The attached External Auditor’s Report, Annual Accounts and Management Report for the fiscal year ended 31 December 2021, have been originally issued in Spanish. The English version is not considered official or regulated financial information In the event of discrepancy, the Spanish-language version prevails.

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

(Together with the annual accounts and directors' report of Aena S.M.E., S.A. for the year ended 31 December 2021)

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

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

Independent Auditor's Report on the Annual Accounts

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

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

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Aena S.M.E., S.A. (the "Company"), which comprise the balance sheet at 31 December 2021, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2.b to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

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

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

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

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

Key Audit Matters

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

Recognition of aeronautical revenues

See notes 2 e), 4 p) and 23 a) to the annual accounts

Key audit matter	*How the matter was addressed in our audit*

Aeronautical revenues, regulated by the Airport Regulation Document (abbreviated to DORA in Spanish) approved on 27 January 2017, totalled Euros 1,232,864 thousand in 2021. These revenues are mostly generated from the use of the airport infrastructure by airlines and passengers, and they are net of any rebates and incentives.
 	
Due to the significance of the aeronautical revenues, as well as the large number of transactions of different types and amounts that give rise to the aeronautical revenues in very diverse airports, they have been considered a key audit matter.
	Our audit procedures included the following:
	
	— evaluating the criteria, standards and policies used by the Company to recognise the aeronautical revenues regulated by the DORA.
	— assessing, with the help of our IT specialists, the design and implementation of the most relevant controls established by Company management for the recognition of these aeronautical revenues and for the cash IT system that processes and records the collection of revenues. We also tested the operating effectiveness of these controls.
	— As part of our substantive procedures:
	    — we carried out a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of sales transactions during the year, associating individually the revenues with the related amounts collected.
	    — we performed tests of detail on the transactions that generated revenues from aeronautical services to confirm whether revenues had been adequately recognised in the correct period based on their accrual.
	    — we performed tests of detail to analyse the reasonableness of the criteria and assumptions used to calculate rebates and incentives.
	
	We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

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

<table>
<tr><th colspan="2">Recognition of commercial revenues
See notes 2 e), 4 e) and 23 a) to the annual accounts</th></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Company has signed contracts with the lessees of the commercial premises located at the airport through which they obtain commercial revenues. Specifically, these contracts establish a variable rent calculated as a percentage of the lessee's sales through those commercial premises and, in most cases, a guaranteed minimum annual rent (GMAR). In 2021, commercial revenues amounted to Euros 781,526 thousand.

Law 13/2021 of 1 October 2021 was published in the Official State Gazette on 2 October 2021. This law amends Law 16/1987 of 30 July 1987 which regulates road transport offences related to the rental of vehicles with driver and late payments in the road freight segment, as well as other rules to improve the management of transport and infrastructure.

Through final provision seven of aforementioned Law 13/2021, lease contracts and the transfer of business premises located at the airports managed by the Company are automatically modified. Specifically, this provision includes the following stipulations:

a) elimination of the pro rata portion of the GMAR established contractually during the period from 15 March 2020 to 20 June 2020.

b) reduction, as of 21 June 2020, and until the number of annual passengers for the airport returns to the levels that existed in 2019, in the contractual GMAR in direct proportion to the decline in the number of passengers at the airport where the commercial premises are located compared to the number of passengers at that same airport in 2019.

Due to the significance of commercial revenues and the complexity of the accounting recognition of the consequences of the aforementioned law, this has been considered a key audit matter.</td><td>Our audit procedures included the following:

– assessing, with the help of our IT specialists, the design and implementation of the most relevant controls established by Company management for the recognition of commercial revenues and for the cash IT system that processes and records the collection of revenues. We also tested the operating effectiveness of these controls.

– As part of our substantive procedures:

  – we carried out a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of sales transactions during the year, associating individually the revenues with the related amounts collected.

  – we performed tests of detail on the transactions that generated commercial revenues to confirm whether revenues had been adequately recognised in the correct period based on their accrual.

  – we assessed the impact of applying Law 13/2021 of 1 October 2021 and the accounting recognition of its effects.

We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.</td></tr>
</table>

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

Recoverable amount of non-current assets
See notes 2 e), 4 a), 4 b), 6 and 7 to the annual accounts

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2021 Aena S.M.E., S.A. presents property, plant and equipment amounting to Euros 12,171,879 thousand and intangible assets of Euros 150,631 thousand. These assets are allocated to the cash-generating unit (CGU) corresponding to the national airports network. Management of Aena S.M.E. S.A. assesses its property, plant and equipment and intangible assets annually for indications of impairment, for the purpose of determining their recoverable amount. The epidemiological situation caused by the expansion of the COVID-19 virus has caused a drastic reduction in airport activity and therefore, indications of impairment have been identified in the aforementioned cash-generating unit. These recoverable amounts, estimated by calculating value in use, are obtained on the basis of projections by applying valuation techniques that require the exercising of judgement by Company management and the use of estimates, inter alia, of passengers, investments and discount and growth rates. Due to the complexity of the calculation of the recoverable amount, the high level of judgement when estimating the key assumptions and the associated uncertainty, as well as the significance of the carrying amount of the non-current assets, the process of measuring the aforementioned assets has been considered a key audit matter.	Our audit procedures included the following: – assessing the design and implementation of the most relevant controls established by Company management with respect to the process of estimating the recoverable amount of the non-current assets. – evaluating the criteria used by Company management in identifying indications of impairment. – assessing, with the support of our valuation specialists, the methodology and assumptions used by Company management in estimating the recoverable amount and reviewed by an independent third party expert engaged by the Company. – contrasting the key assumptions, such as air traffic forecasts, with data from external sources and the Company's own historical data. – evaluating the analysis of sensitivity of the estimated recoverable amount to changes, considered as reasonable by the Company, in the relevant assumptions and judgements, such as the discount rate, the expected future growth rate and passenger volumes. We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

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Recoverable amount of non-current investments in Group companies and associates See notes 2 e), 4 f), 10, 11 and 12 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
At 31 December 2021 non-current investments in Group companies and associates included Euros 165,032 thousand for the investment in Aena Desarrollo Internacional S.M.E., S.A. (ADI) and Euros 370,000 thousand for a participating loan extended to this subsidiary. Company management assesses its investments in Group companies and associates annually for objective evidence of impairment, for the purpose of determining their recoverable amount. The calculation of these recoverable amounts requires the application of valuation techniques which require the exercising of judgement by Company management and the making of estimates based on certain assumptions. In 2021 objective evidence of impairment was identified in the subsidiary ADI and, consequently, AENA estimated the recoverable amount of this investment. The London Airport Holdings III Limited and subsidiaries subgroup, whose parent is an affiliate of ADI, carries out the activity of operating the Luton Airport concession in the United Kingdom. This subsidiary is obliged to comply with certain ratios laid down in some of the prevailing financing agreements. As described in note 11 to the annual accounts, on 30 June 2021, the Luton subgroup's financial institutions extended the waiver of the financial covenants at 31 December 2021 and the application, as of 30 June 2022, of ratios different from those established contractually. Management of the Luton subgroup expects to meet these covenants both at 30 June and at 31 December 2022. Nevertheless, should this prove not to be the case, as envisaged in the severe, negative scenario defined by Luton subgroup management, it would evidence a breach of contractual obligations. This situation leads to the existence of material uncertainty for the London Luton Airport Holdings III Limited and subsidiaries subgroup, which could cast significant doubts as to its ability to continue as a going concern. Due to the complexity inherent to calculating the recoverable amount, the aforementioned uncertainty associated with Luton, as well as the significance of the aforementioned carrying amounts, the process of	Our audit procedures included the following: – assessing the design and implementation of the most relevant controls established by Company management with respect to the process of estimating the recoverable amount of the investment in ADI and the loan given, – evaluating the criteria used by Company management in identifying indications of impairment, – evaluating the methodology and assumptions used when Company management estimates the recoverable amount, – The analysis of the ratio compliance commitments in the financing agreements of the London Luton Airport Holdings III Limited and subsidiaries subgroup, as well as the guarantees associated with these financing agreements. – We also analysed the Company's payment commitments and its capacity to generate cash based on cash forecasts. We also assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

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Recoverable amount of non-current investments in Group companies and associates See notes 2 e), 4 f), 10, 11 and 12 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
measuring the investment in ADI and the aforementioned loan has been considered a key audit matter.	

Other Information: Directors' Report

Other information solely comprises the 2021 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

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

a) Determine, solely, whether the non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2021, and that the content and presentation of the report are in accordance with applicable legislation.

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

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

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

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

Auditor's Responsibilities for the Audit of the Annual Accounts

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital file of Aena S.M.E., S.A. for 2021 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.

The Directors of Aena, S.M.E., S.A. are responsible for the presentation of the 2021 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation").

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

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

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 22 February 2022.

Contract Period

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

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

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Manuel Martín Barbón
On the Spanish Official Register of Auditors ("ROAC") with No. 16239

22 February 2022

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

Annual Accounts and Management Report corresponding to the fiscal year ended 31 December 2021.

Contents

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

BALANCE SHEET AS OF 31 DECEMBER 2021
(Expressed in thousands of euros)

ASSETS	Note	31/12/21	31/12/20
NON-CURRENT ASSETS			
Intangible fixed assets	**6**	**150,631**	**119,958**
Intangible assets, concession agreement		8,112	8,771
Software		61,339	38,388
Other intangible fixed assets		3,465	3,428
Property, plant and equipment under construction		77,715	69,371
Property, plant and equipment	**7**	**12,171,879**	**12,119,625**
Land and buildings		9,883,338	10,100,383
Plant and machinery		367,537	363,131
Other facilities, tools and furnishings		1,111,851	1,109,806
Other property, plant and equipment		3,426	3,879
Property, plant and equipment under construction		805,727	542,426
Real estate investments	**8**	**136,728**	**139,176**
Land and buildings		136,655	139,051
Other facilities		73	125
Long-term investments in group and associated companies		**541,838**	**535,032**
Equity instruments	11	171,838	165,032
Equity loans	10-12	370,000	-
Loans to companies	10-12	-	370,000
Long-term financial investments	**10-11**	**88,701**	**92,907**
Other financial assets		88,701	92,907
Non-current commercial debts		**6,342**	**5,255**
Long-term credit right		6,342	5,255
Deferred tax assets	**22**	**150,169**	**116,091**
Long-term accruals	**20**	**314,553**	**18,720**
TOTAL NON-CURRENT ASSETS		**13,560,841**	**13,146,764**
CURRENT ASSETS			
Inventories	**17**	**5,514**	**5,899**
Trade and other receivables		**587,881**	**822,411**
Trade receivables for sales and services rendered	10-13	544,489	731,757
Customers, group and associated companies	10-12-13	1,360	1,323
Sundry debtors	10-13	7,968	7,826
Staff costs	10-13	674	635
Current tax assets	22	-	8,931
Other loans with Public Administrations	13-22	33,390	71,939
Short-term investments in group and associated companies	**10-12**	**2,134**	**282**
Loans to companies	**12**	1,603	-
Other financial assets		531	282
Short-term financial investments	**10-14**	**1,576**	**1,534**
Loans to companies		16	17
Other financial assets	10-11	1,560	1,517
Short-term accruals	**20**	**320,496**	**28,803**
Cash and cash equivalents	**18**	**1,383,069**	**1,141,265**
TOTAL CURRENT ASSETS		**2,300,670**	**2,000,194**
TOTAL ASSETS		**15,861,511**	**15,146,958**

