqualia experts with the *know-how* of the integral water cycle and technology at the same time. In other words, it is designed by people "from water and for water".

Our platform covers all the processes of the integral cycle, starting with the catchment, passing through drinking water treatment, distribution, the entire life of the customer, and ending with the treatment and reuse of the water.

The year 2023 was the year of consolidation of the *Aqualia Live* platform.

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**NOW**, the application of field services, has made it possible to transfer business operations to the field (from the complete management of work orders, through the reading of our meters to the survey of our inventory of network elements in the field), gaining efficiency and guaranteeing the direct flow of information from where it is produced to our central systems, providing feedback.

It is worth noting that the dynamic assignment of work orders to the nearest trained operator allows for a reduction or elimination of travel, which means fuel savings and less CO emissions<sup>2</sup>, eliminating paper (more sustainable) and improving response time and quality of information, thus increasing operational efficiency, which results in better service.

**GEO**, the geographic information system, has made it possible to carry out a survey of georeferenced network elements in order to identify them and carry out a more precise hydraulic modelling of the network which, combined with the volumes of water distributed, flow rates and pressures, has made it possible to reduce breakdowns in the network, know the age of the water and provide the city with the necessary water at all times, optimising consumption to the maximum given the scarcity in some areas.

A project has been started for automatic remote sensing of urban elements using Artificial Intelligence that will enable rapid and precise identification by 2024 through image analysis of swimming pools, green areas,

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differentiation of land types, etc. with the aim of making progress in improving water efficiency.

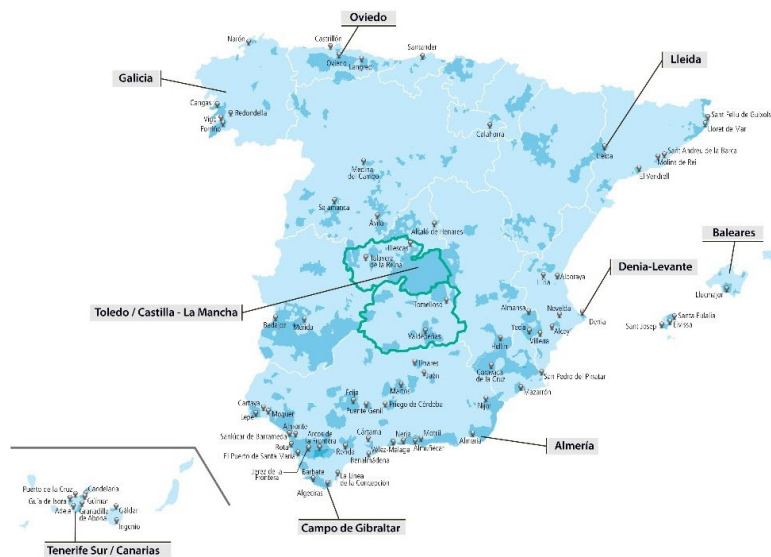
**LAB**, the water quality management application, enables compliance with the new European water quality regulations, transposed into Royal Decree 3/2023, of 10 January, which establishes the technical and sanitary criteria for the quality of drinking water, its control and supply. This application will be consolidated over the course of 2024 throughout Aqualia's integral management of the water cycle.

**AWA**, the brain of the platform that collects and analyses large volumes of information for intelligent decision making, has allowed in 2023 to consolidate the early detection of leaks thanks to the information obtained from the supply network in real time IoT, which together with local meteorology, network sectorisation and other external factors, allows identifying possible leakage points and sending them to NOW for verification in the field. This early detection avoids unnecessary water losses and further damage to the network. In addition, a reduction in losses means that this water has not had to be treated, and therefore less use of electricity and reagents. This is a clear example of how technology is a great ally of sustainability.

In addition to this, during 2023, the plan to deploy remote metering meters in customers has continued, with almost 400,000 reached. All of them consolidated in AWA, which allows them to be agnostic to the communication technology (NB-IoT, LoraWAN, WMBUS) and the meter manufacturer. This has allowed us to analyse millions of data and, thanks to *Big Data*, *Machine Learning* and Artificial Intelligence, detect a series of patterns, generating early alerts to end customers, such as leaks, absence of consumption, consumption in unidentified periods (squatter alerts), etc. This has allowed us to provide customers with more information, and to be sustainable and transparent in our management. The same strategy will continue in 2024, consolidating Aqualia's technological position.

During 2023, we have continued to incorporate Operations Centres that fully use the *Aqualia Live* platform, helping the municipalities to standardise their operations and ensure compliance with the standards of Aqualia's commitments to the different municipalities and providing common visibility that facilitates a sustainable, efficient and uniform operation on a regional basis.

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Finally, during 2023 Aqualia has created regional logistics centres in Salamanca, Valdepeñas, Oviedo and Vigo with the aim of efficiently managing the materials and services necessary for Aqualia's operations in the different municipalities, with the purpose of guaranteeing the availability of critical materials at all times to the municipalities under its influence, managing more efficient purchases and avoiding additional journeys. All this is possible thanks to **NOW**, where, supported by technology, it is possible to control these logistics centres with high precision and integrating the solutions with Aqualia's main suppliers of materials. During 2024, the creation of these regional logistics centres will be continued.

At the international level, the concessions in France continue to work with *Aqualia Live* and the new concessions in Colombia have started to work with Aqualia Live in the second half of 2023.

Finally, Aqualia has prepared for the PERTE, both in its first phase of demonstration projects and in its second, more generalised phase, always focused on the digitalisation of water and maintaining the same technological strategy that the company has been following in recent years.