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

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

BALANCE SHEET AS OF 31 DECEMBER 2021
(Expressed in thousands of euros)

EQUITY AND LIABILITIES	Note	31/12/21	31/12/20
EQUITY			
Own funds	**19**	**6,351,608**	**6,371,604**
Share capital	19a	1,500,000	1,500,000
Share premium	19b	1,100,868	1,100,868
Capitalisation reserve	19b	164,176	159,877
Legal reserve	19b	300,000	300,000
Other reserves	19b	3,311,826	3,316,149
Negative results from previous fiscal years	19b	(5,290)	-
Profit/(loss) for the fiscal year	3	(19,972)	(5,290)
Adjustments due to changes in value	**19c**	**(55,168)**	**(96,359)**
Hedging transactions		(55,168)	(96,359)
Grants, donations and legacies received	**7-19d**	**319,035**	**345,466**
TOTAL EQUITY		**6,615,475**	**6,620,711**
NON-CURRENT LIABILITIES			
Long-term provisions	**21**	**112,032**	**75,470**
Obligations from long-term staff benefits		9,358	9,671
Environmental actions		93,241	57,834
Other provisions		9,433	7,965
Long-term guarantees received	**10**	**148,699**	**137,341**
Long-term debts	**10**	**3,344,395**	**2,778,088**
Debts with credit institutions	**15**	3,292,734	2,673,731
Financial leasing creditors		5,586	7,332
Derivatives	**15**	45,951	96,834
Other financial liabilities		124	191
Long-term debts with group and associated companies	**10-11-12-15**	**3,624,598**	**4,159,882**
Long-term accruals	**20**	**8,737**	**8,843**
Deferred tax liabilities	**22**	**111,722**	**120,532**
TOTAL NON-CURRENT LIABILITIES		**7,350,183**	**7,280,156**
CURRENT LIABILITIES			
Short-term provisions	**21**	**35,680**	**45,985**
Short-term debts	**10**	**1,054,676**	**372,378**
Bonds and other negotiable securities	**15**	-	55,000
Debts with credit institutions	**15**	632,907	53,370
Financial leasing creditors		1,682	1,682
Derivatives	**15**	27,607	31,645
Other financial liabilities		392,480	230,681
Short-term debts with group and associated companies	**10-11-12-15**	**545,693**	**561,798**
Trade and other payables		**259,595**	**246,557**
Suppliers, group and associated companies	10-12-16	7,697	19,841
Sundry creditors	10-16	161,731	116,627
Staff costs	10-16	27,674	37,220
Other debts with Public Administrations	16-22	21,003	22,496
Customer advances	10-16	41,490	50,373
Short-term accruals	**20**	**209**	**19,373**
TOTAL CURRENT LIABILITIES		**1,895,853**	**1,246,091**
TOTAL EQUITY AND LIABILITIES		**15,861,511**	**15,146,958**

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

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

PROFIT AND LOSS ACCOUNT
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of euros)

CONTINUING OPERATIONS	Note	2021	2020
Net turnover	**23a**	**2,134,973**	**2,042,183**
Works carried out by the company for its assets	**7**	**6,374**	**5,177**
Supplies	**23b**	**(158,003)**	**(153,830)**
Consumption of raw materials and other consumables		(1,102)	(930)
Works performed by other companies		(156,901)	(152,900)
Other operating revenue		**9,651**	**10,809**
Miscellaneous revenue and other current management revenue		8,912	10,161
Operating grants incorporated into profit/(loss) for the fiscal year		739	648
Staff costs	**23c**	**(410,338)**	**(412,799)**
Wages, salaries and similar items		(296,008)	(295,454)
Social charges		(120,231)	(119,784)
Provisions		5,901	2,439
Other operating expenses		**(794,965)**	**(661,676)**
External services	23d	(634,721)	(495,151)
Taxes	23e	(151,566)	(153,986)
Losses, impairment and change in provisions for commercial operations	13	(5,677)	(11,807)
Other current management expenses		(3,001)	(732)
Depreciation and amortisation of fixed assets	**6-7-8**	**(715,550)**	**(721,370)**
Allocation of grants for non-financial fixed assets and others	**19d**	**35,525**	**36,746**
Provision surpluses	**23g**	**9,427**	**10,465**
Impairment and net gain or loss on disposals of fixed assets		**(125,150)**	**(61,994)**
Impairments and losses	6,7,8	104	1,117
Gains or losses on disposals and others	6,7,8	(13,140)	(5,051)
Other results	5.a.i	(112,114)	(58,060)
OPERATING PROFIT/(LOSS)		**(8,056)**	**93,711**
Finance income	**23f**	**9,666**	**5,335**
From marketable securities and other financial instruments			
- From group and associated companies		7,914	3,762
- From third parties		776	947
Capitalisation of finance expenses	6-7	976	626
Finance expenses	**23f**	**(79,260)**	**(94,903)**
- For debts with group and associated companies	15-19c	(62,574)	(69,835)
- For debts with third parties		(16,671)	(25,019)
- For the updating of provisions	21	(15)	(49)
Exchange differences	**23f**	**(12)**	**(1)**
Impairment and net gain or loss on disposals of financial instruments	**11-23f**	**6,806**	**(16,150)**
FINANCIAL RESULTS	**23f**	**(62,800)**	**(105,719)**
PROFIT/(LOSS) BEFORE TAX		**(70,856)**	**(12,008)**
Income tax	22	**50,884**	**6,718**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(19,972)**	**(5,290)**
PROFIT/(LOSS) FOR THE YEAR		**(19,972)**	**(5,290)**

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

STATEMENT OF CHANGES IN EQUITY
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of euros)

A) Statement of recognised revenue and expenses

	Note	2021	2020
Result of the profit and loss account		**(19,972)**	**(5,290)**
Revenue and expenses directly allocated to equity			
For cash flow hedges	19c	23,431	(34,561)
Grants, donations and legacies received	19d	284	31
For actuarial gains and losses		(6)	(50)
Tax effect		(5,927)	8,646
Total revenue and expenses directly allocated to equity		**17,782**	**(25,934)**
Transfers to the profit and loss account			
For cash flow hedges	19c	31,491	31,859
Grants, donations and legacies received	19d	(35,525)	(36,746)
Tax effect		1,008	1,222
Total transfers to the profit and loss account		**(3,026)**	**(3,665)**
TOTAL RECOGNISED REVENUE AND EXPENSES		**(5,216)**	**(34,889)**

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

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

STATEMENT OF CHANGES IN EQUITY
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of euros)

B) Statement of total changes in equity

	Authorised capital (Note 19.a)	Share premium (Note 19.b)	Profit/(loss) for the fiscal year (Note 3)	Capitalisation reserve (Note 19.b)	Legal Reserve (Note 19.b)	Other reserves (Note 19.b)	Negative results from previous fiscal years (Note 19.b)	Adjustments due to changes in value (Note 19.c)	Grants, donations and legacies received (Note 19.d)	TOTAL
Balance as of 1 January 2020	**1,500,000**	**1,100,868**	**1,421,326**	**133,714**	**300,000**	**1,921,037**	**-**	**(94,333)**	**373,002**	**6,655,614**
Total recognised revenue and expenses	-	-	(5,290)	-	-	(37)	-	(2,026)	(27,536)	**(34,889)**
Other transactions with partners and shareholders	-	-	-	-	-	(14)	-	-	-	**(14)**
Distribution of dividends	-	-	-	-	-	-	-	-	-	**-**
Distribution of profit/(loss) from the previous year	-	-	(1,421,326)	26,163	-	1,395,163	-	-	-	**-**
Balance on 31 December 2020	**1,500,000**	**1,100,868**	**(5,290)**	**159,877**	**300,000**	**3,316,149**	**-**	**(96,359)**	**345,466**	**6,620,711**
Total recognised revenue and expenses	-	-	(19,972)	-	-	(4)	-	41,191	(26,431)	**(5,216)**
Other transactions with partners and shareholders	-	-	-	-	-	(20)	-	-	-	**(20)**
Distribution of profit/(loss) from the previous year	-	-	5,290	-	-	-	(5,290)	-	-	**-**
Other changes in equity	-	-	-	4,299	-	(4,299)	-	-	-	**-**
Balance on 31 December 2021	**1,500,000**	**1,100,868**	**(19,972)**	**164,176**	**300,000**	**3,311,826**	**(5,290)**	**(55,168)**	**319,035**	**6,615,475**

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

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

CASH FLOW STATEMENT
CORRESPONDING TO THE FISCAL YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of euros)

	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES (I)		**252,170**	**164,227**
Profit/(loss) for the year before tax		(70,856)	(12,008)
Adjustments of the profit/(loss)		**853,073**	**815,575**
Depreciation and amortisation of fixed assets	6,7,8	715,550	721,370
Valuation adjustments for impairment of trade receivables	13	5,677	11,807
Grants taken to income	19d	(35,525)	(36,746)
Impairment of stakes in Group companies	11.1	(6,806)	16,192
Impairment of fixed assets	6, 7	(104)	(1,117)
Result for derecognitions and disposals of fixed assets		13,140	5,050
Result for derecognitions and disposals of financial instruments		-	(42)
Finance income	23f	(9,666)	(5,335)
Finance expenses and exchange differences	23f	47,781	63,045
Finance expenses settlement for financial derivatives	23f, 15	31,491	31,859
Change in provisions		(9,427)	10,589
Deferred commercial discounts	20	109,466	-
Others		(8,504)	(1,097)
Changes in current capital		**(466,911)**	**(543,139)**
Inventories		669	249
Debtors and other receivables		(469,038)	(382,467)
Other current assets		(11,152)	(23,498)
Creditors and other accounts payable		31,988	(104,457)
Other current liabilities		(19,270)	(31,435)
Other non-current assets and liabilities		(108)	(1,531)
Other cash flows from operating activities		**(63,136)**	**(96,201)**
Interest payments		(79,904)	(80,408)
Interest charged		7,858	4,423
Income tax (payments)/collections		8,931	(20,216)
Other payments/(collections)		(21)	-
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		**(649,362)**	**(506,440)**
Payments for investments		**(654,532)**	**(508,918)**
Group and associated companies		-	(4,586)
Intangible fixed assets		(46,203)	(30,903)
Property, plant and equipment		(605,801)	(458,850)
Real estate investments		(1,565)	(76)
Other financial assets		(963)	(14,503)
Receipts for divestitures		**5,170**	**2,478**
Group and associated companies		-	-
Property, plant and equipment		-	-
Other financial assets		5,170	2,478
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**638,996**	**1,334,103**
Collections and payments through equity instruments		**192**	**192**
Grants, donations and legacies received	**19d**	192	192
Collections and payments through financial liability instruments		**638,804**	**1,333,911**
Issue:			
- Debts with credit institutions	15b	1,200,000	2,825,630
- Others		104,490	14,021
Refund and amortisation of:			
- Bonds and similar securities	15c	(55,000)	(104,000)
- Debts with credit institutions	15b	-	(741,000)
- Debts with group and associated companies	15a	(546,349)	(633,619)
- Other debts		(64,337)	(27,121)
NET INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS		**241,804**	**991,890**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD		**1,141,265**	**149,375**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,383,069**	**1,141,265**

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

1. Activity

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

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

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

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

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

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

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

The aforementioned Act 18/2014 also establishes the integrity of the airport network insofar as its survival ensures the mobility of citizens and economic, social and territorial cohesion in terms of accessibility, adequacy, suitability, sustainability and continuity. It sets out the framework to which the basic airport services are subject and the characteristics and conditions that said network must boast in order to guarantee the objectives of general interest. Thus, the closure or disposal of all or part of any facilities or airport infrastructure necessary to maintain the provision of airport services is prohibited, unless authorised by the Council of Ministers or the Ministry of Public Works. This authorisation can only be granted provided it does not affect the objectives of general interest that must guarantee said network or compromise its sustainability. The absence of authorisation will render closures or disposals null and void, in order to guarantee the complete maintenance of the state airport network. Airport charges, and their key elements, basic airport services and the framework to determine minimum standards of quality, capacity and conditions for the provision of services and investments required for compliance, as well as the conditions for recovering the costs of providing these basic airport services, have been defined (see Note 4p).

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

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

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

Thus, all the assets and liabilities included in the non-monetary contribution were at net book value, except for the assets relating to investments in the equity of group, multi-group and associated companies, which were incorporated into the value of the consolidated Aena Group at 8 June 2011, the effective date of the transaction. Likewise, in accordance with valuation standards 4a and 4b, the assets corresponding to fixed assets were shown at their net book value at the time of the transaction, as broken down in the notes for intangible fixed assets and property, plant and equipment.

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

- Airports for own use: A Coruña Airport, Alicante-Elche Airport, Almería Airport, Asturias Airport, Barcelona-El Prat Josep Tarradellas Airport, Bilbao Airport, Burgos Airport, Córdoba Airport, El Hierro Airport, Fuerteventura Airport, Girona-Costa Brava Airport, F.G.L. Granada-Jaén Airport, Huesca-Pirineos Airport, Ibiza Airport, Jerez Airport, La Gomera Airport, La Palma Airport, Logroño-Agoncillo Airport, Adolfo Suárez Madrid-Barajas Airport, Melilla Airport, Menorca Airport, Son Bonet Airport, Pamplona Airport, Reus Airport, Sabadell Airport, San Sebastián Airport, Seve Ballesteros-Santander Airport, Sevilla Airport, Tenerife Sur Airport, Valencia Airport, Vigo Airport and Vitoria Airport.

- Civil part of joint-use airports with the Ministry of Defence: Gran Canaria Airport, César Manrique-Lanzarote Airport, Tenerife Norte-Ciudad de La Laguna Airport, Madrid-Cuatro Vientos Airport, Málaga-Costa del Sol Airport, Palma de Mallorca Airport, Santiago-Rosalía de Castro Airport and Zaragoza Airport.

- Air bases and military airfields open for civil use: Badajoz Airport, Salamanca Airport, Murcia-San Javier Airport, Valladolid Airport, Albacete Airport, and León Airport.

- Heliports: Ceuta Heliport and Algeciras Heliport.

The Company's functional guardianship corresponds to the Ministry of Transport, Mobility and Urban Agenda, as well as the proposal to appoint one third of the members of the Board of Directors of Aena S.M.E., S.A., and it is the beneficiary of the expropriations linked to the infrastructures attributed to its management.

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

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

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

The Company is the head of a group of subsidiaries and, in accordance with current legislation, is required to draw up separate consolidated accounts. The consolidated annual accounts of the Aena Group ('Group'), for fiscal year 2020, were drawn up by the Board of Directors on 23 February 2021 and are deposited in the Madrid Trade Register. Said consolidated annual accounts for the Group have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU, hereinafter the 'IFRS') and the IFRIC interpretations in force as of 31 December 2020, as well as with the commercial legislation applicable to companies that prepare financial information in accordance with the IFRS.

2. Basis of presentation

a) Functional currency and presentation currency

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

b) Regulatory financial information framework applicable to the Company

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

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

c) True and fair view

The accompanying annual accounts have been obtained from the Company's accounting records and are presented in accordance with the applicable regulatory financial information framework and, in particular, with the accounting principles and criteria contained therein, so that they show the true and fair view of the equity, financial situation, results and cash flows of the Company during the year. These annual accounts, which were drawn up by the Board of Directors on 22 February 2022, will be submitted for the approval of the General Shareholders' Meeting, estimating that they will be approved without any modification.

d) Accounting principles applied

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

e) Critical aspects of the valuation and estimation of uncertainty

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

- The evaluation of possible impairment losses of certain assets (Note 4a).
- The recognition of revenue (Note 4p), both aeronautical and commercial.
- The useful life of property, plant and equipment, intangible assets, and real estate investments (Notes 4a, 4b and 4c).

- Determination of current and deferred tax (Note 22).
- Recoverability of deferred tax assets (Note 22).
- Evaluation of litigation, provisions, commitments, assets and contingent liabilities at year end (Notes 4j and 4k).
- The market value of certain financial instruments (Note 4f).
- Climate risk assessment (Note 5c)

Some of these accounting policies require the application of a significant degree of judgement by management in selecting the appropriate assumptions to calculate these estimates. These assumptions and estimates are based on past experience, advice received from expert consultants, forecasts and other circumstances and expectations at year-end. Management's evaluation and agreement is taken into consideration with respect to the overall economic situation of the industry in which the Company operates, taking into account the future development of the business. Due to their nature, these judgements are subject to an inherent degree of uncertainty and, therefore, actual results could differ materially from the estimates and assumptions used, which would force us to make modifications of the estimate that were made, especially taking into account the added difficulties resulting from the ongoing situation in the current context derived from the COVID-19 pandemic. In such a case, the effect on the annual accounts caused by the modifications, which, if applicable, are the result of the adjustments to be made during the next years, would be recorded prospectively.

However, on the date these annual accounts were prepared, no relevant changes in short term estimates were expected, therefore, there are no significant perspectives for adjustments to the values of recognised assets and liabilities as of 31 December 2021 and 31 December 2020.

As mentioned, the preparation of the annual accounts requires making judgments in the process of applying the Company's accounting policies. In this regard, in the 2021 fiscal year, some of the most important judgements when applying the Company's accounting policies are as follows:

- *Uncertainty related to the evolution of the pandemic caused by COVID-19*

  The situation caused by the pandemic, with successive waves and variants, and the measures adopted to combat it have resulted in a collapse of the global passenger volume in the sector that is historically unprecedented and, consequently, in the entire Spanish network of airports operated by Aena. The main international aeronautical bodies, such as ICAO, ACI and IATA, consider that the trend in air traffic recovery continues in 2022 but at a lower rate of recovery than that seen in 2021. In the medium to long term, these bodies estimate that Europe will not recover the 2019 activity levels until some point in the broad period between 2024 and 2027.

  The progress of vaccination programmes in both Spain and other countries, the evolution of the epidemiological situation and the relaxation of travel restrictions have allowed for an improvement in the behaviour of demand and the flights offered by airline companies as of May and during the summer months. However, this improvement has been curbed due to the emergence of the variant Omicron at the end of 2021, which has rapidly spread throughout the world (Note 5.a.1).

  The evolution of the coming months will depend on the percentage of vaccination around the world, the immunity that is being achieved and the behaviour of any new variants of coronavirus that may appear. The confidence that passengers acquire in such a way that it is assumed that there is an acceptable level of safety, from the point of view of the pandemic, both when flying and in the conditions of the destination to which they are going to travel, will also be important.

  In the current scenario, the Company's directors consider that despite uncertainty about the consequences of this exceptional process, which could have a fairly significant impact on the financial/equity situation of the Group, it has been reduced with respect to the previous year. In the current scenario, under no circumstances will the application of the going concern principle be put at risk given the Company's financial solvency and other conditions on which it is based, as well as the measures that have been taken in order to make a strong operational and economic adjustment, described in note 5, and those that could still be taken in the future if circumstances so require.

f) Comparison of information

In compliance with current regulations, figures corresponding to the fiscal year ended on 31 December 2021 are presented for comparative purposes, as well as those for the fiscal year ended on 31 December 2020. During the fiscal year ended 31 December 2021, there were no significant changes in accounting criteria in comparison to the criteria applied in the 2020 fiscal year, with the exception of that outlined in the section 2.h of this note.

g) Grouping of entries

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

h) Information on the first application of Royal Decree 1/2021, of 12 January, which modifies, among others, the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November.

Royal Decree-Law 1/2021, of 12 January, modifies, among others, the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, in order to continue with the process of converging the Spanish accounting regulations with the international accounting standards adopted by the European Union (IFRS-EU).

The main amendments introduced by the 2021 accounting reform are intended to adapt Spanish regulations to the contents of the new Financial Reporting Standards adopted by the European Union on revenue from contracts with customers (IFRS-EU 15) and financial instruments (IFRS-EU 9). In this way, the Royal Decree introduces important changes and, the most important ones are made to registration and valuation standard 9 'Financial instruments' and 14 'Revenue from sales and rendering of services', as well as in the information to be included in the report on these transactions.

The modifications are applicable to fiscal years beginning on or after 1 January 2021.

Information on the first application of the changes introduced to registration and valuation standard 9 'Financial instruments'.

The new criteria for the classification and valuation of financial instruments provided for in Royal Decree 1/2021, of 12 January, which are included in Note 4, and assume a modification with respect to those applied in previous years, are applicable as of 1 January 2021.

Following the rules contained in section 6 of the second transitory provision, the criteria followed by the Company for the first application of the modifications of the General Accounting Plan on the subject of classification and valuation of financial instruments, have been the following:

- The date of first application was 1 January 2021.
- The judgement on the management carried out by the company for the purposes of classifying the financial instruments has been made on the date of first application on the basis of the facts and circumstances existing on that date. The resulting classification has been applied prospectively.
- The book value at the close of the previous fiscal year of the financial assets and liabilities that follow the criteria of the amortised cost, and its amortised cost will be taken at the beginning of the fiscal year in which the new criteria are applied. The same occurs with the book value of financial assets and liabilities that follow the cost criterion.
- Given that there has been no valuation difference in financial assets and liabilities, no amount has been recorded in a reserve account, as a result of the first application of this standard.
- The Company has proceeded to reclassify the necessary items to show the balances of the previous fiscal year adjusted to the new submission criteria.