## 10.2. Cybersecurity

It is very important to make a great effort in terms of cybersecurity, given the high degree of exposure to cyber-attacks, the growing and more evolved threats, the vulnerabilities involved in all the necessary progress and digitisation in itself and the risks or probabilities of a critical event occurring with the reputational,



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economic, tangible and intangible losses that this entails.

During 2023, risk management and analysis was carried out by detecting the assets to be protected, assessing the risks periodically in order to prevent incidents and reduce or mitigate them. The objective of this process is to identify, analyse, measure and manage the risks associated with information security, implementing the necessary cybersecurity measures and controls to continue protecting Aqualia's assets and therefore the availability of information for employees, customers and the availability of our water resources and the development of highly critical, specialised projects with a high organisational and social impact.

In 2023, work has started on strategic IT/OT and cybersecurity plans specifically, reinforcing perimeter security, monitoring and traceability of access.

At the same time, in 2023, cybersecurity is being taken into account transversally with training awareness for people working in all Aqualia's business lines and for users of the infrastructures at national and international level.

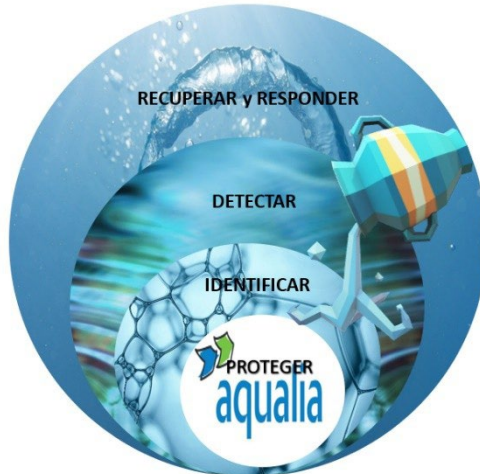
Aqualia also adapts to the Regulatory Agents and good practice guides on Cybersecurity. In 2023, a compliance audit was carried out on the security dimensions, covering availability, authenticity and integrity of ISO/IEC 27001:2014. Work is underway to upgrade to the most recent version, ISO/IEC 27001:2022, with several changes to be addressed following the new paradigms of this international standard that establishes the requirements for an information security management system (ISMS) in line with three pillars: information, cybersecurity and privacy protection.

The National Security Scheme (NSS) provides and analyses an excellent insight into the desired objectives as a scoping scenario in Aqualia's roadmap.

In order to achieve the objectives of improving IT security (including the qualification of information and its protection) and cybersecurity, the company must comply with the regulations governing cybersecurity, and to this end the company remains active and attentive to all new regulations that are developed both nationally and internationally.

In this year 2023, the US Department of Commerce agency is considered as a driver of innovation and industrial competitiveness by advancing measurement science, standards and technologies in ways that improve economic security and quality of life. In line with the guidelines and best practice guidelines outlined by the US National Institute of Standards and Technologies (NIST), these guidelines are followed as shown in Figure 1.

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In 2023 there has been an incipient analysis of a "living" draft document of the national and international roadmap for compliance with the European NIS Directive in its current version NIS v2 which establishes obligations regarding the exchange of cybersecurity information, as well as oversight and enforcement obligations of Member States (including many of the countries in which we have critical infrastructure sites and information office sites).

In 2023 for cyber security compliance, the ISA/IEC 62443 security framework is being followed as standards and technical reports to be followed that define the requirements and processes for secure industrial automation and control systems (IACS). It aims to achieve best practices for OT security and achieve a better level of security performance with a holistic approach, bridging the gaps between operations and IT, as well as process security and cyber security, establishing cyber security benchmarks with an in-depth analysis of the current paradigm.

By the end of 2023, an effort is being made to address the implementation of more homogeneous and strengthened security architecture approvals for each of Aqualia's scenarios.

Finally, targets are set for 2023 to also give higher value in technical procurement to suppliers that have optimal security capabilities with Cybersecurity Regulatory Compliance and whose certifications are in line with: ISO/IEC 27001:2014 and ISO/IEC 27001:2014, the ENS (in any of its aspects: basic, medium or/and high), NIS v1 and NIS v2 and ISA/IEC 62443.

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## 11. OTHER INFORMATION

The Group's exposure to financial risks is detailed in the accompanying notes to the consolidated financial statements (Note 23).

With regard to treasury stock transactions, the company has not carried out any treasury stock purchase transactions, nor does it plan to do so in the future.

Possible events after 31 December 2023 are described in Note 24 of the accompanying notes to the financial statements.

The Company is included in the consolidated Statement of Non-Financial Information that forms part of the consolidated Directors' Report of Fomento de Construcciones y Contratas, S.A. and Subsidiaries. This Statement of Non-Financial Information has been prepared taking into account the requirements established in Law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, on Auditing of Accounts, in relation to non-financial information and diversity. The consolidated management report of Fomento de Construcciones y Contratas, S.A. and Subsidiaries is filed with the Barcelona Mercantile Registry.

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The Annual Accounts and Directors' Report of FCC Aqualia, S.A. for the year ended 31 December 2023 were drawn up by the directors of the Company on 12 March 2024, and are identified by the fact that they are printed on 93 sheets, on both sides, of Government stamped paper series 00 numbers 5234242 to 5234334 inclusive, and are signed, in proof of conformity, on the sheet of Government stamped paper series 00 number 5234336.

President

\_\_\_\_\_  
D. Alejandro Aboumrad González

Vice-President

\_\_\_\_\_  
D. Nicolás Villén Jiménez

Member

\_\_\_\_\_  
D. Lars Bespolka

Member

\_\_\_\_\_  
D. Pablo Colio Abril

Member

\_\_\_\_\_  
D. Scott Longhurst

Member

\_\_\_\_\_  
D. Gerardo Kuri Kaufmann

Member

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Mr. Juan Rodriguez Torres