The reconciliation on the date of first application between each class of financial assets and liabilities and the initial categories, in accordance with the previous regulations and the final categories corresponding to them according to the new criteria, as well as their respective book values, is as follows:

in thousands of euros	At 31/12/2020		At 01/01/2021	
FINANCIAL ASSETS	Initial Category	Book Value	Final Category	Book Value
Equity instruments	Investments in group and associated companies	165,032	Financial assets at cost	165,032
Trade and other receivables	Loans and receivables	1,117,096	Financial assets at amortised cost	1,117,096
Other Financial Assets	Investments held until maturity	94,424	Financial assets at amortised cost	94,424
Cash and cash equivalents	Cash and cash equivalents	1,141,265	Financial assets at amortised cost	1,141,265
Total Financial Assets		2,517,816		2,517,816
Non-current Financial Assets		633,194		633,194
Current Financial Assets		1,884,622		1,884,622

The financial assets that, according to the previous regulations, were classified in the portfolio of 'Loans and receivables', 'Investments held until maturity' and 'Cash and cash equivalents', have been classified in the portfolio of '*Financial assets at amortised cost*', according to the new criteria.

Likewise, according to the new applicable criteria, shares in companies of the group and associated companies have been classified in the '*Financial assets at cost*' portfolio.

in thousands of euros	At 31/12/2020		At 01/01/2021	
FINANCIAL LIABILITIES	Initial Category	Book Value	Final Category	Book Value
Bonds and other negotiable securities	Debits and items payable	55,000	Financial liabilities at amortised cost	55,000
Debts with credit institutions	Debits and items payable	2,727,101	Financial liabilities at amortised cost	2,727,101
Debts with group and associated companies	Debits and items payable	4,721,680	Financial liabilities at amortised cost	4,721,680
Other Debits	Debits and items payable	601,288	Financial liabilities at amortised cost	601,288
Total Financial Assets		8,105,069		8,105,069
Non-current Financial Liabilities		6,978,477		6,978,477
Current Financial Liabilities		1,126,592		1,126,592

The financial liabilities that, according to the previous regulations, were classified in the 'Debits and items payable' portfolio have been classified in the '*Financial liabilities at amortised cost*' portfolio, according to the new criteria.

In short, the new criteria applied have not implied a change in the recording and valuation criteria applicable to financial instruments, therefore, the adaptation to the new regulations has not implied an equity impact for the Company, resulting in the same book values of financial assets and liabilities according to the initial and final valuation category.

Information on the first application of changes introduced in the matter of hedge accounting.

The new criteria for hedge accounting provided for in Royal Decree 1/2021, of 12 January, which are included in Note 4, and assume a modification with respect to those applied in previous years, are applicable as of 1 January 2021.

The hedge relationships contracted by the Company at the end of the 2020 fiscal year covered the interest rate risk in cash flows through variable to fixed interest rate swaps. These hedging operations met the hedge accounting requirements established in the previous wording of the General Accounting Plan and also meet the requirements established in the wording given by RD 01/2021, of 12 January, after taking into account any new rebalancing of the hedge relationship at the time of the transition. Therefore, they have been considered as a continuation of the hedging relationships.

Therefore, in accordance with the new criteria, the derivative financial instruments contracted by the Company on the date of first application of the amendment to the General Accounting Plan established by Royal Decree 1/2021, of 12 January, continue to consider hedging operations, therefore, there are no changes in terms of the new applicable recording and valuation standards, and their recording is appropriate in accordance with the hedge accounting without this having had a financial impact on the transition date.

Information on the first application of the changes introduced to recording and valuation standard 10 'Inventories'.

In accordance with the changes introduced to recording and valuation standard 10 of the General Accounting Plan, both the goods, services and other assets included in the inventories, will be valued at cost, except for intermediaries that trade with listed raw materials, who may value their inventories at fair value minus sales costs.

As established in the first transitory provision of Royal Decree 1/2021, of 12 January:

- The date of first application of the new criteria was 1 January 2021.
- The first application of the new accounting criteria has had no effect on the inventory item, given that Aena does not trade with listed raw materials.

Information on the first application of the changes introduced in the recording and valuation standard 14 'Revenue from sales and services rendered'

This modification has entailed the transposition of IFRS 15 'Ordinary revenue from contracts with customers' to the national accounting regulations by modifying recording and valuation standard 14 of the General Accounting Plan and the publication of the ICAC (Spanish Accounting and Audit Institute [Instituto de Contabilidad y Auditoría de Cuentas]) Resolution of 10 February 2021, which dictates standards for the recording, valuation and preparation of annual accounts for the recognition of revenue from the delivery of goods and the provision of services. Note 4 details the recording and valuation criteria applied by the Company.

The most significant part of the Company's revenue that is affected by the first application of the new criteria comes from the airport services rendered, which correspond mainly to the use of airport infrastructure by airlines and passengers and are attributed to losses and profits based on the accrual criterion, that is, when the actual flow of goods and services that they represent occurs, regardless of the moment in which the monetary or financial exchange arising from them occurs. The Company's aeronautical customers receive and simultaneously consume the benefits of the company's performance as it executes it, in such a way that no change is observed in terms of the valuation or determination of the time of recognition and from which the Concession Company has a present right to collect payment for the service.

The Company has carried out an analysis in which it has concluded that the implementation of this standard has no significant effect on the operations it carries out, without any adjustments being identified on the equity situation at the opening of the fiscal year 2021.

However, the amendment to the General Accounting Plan established in Royal Decree 1/2021, of 12 January, as well as the Resolution of 10 February 2021 of ICAC, which dictates standards for the recording, valuation and preparation of the annual accounts for the recognition of revenue from the delivery of goods and the provision of services, includes presentation requirements and information that are more detailed than in the previous standards.

These new information requirements on revenue recognition represents a substantial change with respect to what was previously requested, given that the volume of breakdowns required in the Company's financial statements has increased, expanding the breakdowns corresponding to the judgements made with respect to the identification of performance obligations and other aspects of the standard (Note 23).

(Amounts in thousands of euros unless otherwise stated)

3. Distribution/application of the result

The application of profits for the 2021 fiscal year proposed by the Board of Directors to the General Shareholders' Meeting is as follows:

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

The Board of Directors of Aena S.M.E., S.A., in its meeting dated 23 February 2021, agreed to the following application of profit for the fiscal year 2020:

	Thousands of euros
Allocation basis:	
Losses for the year	(5,290)
Distribution:	
To losses from previous fiscal years	(5,290)

In 2019, at the General Shareholders' Meeting, the Board of Directors also proposed a reclassification of voluntary reserves to the capitalisation reserve, amounting to €4.299 million. This reclassification results from the criteria of the Spanish Tax Agency (AEAT) on the manner of calculating the equity increase in order to apply a capitalisation reserve reduction in Corporate Tax for fiscal year 2018, once this possibility had been consulted with AEAT within the framework of the Code of Best Tax Practices (Note 19.b).

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

4. Recording and valuation standards

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

a) Intangible fixed assets

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

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

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

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

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

Concession agreement, regulated asset

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

All concession agreements must meet the following requirements:

- The grantor controls or regulates what public services the concession company must provide with the infrastructure, to whom it must provide them and at what price; and

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

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

- *Intangible fixed assets*: in those cases in which there is a right to charge a price to users for using the public service, and this is not unconditional but depends on the users actually using the service, the consideration for the construction or improvement service is recorded as an intangible asset under the entry 'Concession agreement, regulated assets' under the heading 'Intangible fixed assets' in application of the intangible asset model, in which the demand risk is assumed by the concession company. In the case of the Company, intangible fixed assets include the investment made in the facilities that the Company has received and that, once construction has been completed, it operates as an administrative concession.

- *Financial assets*: in those cases in which there is an unconditional right to receive, from the grantor (or on behalf of the latter), cash or other financial assets, and the grantor has little or no capacity to avoid payment, the consideration for the construction or improvement service is recorded as a financial asset within the entry 'Concession agreement, collection rights' in application of the financial model, in which the concession company assumes no demand risk (collects even if not using the infrastructure, as the grantor guarantees the payment of a fixed or determinable amount to the concession company, or of the deficit, if any).

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

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

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

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

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

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

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

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

	Years
Operational	4
Software	6
Other intangible fixed assets	4–8

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

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

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

Assets that have an indefinite useful life or intangible assets that are not in a condition to be used are not subject to amortisation/depreciation and are tested annually for impairment. Property, plant and equipment and intangible assets subject to depreciation/amortisation are submitted for impairment reviews provided that some event or change in circumstances indicates that their book value may not be recoverable. Impairment losses are recognised for asset book values that exceed their recoverable amount. The recoverable amount is determined as the fair value less selling costs or value in use, whichever is higher. Aena S.M.E., S.A. views all its assets as cash flow generators. In order to evaluate impairment losses, assets are grouped at the lowest level for which there are separate identifiable cash flows (cash-generating units), separating for that purpose the cash-generating unit from the national network of airports and each of the assets that are part of the real estate segment.

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

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

Traditionally, Management prepares an annual business plan, generally covering a space of four years, including the current fiscal year. However, considering the existing uncertainty as a result of COVID-19, it has been deemed more appropriate to extend the forecast period to 2027, considering that, in any case, air traffic should return to normal levels by around 2025.

Additionally, and considering that the current changing environment greatly hinders and imposes clear limitations on the ability to make estimates regarding the consequences that this crisis may have for the business, a meticulous evaluation of the foreseeable scenarios has been carried out. In this sense, for the purposes of the sensitivity analysis of the calculation of the recoverable amount, and in addition to the scenario explained above, which is considered the base scenario for determining the recoverable amount, a more pessimistic scenario in which traffic recovery would occur around 2026 has been considered. The main components of the business plan, which is the basis of the impairment test, are as follows:

- Projected results.
- Projected investments and working capital.

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

- The discount rate to be applied, understood as the weighted average cost of capital. The main variables that influence its calculation are the cost of liabilities and the specific asset risks.

- The cash flow growth rate used to extrapolate the cash flow forecasts beyond the period covered by the budgets or forecasts.

The business plans are prepared based on the best estimates available (see Note 7).

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

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

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

b) Property, plant and equipment

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

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

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

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

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

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

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

	Years
Buildings	12–51
Technical facilities	4–22
Machinery	5–20
Other facilities	6–12
Furniture	4–13
Other fixed assets	5–7

(Amounts in thousands of euros unless otherwise stated)

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

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

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

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

	Years
Passenger and cargo terminals	32–40
Airport civil engineering works	25–44
Terminal equipment	4–22
Passenger transport between terminals	15–50
Airport civil engineering equipment	15

c) Real estate investments

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

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

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

	Years
Buildings and warehouses	32–51
Technical facilities	15

d) Inventories

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

Greenhouse gas emission allowances

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

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

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

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

e) Leases

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

Financial leases

i. The Company acts as lessee

In financial leasing transactions in which the Company acts as lessee, the cost of the leased assets is reported in the balance sheet according to the nature of the asset that is the purpose of the agreement as well as, simultaneously, a liability for the same amount. Said amount will be the lesser of the fair value of the leased property and the current value at the beginning of the lease of the minimum agreed amounts, including the purchase option, when there are no reasonable doubts about it being exercised. The calculation will not include contingent fees, service costs and the taxes charged by the lessor. The total financial burden of the contract is allocated to the profit and loss account of the fiscal year in which it is accrued, applying the effective interest rate method. Contingent fees are recognised as expenses for the period in which they are incurred. During this fiscal year and the last, there are no operations in which the company acts as lessee in financial leasing contracts.

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

ii. The Company acts as lessor

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

Operating leases

i. The Company acts as lessee

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

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

ii. The Company acts as lessor

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

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

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

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

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

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

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

Following the accounting policy option indicated, these rent reductions have been assimilated, for accounting purposes, to a lease incentive. Therefore, the discounts granted by the Company to its commercial operators in the lease payments accrued in periods prior to the date of formalising the corresponding contractual modifications are recorded in the balance sheet in accrual accounts and are allocated to the result, reducing the commercial revenue through a linear distribution system, during the remaining term of the contracts.

Additionally, the MAG established in the commercial lease agreements executed between Aena and its commercial operators, accrued between 15 March 2020 (start date of the first state of emergency in Spain) and 3 October, have been modified as a result of the effective date, dated 3 October 2021, of the 7th Final Provision of Act 13/2021, of 1 October, which amends Act 16/1987, of 30 July, pertaining to Land Transport Management (hereinafter DF7 [disposición final 7ª] of Act 13/2021).

Although this reduction in rent was eventually imposed by the DF7 of Act 13/2021, given that this is law was issued in the context of measures to address the effects of the COVID-19 health crisis, Aena considers that the aforementioned response from the ICAC is applicable to record the accounting impact. Therefore, for accounting purposes, it is possible to assimilate the reduction of the contractual rents, which is a result of the aforementioned provision, to an incentive to lease agreements. As a result, given the accounting criterion described, the total incentive to lease agreements accrued from 15 March 2020 until 2 October 2021, both days included, has been recorded in accrual accounts and is allocated on a straight-line basis to the income statement prospectively during the remaining validity period of each contract, from the effective date of contractual modification, 3 October 2021.

Therefore, in exercising the option indicated, Aena S.M.E., S.A. has opted to consider, for accounting purposes, the reductions in lease payments resulting from contractual modifications due to the pandemic as incentives to leasing. In this way, the concessions granted that arise directly from the adverse situation caused by COVID-19 are allocated to the income statement prospectively using a linear distribution system throughout the remaining periods of the contract (see Note 5.a.i).

f) Financial instruments

The registration and valuation rules for financial instruments applied up to 31 December 2020, in accordance with the General Accounting Plan in force up to that date, were as follows:

The Company recognised financial instruments when it became bound by the legal contract or business in accordance with its provisions. Debt instruments were recognised from the date on which the legal right to receive, or the legal obligation to pay, arises. Financial liabilities were recognised on the contracting date.

Financial instruments were classified at the time of their initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic fund of the contractual agreement and the definitions of each instrument. Therefore, according to their characteristics and to the Company's intentions at the time of their initial recognition, the Company classified the financial instruments into:

Financial assets

The Company's financial assets were classified into the following categories:

- Loans and receivables: non-derivative financial assets with fixed or determinable collections that are not listed in an active market. They correspond to financial assets originating from the sale of assets or the provision of services from the company's trade operations, or those that, not having a business origin, are not equity instruments or derivatives and the amounts to be collected are set or determinable amounts and are not negotiated in an active market. They were initially valued at their fair value, including the transaction costs that were directly attributable to them, and subsequently at their amortised cost. At least at the close of the fiscal year, the necessary valuation adjustments for impairment were made if there was objective evidence that not all amounts owed will be collected.
- Financial assets held until maturity: securities representing debt, with a set maturity date, amounts to be collected of a determined or determinable amount, which are traded in an active market and with the Company having an actual intention to keep them until maturity.
- Investments in the equity of the group, associated and multigroup companies: group companies are considered to be those related to the Company by a control relationship, directly or indirectly through subsidiaries; associated companies are those over which the Company exercises a significant influence over, directly or indirectly through subsidiaries; and multigroup companies are those over which joint control is exercised with one or more partners. The investments were recognised at the value of the consolidation made on the date of the non-monetary contribution.

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

Financial liabilities

The Company's financial liabilities were classified in the Debits and accounts payable category.

Debits and accounts payable correspond to liabilities that originate from the purchase of goods and services for the company's commercial operations, or also those that, without having a commercial origin, cannot be considered derivative financial instruments.

They are initially valued at fair value, adjusted for directly attributable transaction costs. Subsequently, for their amortised cost.

However, trade payables maturing in no more than one year and that have no contractual interest rate, as well as the disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, were valued at their nominal value, when the effect of not updating the flows was not significant.

Hedging instruments

Financial instruments were used, mainly, to hedge interest rate variations. The Company documented the hedging relationships and verified that the hedging was effective at the end of each fiscal year, that is, that the changes in cash flows of the hedged item were almost completely offset by those of the hedging instrument and that, retrospectively, the results of the hedging ranged between a variation of 80 to 125% with respect to the result of the hedged item.

Derivative financial instruments were recorded as assets or liabilities, depending on their sign, at their fair value, plus, where applicable, the transaction costs directly attributable to their contracting, with a balancing entry in the 'Hedging transactions' account of equity, until they matured, at which time they were allocated to the profit and loss account at the same time as the hedged item. However, the transaction costs were subsequently recognised in results, to the extent that they were not part of the effective variation of the hedge. The accounting of hedges was interrupted when the hedge instrument matured or was sold, or when it stopped meeting the hedge accounting criteria.

As a result of the entry into force of Royal Decree-Law 1/2021, of 12 January, which modifies, among others, the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, the Company has proceeded to modify the registration and valuation rules of financial instruments as indicated below:

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

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

f.1) Financial assets

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

Financial assets at amortised cost

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

In general, the following are included in this category:

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

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

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

Impairment

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

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

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

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

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

Derecognition

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

- Financial assets at cost: the following investments are included in this category:
    - Equity instruments of group, multigroup and associated companies.
    - Equity loans with contingent interests.

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

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

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

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

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

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

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

a) The Company, as lender, receives a variable interest that is determined based on the performance of the borrower company's activity. The criterion for determining said performance may be net profit, turnover, total equity or any other that the contracting parties freely agree. Additionally, a fixed interest could be agreed regardless of the performance of the activity.

b) The contracting parties may agree on a penalty clause in the case of early amortisation. In any case, the borrower may only amortise the equity loan in advance if such amortisation is offset by an increase of the same amount of its own funds and provided that it does not come from the updating of assets.

c) In terms of order of credit preference, equity loans are placed after common creditors.

d) Equity loans shall be considered net equity for the purposes of capital reduction and liquidation of companies provided for in commercial legislation.

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

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

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

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

f.2) Financial liabilities

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

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

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

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

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

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

f.3) Derivative instruments

The Company uses derivative financial instruments to mainly hedge interest rate variations.

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

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

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

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

f.4) Confirming

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

Likewise, if debts held with financial institutions are incurred as a result of the assignment of commercial liabilities, they are recognised under the item of advance on commercial debts in the consolidated balance sheet. In those cases in which the payment period of the debts initially held with the commercial creditors is postponed, they are cancelled on the original maturity date and a financial liability is recognised in the 'Financial Debt' in the statement of financial position. As of 31 December 2021 and 2020, there are no debts with intermediary financial entities resulting of confirming operations carried out on commercial liabilities nor have any debts originally maintained with commercial creditors been postponed.

g) Cash and cash equivalents

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

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

h) Equity

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

i) Grants, donations and legacies received

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

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

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

As indicated in Note 4.d, greenhouse gas emission allowances received free of charge are initially recorded as an asset and a grant within Equity, at market value at the beginning of the fiscal year in which they are activated, and are allocated to the income statement as these allowances are consumed.

j) Provisions and contingencies

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

- Provisions: credit balances covering present obligations arising from past events, whose settlement is likely to cause an outflow of resources, but that are indeterminate in terms of their amount and/or timing of settlement.

(Amounts in thousands of euros unless otherwise stated)

- Contingent liabilities: possible obligations that arise from past events, whose future materialisation is contingent upon occurrence, or lack thereof, of one or more future events beyond the control of the Company.

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

Provisions are recorded at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation to a third party, recording the adjustments arising from updating the provision as a finance expense as it accrues.

k) Provisions for work commitments acquired

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

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

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

Length of service awards

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

Year	2021	2020
Technical interest rate:	0.50%	0.15%
Long-term salary growth:	0.90% for 2021 and 2% in the following years	0.90% in 2021 and 2% in the following years
Defined Contribution Fund Yield:	-	-
Mortality table:	PER2020_Col_1er order	PER2020_Col_1er order
Financial system used:	Individual capitalisation	Individual capitalisation
Accrual method:	Projected credit unit	Projected credit unit
Retirement age:	65 years	65 years
Disability tables	Ministerial Order 1977	Ministerial Order 1977

(Amounts in thousands of euros unless otherwise stated)

Early Retirement Award

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

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

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

Year	2021	2020
Technical interest rate:	0.50%	0.15%
Long-term salary growth:	0.90% in 2021 and 2% in the following years	0.90% in 2021 and 2% in the following years
Defined Contribution Fund Yield:	-	-
Mortality table:	PER2020_Col_1er order	PER2020_Col_1er order
Financial system used:	Individual capitalisation	Individual capitalisation
Accrual method:	Projected credit unit	Projected credit unit
Retirement age:	63 years	63 years

It can be seen that the discount rate used in the valuation at 31 December 2021 was 0.5%, a rate that is higher than that used in the valuation relating to the fiscal year 2020, which was 0.15% for long service awards and early retirement.

This higher discount rate is due to the increases in interest rates. The rate of 0.50% used in the valuation is the rate derived from the corporate debt curve of the highest credit rating (AA) for the term of 10 years, with the financial duration being 10.82 years for the commitments subject to valuation.

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

l) Severance payments

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

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

m) Variable remuneration

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

n) Income tax

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

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

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

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

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

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

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

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

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

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

o) Transactions denominated in foreign currency

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

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

p) Revenue and expenses

The registration and valuation rules for financial instruments applied up to 31 December 2020, in accordance with the General Accounting Plan in force up to that date, were as follows:

Ordinary revenues were measured at the fair value of the consideration received or to be received, and represent the amounts receivable for goods sold net of discounts, refunds and value added tax. Ordinary revenue is recognised when the revenue may be reliably measured, it is likely that the company will receive a future financial benefit and certain conditions are met for each of the Company's activities.

Ordinary revenues were recognised as follows:

- Sales of goods are recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the relevant receivables is reasonably assured.

- Sales of services are recognised in the reporting year in which the services are rendered, with reference to the end of the specific transaction evaluated based on the actual service provided as a percentage of the total service to be provided, when the revenue and costs relating to the service agreement and the extent to which it has been completed may be reliably estimated and it is likely that the related receivables will be recoverable. Where one or more of these service agreement items cannot be reliably estimated, revenue from sales of services is recognised only up to the limit of the costs of the agreement incurred that are likely to be recovered.

As a result of the entry into force of Royal Decree-Law 1/2021, of 12 January, which modifies, among others, the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, the Company has proceeded to modify the registration and valuation rules of revenues as indicated below:

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

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

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

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

The revenue derived from commitments that are fulfilled over time, as may be the case for goods or services whose control is not transferred at a given time, is recognised considering the degree of realisation of the provision at the closing date, provided that reliable information is available to measure the degree of realisation. Otherwise, revenue will only be recognised in an amount equivalent to the costs incurred that are expected to be reasonably recovered in the future.

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

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

Aeronautical Services (airport charges):

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

Airport charges are set pursuant to Act 1/2011, of 4 March, which establishes the National Operational Safety Programme for Civil Aviation and amends Act 21/2003, of 7 July, on Aviation Safety. Furthermore, Article 68 of Act 21/2003 defines the following items as airport charges:

- Use of runways at civil and joint-use airports and air bases open to civil aircraft traffic, and the provision of services required for such use, other than ground handling of aircraft, passengers and goods.

- Airport air traffic services provided by the airport operator, regardless of whether such services are provided through duly certified air traffic service providers that have been contracted by the airport operator and appointed for this purpose by the Ministry of Public Works.

- Meteorological services provided by the airport operator, regardless of whether such services are provided through duly certified meteorological service suppliers and, moreover, appointed for this purpose by the Ministry of the Environment and Rural and Marine Affairs.

- Inspection and screening services for passengers and luggage on airport premises as well as the resources, facilities and equipment required for the provision of services for controlling and monitoring in aircraft movement areas, open access areas, controlled access areas and restricted security areas on the entire airport premises connected to airport charges.

- Airport facilities made available to passengers, and which are not accessible to visitors, in terminals, on aprons and runways which are required to perform the air transport contract.

- Services that allow the general mobility of passengers and necessary assistance to persons with reduced mobility (PRMs) to allow them to travel between the point of arrival at the airport to the aircraft, or from the aircraft to the exit, including boarding and disembarkation from the aircraft.

- Use of aircraft stand areas equipped for this purpose at airports.

- Use of airport facilities to facilitate passenger boarding and disembarkation for airlines using airbridges or the mere use of an apron position that impedes the use of the airbridge by other users.

- Use of airport premises for the transport and supply of fuels and lubricants, regardless of the means of transport or supply.

- Use of airport premises to provide ground assistance services that are not subject to any other specific consideration.

On 5 July 2014, Royal Decree-Law 8/2014, of 4 July, was published in the Spanish Official State Gazette (BOE [Boletín Oficial del Estado]) and subsequently confirmed by Act 18/2014, of 15 October, on enacting urgent measures for growth, competitiveness and efficiency. This regulation sets out:

- The public interest airport network regime as a general economic interest service with the objective of guaranteeing the mobility of the public and economic, social and territorial cohesion. This regime also seeks to ensure the accessibility, adequacy and suitability of airport infrastructure capacity, the financial sustainability of the network and the continuity and appropriate provision of basic airport services. On the other hand, network management ensures the financial sustainability of the airports included in the network by allowing support for loss-making infrastructure under the conditions of transparency, objectivity and non-discrimination.
- The closure or disposal of all or part of any airport facilities or infrastructure required for maintaining the provision of airport services is prohibited, unless it is authorised by either the Council of Ministers or the Secretary of State for Infrastructure, Transport and Housing. (As applicable by amount).
- A procedure may be legally implemented to make it possible to close or sell any of the airport facilities or infrastructure. Such a regulatory implementation may also provide for transfers to the State of capital gains generated during the disposal process.
- The Airport Regulation Document (DORA) is created with a five-year validity and will determine Aena's maximum revenue per passenger during the period, quality conditions for the provision of services, the capacity of the facilities and the investments to be made.
- The revenue of the airport operator in relation to basic airport services is considered to be airport charges. Its regulation complies with the legal provisions created by Act 21/2003, on Aviation Safety, as amended by Act 1/2011, and in the determination of their essential components. Non-essential airport services as well as the commercial management of infrastructure and their development operation are subject to the free market.
- In accordance with Act 18/2014, the Directorate General of Civil Aviation (DGAC [Dirección General de Aviación Civil]) is responsible for drafting the Airport Regulation Document (DORA) and presenting it to the relevant bodies in the Ministry of Public Works for its subsequent approval by the Council of Ministers.
    - The airport operator's revenue associated with basic airport services will be subject to compliance with an annual maximum revenue per passenger (IMAP [ingreso máximo anual por pasajero]) determined on the basis of the efficient cost recovery as recognised by the regulator, along with traffic forecasts. The annual maximum revenue per passenger contained in the DORA will be adjusted annually in line with a series of incentives or penalties based on the degree of compliance with service quality levels and penalties for any delay in the execution of strategic investments. Aena considers that it has met the required quality levels in 2021 and has executed the planned strategic investments. Thus, it does not expect the annual maximum revenue per passenger to be penalised for these reasons.
    - For the 2015-25 period, the maximum increase in charges will be zero. Charges may only be increased above this maximum increment if the annual average investment is increased above the approved amount subject to the prior agreement of the Council of Ministers, during the period of the second Airport Regulation Document (DORA) and for exceptional reasons such as unforeseen and non-deferrable regulatory investments. For the first DORA, it was established that the cumulative tariff deficit upon

completion, together with that corresponding to previous years, may not be transferred to the next DORA.

On 27 January 2017, the Council of Ministers approved the Airport Regulation Document (DORA) for the 2017-21 period. This document established an annual reduction of 2.2% in the Annual Maximum Revenue per Passenger (IMAP) for this period (see Note 5).

On 28 January 2020, the Board of Directors approved the charges corresponding to 2020, which came into force on 1 March 2020. In accordance with the criteria set by the National Markets and Competition Commission (CNMC), the IMAAJ that must be applied to the 2020 charges is €10.27 per passenger. This charge represents an average reduction of 1.44% on Aena's prevailing charges in the 2019 charges year.

On the other hand, it should be noted that Royal Decree 162/2020, of 22 March, was published on 10 April 2019, which regulates the P index calculation mechanism for updating airport charges. The P index includes the annual price variations of inputs outside of the operator's control (staff, air navigation services, security, repairs, cleaning, services for persons with reduced mobility (PRM), intensive labour services, electricity, local taxes, etc.) but which affect its activity, in accordance with the principles of economic efficiency and good business management. The value of the P index is not specified in the DORA because its amount is determined annually during the process of establishing the airport charges for the following year. The mentioned Royal Decree establishes the P index calculation mechanism using a formula that depends on specific indexes applicable for the review of the airport operator's costs and that is defined in its text, as well as the procedure for determining its annual value.

The CNMC is the body responsible for approving the P index value in accordance with current regulations. On 7 November 2019, the CNMC approved the Resolution on the P index applicable to the Aena S.M.E., S.A. airport charges in the fiscal year 2020, setting it at 0.8%.

On 19 November 2020, the CNMC approved the Resolution on the P index applicable to the airport rates of Aena S.M.E., S.A. in the fiscal year 2021, setting it at 0.72%.

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

On 11 February 2021, the CNMC issued its Resolution on the supervision of Aena's airport rates in the fiscal year 2021, where it ratifies the decision of the Board of Directors and freezes these amounts as of March 2021, a consequence of the exceptional situation caused by the COVID-19 pandemic during 2020 and whose effects continue to affect air traffic in 2021.

On 28 September 2021, the Council of Ministers approved the Airport Regulation Document that regulates the obligations derived from the current legal framework on the provision of aviation services for the period 2022-26 (DORA II). Among other measure, it also established a freeze on Aena airport charges over the next five years. The value of the initial IMAP for the 2022-2026 period is €9.89, which is the value of the required regulated revenue per passenger established for the year 2021, in accordance with the CNMV Resolution of 11 February 2021.

During the consultation process with the airlines and in the process of supervision by the National Markets and Competition Commission, a reduction of 3.17% of airport service charges for 2022 were proposed. As mentioned in Note 29, on 17 February 2022, the National Commission on Markets and Competition (CNMC) issued its Resolution on the supervision of Aena's airport charges for 2022. According to the aforementioned Resolution, charges approved by Aena's Board of Directors are applicable, which implies an IMAAJ of €9.95 per passenger and a rate variation of -3.17% compared to 2021 IMAAJ. On 3 February 2022, the CNMC notified Aena of the initiation of a dispute procedure regarding the modification of the 2022 airport charges, requested by IATA Spain and Ryanair, which does not affect their application as of 1 March. The Company considers that the rates approved and supervised by the CNMC will not be modified.

As a result of the strong drop in the Company's activity resulting from the COVID-19 pandemic and the measures adopted to control it, under Article 27 of Law 18/2014, Aena requested, on 8 March 2021, the modification of DORA 2017-2021 and the granting of the economic rebalancing provided for in said standard. The Directorate General of Civil Aviation of the Ministry of Transport, Mobility and Urban Agenda has agreed, by Resolution of 16 December 2021, not to initiate the procedure to amend the aforementioned DORA 2017-2021, as it does not consider that all the exceptional circumstances referred to in Article 27 of Act 18/2014, of 15 October, have occurred and said Directorate General finds no elements within the DORA from which the requested compensation could derive (Note 35.a.ii).

However, Aena considers that all the requirements provided for in the aforementioned article 27 for the modification of the DORA and the concession of the economic rebalancing provided for in said standard are met, since the COVID-19 pandemic—exceptional and unpredictable—has caused a reduction of more than 10% of air traffic, as established in the aforementioned article. This amendment request is also in line with the measures adopted by the regulators of various European countries in which the economic imbalance suffered by airport managers in connection with this health crisis has been recognised.

Therefore, on 21 January 2022, Aena filed an administrative appeal before the Directorate General of Civil Aviation regarding the resolution, without prejudice to the exercising of other actions that may correspond in defence of its social interest.

All these regulations have not led to any change in the Company's revenue recognition policy, which continues to be subject to the explanations at the beginning of this Note. In particular, the regulated revenue in the DORA period has been recognised in 2021 according to the same criteria as in previous periods, when the service is provided, based on the approved regulated charges.

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

Other revenue

The Company has formalised contracts for the provision of technical assistance services with other companies of the Group that incorporate different performance obligations. These performance obligations are all completed annually and the consideration, fixed or variable, is also on an annual basis. The recognition of revenue is produced in full in the same fiscal year and, therefore, no assets or liabilities associated to the contract are recorded. In fiscal years 2020 and 2021, these revenues have not been significant for the Company.

Commercial

Revenue from the rental of commercial areas located within airport infrastructures corresponding to the Minimal Annual Guaranteed Rent (MAG) is recognised on a straight-line basis as long as there isn't another criterion that best reflects the economic substance of the lease agreements concluded with the counterparties (see Note 4e). The contingent part of the lease income relating to the variable levels of income generated by the commercial areas is recognised as revenue in the period in which it is accrued.

Car park revenue is recognised as the services are provided.

As lessor, the Company recognises the modification of an operating lease as a new lease from the effective date of the modification, and considers that any lease payment already made or accrued in relation to the original lease is part of the payments of the new lease.

Real estate services

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

q) Interest and dividends

Interest revenue is recognised using the effective interest method.

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

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

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

r) Activities affecting the environment

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

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

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

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

s) Related-party transactions

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

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

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

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

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

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

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

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

t) Business combinations

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

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

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

u) Joint ventures

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

Joint ventures can be:

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

Jointly controlled operations and assets (Note 7.l)

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

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

v) Current and non-current items

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

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

5. Management of operational and financial risks

a) Description of key operational risks

i. Risks derived from the COVID-19 pandemic

The appearance of COVID-19 in China and its rapid expansion to a large number of countries in the early months of 2020 led to the viral outbreak being classified as a pandemic by the World Health Organisation. The consequences of this health crisis and the containment measures taken in much of the world to contain the spread of infections caused by SARS-CoV-2 have significantly affected the global economy, with a very negative impact on businesses in the tourism and air transport sector as a result of radical restrictions on air operations and the mobility of people during the containment stages of the epidemic, and subsequently with its successive waves and variants. Currently, measures that restrict the mobility of people are being relaxed and adapted based on the evolution of the level of infection and the consequent pressure on hospitals.

In this context, the Company’s management has adopted a series of measures that it considers necessary to deal with the largely unpredictable consequences of this unprecedented situation in order to cover the most significant risks that have been identified, which are detailed below.

Operational and business risk

The impact of the health crisis on the airports of the Spanish network began at the end of February 2020 and led to a drastic decrease in air traffic that reached historical lows in 2020, when it stood at levels last reached more than 20 years ago, with 76 million passengers managed on the network (72.4% lower than passenger traffic in 2019).

On 14 March 2020, the Government of Spain decreed a State of Emergency which limited the free movement of people, introduced restrictive measures upon transport and suspended the public operation of retail shops and establishments; with the exception of, among others, businesses selling groceries and essential items, and pharmacies.

In compliance with these measures, with respect to the opening of essential businesses in order to address the essential needs of workers, suppliers and passengers in the airside area of the facilities; from 15 March 2020, only certain shop and food services remained open at the main network airports: convenience shops, tobacconists, pharmacies, some food services and vending machines.

On 17 March 2020, the member countries of the European Union announced the general closure of external land borders and the prohibition of entry to citizens of third countries in all but exceptional circumstances.

The State of Emergency in Spain ended on 21 June 2020, allowing for unrestricted mobility within Spanish territory, and, on 30 June of the same year, the Government of Spain lifted travel restrictions with Schengen area countries, and other European Union Member States. This measure was accompanied by the elimination of the quarantine period that had to be observed by all travellers arriving in Spain from abroad.

On 2 July 2020, the Government of Spain amended the temporary restriction criteria for non-essential travel from third countries to the European Union and Schengen area countries, and adopted the Recommendation of the Council of the European Union on third countries and categories of persons exempt from travel restrictions, regardless of their place of origin.

Following this Recommendation, EU Member States began to gradually reopen their borders in July last year, both to non-EU foreign nationals and to European Union citizens themselves.

In general, the new restrictive measures on travel that have been imposed not only take into account the level of infections, but also if the hospital pressure remains within reasonable margins, thus reducing the mobility restrictions that have been imposed so far.

During 2021, the progress of vaccination programmes in both Spain and other countries, the evolution of the epidemiological situation and the relaxation of travel restrictions have allowed for an improvement in the behaviour of demand and the flights offered by airlines as of May and during the summer months. However, this improvement has been curbed due to the emergence of the Omicron variant at the end of 2021, which has rapidly spread throughout the world.

In Spain, the aforementioned measures have helped in a tentative recovery of air traffic. The airports managed by the Company have closed the fiscal year 2021 with 56.4% less passenger traffic compared to the same period of the fiscal year 2019, which represents a recovery of 43.6% of pre-pandemic traffic. If we compare them with 2020, the fiscal year affected by the COVID-19 health crisis, in 2021 it closed with an increase in passenger traffic of 57.7%. In particular, in this fiscal year, a passenger volume of 119.9 million has been recorded, compared to 75.8 million in 2020, but still well below the 275.2 million passengers of 2019.

Aena has acted quickly in response to the impacts caused by the pandemic in order to adjust the capacity of its airports to the specific needs of the operation and the mobility measures adopted by the different governments at each moment. In July 2021, activity was restored at all terminals in order to adapt infrastructures to demand and allow for a greater operating capacity. In the commercial field, in the third quarter of 2021, the opening of premises has been reactivated, accompanied by the progressive activity, although all business lines are still affected by the reduction of traffic at the network's airports.

According to DORA II, approved by the Council of Ministers on 28 September 2021, one of the main challenges of the 2022-2026 five-year period for the Company will be the recovery of air traffic, to place it at levels similar to those reached in 2019. Although, to a large extent, the recovery depends on exogenous factors, so Aena will boost the growth of air traffic by mainly acting through four levers:

- Regaining the passenger's confidence, offering maximum health safety at airports through the coordination of actions and protocols with relevant actors such as, among others, airlines, health authorities and other European airports. Likewise, in this five-year period, Aena must promote the deployment of technologies to minimise contact and streamline processes, thus reducing the risk of spreading COVID-19.
- Actively working with airlines to attract demand to the airport network.

- Enhancing the design and application of commercial incentives that drive the development of new routes and growth in the existing ones; and collaborating closely with local and regional authorities, economic and social agents, through Airport Coordination Committees, among others.

- Preparing the airport network to meet the long-term needs of air transportation, balancing these needs with those of the territories in which they provide services, through the necessary consensus.

In relation to the commercial business, commercial activity in the network airports has gradually resumed from 21 June 2020. Alongside the reopening, Aena implemented various measures in the network airports that are aimed at facilitating passengers safely passing through commercial areas, shops and food and beverage establishments. These measures comply at all times with the health guidelines set out by the authorities. These measures that have been adopted include the following:

- Coordinating with the commercial lessees on staggered openings, adapted to passenger traffic, maximum capacity and social distancing measures.

- Coordinating health and safety measures for customers and employees, and supervising maximum capacity restrictions in walk-through and traditional shops.

- Adapting VIP lounges to the new operating environment. Establishing which rooms to open, opening hours, service levels, maximum capacities, as well as new social distancing layouts.

- Advertising campaigns to reactivate VIP lounge and car park marketing.

- In terms of car rental activity, the lessees in question, in collaboration with Aena, have developed and implemented safety, cleaning and hygiene protocols aimed at increasing the level of service associated with the reactivation of traffic.

Additionally, as a consequence of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, Aena began negotiations with the commercial operators to agree on changes to the contractual conditions, including the fixed rent and the minimum annual guaranteed rent (MAG, hereinafter).

Until the relevant agreements have been closed with those commercial operators and in application of Recording and Valuation Standard 8 'Leases and other transactions of a similar nature' of the General Accounting Plan (RVS 8, hereinafter), in the fiscal year ended 31 December 2020, revenue from the Minimum Annual Guaranteed Rent (MAG) was recognised, generated from duty-free shops, specialty shops, food and beverage establishments, commercial operations, financial services and advertising. This amounts to €619.0 million, including rent corresponding to the period under the state of emergency amounting to €198.6 million, given that Aena has had a contractual right to receive these rents and, as this RVS is applicable in this case, their revenue had to be recorded for accounting purposes.

Following various commercial proposals according to the performance of the activity and always under the legal framework existing at all times, this negotiation process culminated in January 2021, with a proposal from Aena to all its commercial operators—with the exception of rent-a-car, which had already signed a proposal under similar terms in December 2020—where the most significant aspects were as follows:

- No application of MAG for the period between 15 March and 20 June 2020.

- 50% reduction of the MAG for the period between 21 June and 31 December 2020.

- 50% reduction of the MAG for the period between 1 January and 8 September 2021.

- Reduction of MAG by 100% in the event of having had to close some areas of the airports to comply with the measures imposed by the health authorities.

During 2021, some lessees accepted Aena's proposal having formalised the corresponding contractual modifications.

In other cases, since it was not possible to reach an agreement regarding the rent, commercial operators have filed claims. Aena has also filed claims for amounts in cases where commercial operators have not complied with the MAG payments (Note 28).

As of 3 October 2021, Act 13/2021, of 1 October, amending Act 16/1987, of 30 July, on Land Transport Regulations, entered into force. Its seventh final provision establishes that the agreements for the lease or assignment of business premises for food and beverage or retail business activities concluded between Aena S.M.E., S.A. and private operators, which were in force on 14 March 2020, or which have been tendered prior to that date, will be automatically modified by the aforementioned Act under the following terms:

- The part that is proportional to the Minimum Annual Guaranteed Rent (MAG) established in the contracts corresponding to the period of time that extends between 15 March 2020 and 20 June 2020, both inclusive, will be abolished and its payment will not be demandable by Aena.

(Amounts in thousands of euros unless otherwise stated)

- As of 21 June 2020, the Minimum Annual Guaranteed Rent (MAG) established in the contracts will be automatically reduced in direct proportion to the lower volume of passengers at the airport where the premises is located, with respect to the volume of passengers that existed at that same airport in 2019, and Aena will not enforce the payment of a MAG for a higher amount. This reduction of the Minimum Annual Guaranteed Rent (MAG) will be applicable in 2020, as well as in all subsequent years until the annual volume of passengers at the airport in which each premises covered in the lease agreement is located is equal to that which existed in 2019.
- The provisions of the previous section will not affect the right of Aena to demand the payment of the Variable Rent (VR) established in the agreements based on the revenue derived from sales in the various premises.

Therefore, during 2021, the rents established in the commercial lease agreements established between Aena and its commercial operators, accrued between 15 March 2020 (start date of the first state of emergency in Spain) and 3 October 2021, have been modified as a result of the entry into force, on 3 October 2021, of the 7th Final Provision of Act 13/2021, of 1 October, which amends Act 16/1987, of 30 July, pertaining to Land Transport Management (hereinafter, DF7), and, to a lesser extent, due to contractual novations agreed with the commercial operators. The impact of the reductions in contractual rents on commercial revenue recorded by Aena has been as follows:

	Recognised commercial revenue				DF7 Discounts			
(millions of euros)	Minimum rents from 15/03/20 to 31/12/20	Minimum rents from 01/01/21 to 03/10/21	Minimum rents from 15/03/20 to 03/10/21	Collected or collectable rents	Completed Agreements MAG Discount (to P/L)	To be deferred due to DF7	Total DF7 MAG discount	Other rent discounts to be deferred
Shops	72	33	105	(8)	55	42	97	-
Duty-free shops	290	213	503	(90)	-	413	413	-
Food and beverages	170	113	283	(67)	6	210	216	-
Others	1	-	1	-	-	1	1	-
Total business lines affected by DF7	**533**	**359**	**892**	**(165)**	**61**	**666**	**727**	**-**
Car rental	55	-	55	(12)	-	-	-	43
Advertising	15	11	26	(22)	-	-	-	4
Others	35	18	53	(32)	-	-	-	21
Total business lines not affected by DF7	**105**	**29**	**134**	**(66)**	**-**	**-**	**-**	**68**
TOTAL rents	**638**	**388**	**1,026**	**(231)**	**61**	**666**	**727**	**68**

As indicated in Note 4.e, following the accounting policy option established in Inquiry 1 of Official Bulletin of the Institute of Accounting and Auditing no. 125/2021 of 19 February and in accordance with the 8th Recording and Valuation Standard of the Chart of Accounts, Aena S.M.E., S.A. has chosen to consider, for accounting purposes, the reductions in the rents of the lease agreements as a result of contractual modifications derived from the pandemic, as rental incentives. Consequently, the concessions granted that arise directly from the adverse situation caused by COVID-19 are recorded prospectively using a linear distribution system throughout the remaining periods of the contract.

Given the accounting registration criterion described, the total incentive to lease agreements accrued from 15 March 2020 and until the effective date of contractual modification, has been recorded in accrual accounts and is attributed linearly and prospectively to results during the remaining validity period of each agreement, from the effective date of contractual modification, 3 October 2021 (Notes 13 and 20).

Therefore, the total amount of the reduction in rents accrued between 15 March 2020 and 3 October 2021 will be recorded as lower commercial revenue in Aena's results in fiscal year 2021 and the following years as follows:

(Amounts in thousands of euros unless otherwise stated)

	DF7 Discounts					To P/L in the fiscal year…							
(millions of euros)	Completed Agreements MAG Discount (to P/L)	To be deferred due to DF7	Total DF7 MAG discount	Other rent discounts to be deferred	Total rent discounts	2021	2022	2023	2024	2025	2026	2027	2028
Shops	55	42	97	-	97	64	17	10	4	1	1	-	-
Duty-free shops	-	413	413	-	413	49	199	165	-	-	-	-	-
Food and beverages	6	210	216	-	216	31	74	41	27	24	13	5	1
Others	-	1	1	-	1	-	-	1	-	-	-	-	-
Total business lines affected by DF7	**61**	**666**	**727**	**-**	**727**	**144**	**290**	**217**	**31**	**25**	**14**	**5**	**1**
Car rental	-	-	-	43	43	23	20	-	-	-	-	-	-
Advertising	-	-	-	4	4	-	1	1	1	1	-	-	-
Others	-	-	-	21	21	1	11	6	3	-	-	-	-
Total business lines not affected by DF7	**-**	**-**	**-**	**68**	**68**	**24**	**32**	**7**	**4**	**1**	**-**	**-**	**-**
TOTAL rent discounts	**61**	**666**	**727**	**68**	**795**	**168**	**322**	**224**	**35**	**26**	**14**	**5**	**1**

Agreements modified by DF7

The discount in the rents of the lease agreements for commercial spaces, in force after 3 October 2021, and accrued between 15 March 2020 and 3 October 2021 as a result of the entry into force of DF7 of Act 13/2021, amounts to €666 million and has been recorded in the Company's balance sheet in accrual accounts, deducted from commercial lease accounts receivable and attributed to results as a reduced amount of commercial revenue, using a linear distribution system during the remaining life of the contracts.

In the case of agreements affected by DF7, ended prior to 3 October 2021, the impact of the reduction in rent entailed by the application of DF7 will be recorded as reduced commercial revenue for fiscal year 2021, for a total amount of €61 million.

As a result of the accounting criterion applied, the expected impact on the Company's results for the next fiscal years is as follows:

- In fiscal year 2021, reduced revenue from commercial leases amounting to €144 million has been recorded.
- In fiscal year 2022, commercial revenue will be reduced by €290 million.
- In fiscal year 2023, the amount of the reduced revenue is estimated at €217 million.
- In fiscal years 2024, 2025, 2026, 2027 and 2028, reduced revenue from commercial leases amounting to €31 million, €25 million, €14 million, €5 million and €1 million, will be recorded, respectively.

The Company has estimated that the amount of the discount to be deferred by the contracts affected by DF7 is less than the amount of future lease payments expected to be received by said contracts during the remaining period thereof.

Agreements modified by contractual novations agreed with commercial operators

The amount of the incentives granted by Aena to its commercial operators in the lease payments accrued in periods prior to the date of formalisation of the corresponding contractual modifications has been recorded in the balance sheet in accrual accounts and will be allocated to income, reducing commercial revenue through a linear distribution system, during the remaining term of the agreements.

The impact on the attached financial statements for the fiscal year ended 31 December 2021 of the agreements reached to date between Aena and its commercial operators to reduce the lease payments accrued since the beginning of the pandemic is detailed below.

Car Rental

The agreements established for commercial space leases with vehicle rental operators are subject to a fixed monthly rent. During the initial period of the State of Emergency, a partial exemption of the fixed rent for these agreements was agreed, amounting to €18.6 million. On 29 and 30 December 2020, the novations of most of the existing agreements with these operators were signed, which established that, for the period between 21 June 2020 and 31 December 2021 (both inclusive), the system for calculating the monthly fixed rent stipulated in the previous contract is replaced by a variable rent system linked to the number of Airport passengers. These fixed rent variability conditions have remained in effect until 31 December 2021, at which time the monthly fixed rent conditions of the agreement have resumed.

The rent exemption and contractual modifications resulted in a reduction of rents accrued between 15 March and 31 December 2020 amounting to a total of €47 million that were recorded in accrual accounts in the balance sheet of Aena's annual accounts for the fiscal year ended 31 December 2020. As a result of the linear allocation criterion used to prospectively apply the discount on the results from the effective date of the contractual modification, in fiscal year 2020, commercial revenue was reduced by €4 million. There is €43 million pending allocation on the income statement, which will be recorded in the Company's results on a linear basis until the end date of the agreements for this activity in October 2022. Thus, this will result in reduced revenue from commercial leases to car rental operators of €23 million in 2021 and €20 million in 2022.

Advertising

The original agreements for the assignment of advertising spaces are also subject to a fixed rent system. These addenda imply rent exemptions in the period between 15 March and 20 June 2020 and the accrual of variable rents depending on the number of passengers from 21 June 2020 to 8 September 2021. Unlike the agreements formalized with the *Rent a Car* operators, the addenda to the advertising agreements do provide for a minimum guaranteed rent, although much lower than the initial contractual MAG. As of 8 September 2021, the conditions set forth in the original agreements have resumed. At the time the addendums were signed, these discounts to the MAG of advertising agreements amount to a total of €4 million and have been recorded in accrual accounts in the assets of the balance sheet of the annual accounts of the fiscal year ended 31 December 2021 and are recorded as reduced commercial revenue during the remaining life period of each agreement. As a result, in 2021, commercial revenue for this item will be reduced by about €0.2 million, and from 2022 to 2025, commercial revenue will be reduced by about one million euros each year.

Other agreements

During 2021 the Company novated agreements that were not affected by DF7 because the activities were other than food and beverages or retail trade, or because the agreements were for files awarded after 15 March 2020. The majority of these agreements establish a MAG system and the contractual modifications include discounts to the rent according to the proposal that Aena made to all its commercial operators:

For 2020:

- No application of MAG for the period between 15 March and 20 June 2020.
- 50% reduction of the MAG for the period between 21 June and 31 December 2020.

For 2021:

- 50% reduction of the MAG for the period between 1 January and 8 September 2021.
- Reduction of MAG by 100% in the event of having had to close some areas of the airports to comply with the measures imposed by the health authorities.

As of 31 December 2021, €21 million from MAG of agreements not affected by DF7 have been retroactively reduced as a result of contractual modifications agreed between Aena and the commercial operators of these agreements. According to the indicated accounting treatment, this amount has been initially recorded in the assets of the attached balance sheet in an accrual account and is recorded as reduced revenue from commercial leases distributed linearly during the remaining life of each agreement. In fiscal year 2021, lower commercial revenue will be recorded as a result of the deferral of the discount of these MAG for an approximate amount of €1 million and in fiscal years 2022, 2023 and 2024, €11 million, €6 million and €3 million, respectively, will be recorded.

- Valuation of assets

  The risks of material misstatement related to the recoverable amount of assets, provisions for credit losses or fair values, among others, have increased due to the higher level of uncertainty in the estimates resulting from the current economic situation.

  Whenever there is an indication that these assets could have suffered impairment, the Company checks whether intangible assets, property, plant and equipment and investments have undergone any impairment loss. This is conducted in accordance with the accounting policy described in Note 4, which describes how management identifies the cash-generating units (CGUs) and the methodology used to subject their allocated assets to impairment tests.

  The measures adopted in each country to halt the spread of the coronavirus have led to an extraordinary reduction in the activity and revenue of all the Aena network airports, translating to a sharp decline in operating cash flows. These circumstances are considered as indicators of impairment for the purposes mentioned in the foregoing paragraph.

  Consequently, these impairment tests have been carried out.

  The key assumptions and other parameters used to determine, during the period, the recoverable amount of the cash-generating units and the conclusions reached from the analysis performed are detailed in Note 7.d to the annual accounts.

(Amounts in thousands of euros unless otherwise stated)

Liquidity risk

As a result of the exceptional situation caused by the pandemic, the Company's cash flows have been drastically reduced since 2020. In order to ensure the availability of liquid funds to endure the severity and uncertainty of the pandemic's evolution, the Company has deployed a plan to strengthen liquidity, signing new financing operations during the 2020 and 2021 fiscal years.

Between April and May 2020, Aena S.M.E., S.A. signed loans with various financial institutions for a combined amount of €2,325.6 million. Due to this, it considers that the objective of its liquidity-strengthening plan in response to the effects derived from the spread of COVID-19 has been reached.

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

On 23 December 2021, the Company obtained compliance waivers, until June 2023, for the financial leverage ratios and finance expenses of all existing debt as of 31 December 2021 with credit institutions BEI, ICO, FMS and Unicaja, ratios it was bound to comply with. In this regard, the financial ratios established in the Company's financing agreements are as follows:

Ratio	2020	2021	2022	2023 and subsequent
Net financial debt/EBITDA Less than or equal to:	7.00x	7.00x	7.00x	7.00x
EBITDA/Finance expenses Greater than or equal to:	3.00x	3.00x	3.00x	3.00x

The Company's only financial covenants are the two mentioned ratios, with the exception of two loans with the European Investment Bank (EIB), for a joint amount of €475.63 million where additional compliance with an Own Funds/Total Assets consolidated data ratio is required. The ratio needs to be greater than or equal to 15.0%. The ratio as of 31 December 2021 is 36.8%.

The concession by the European Investment Bank of the waiver on the fulfilment of the ratios until June 2023 is the only one that requires monthly compliance with a liquidity ratio, calculated as Liquidity/Debt Servicing for the next 12 months of Aena S.M.E., S.A. The Bank requires that the ratio be equal to or greater than 1x. The last available ratio was 2.7x, corresponding to the December 2021 reporting period.

Closely related to the capacity adjustment carried out at airports, Aena implemented a cost saving plan to protect its financial situation. This plan was based on the renegotiation of operational service agreements, the elimination of expenses and, at the start of the pandemic, the halting of new non-essential agreements.

The capacity adjustment, the cost cutting and, therefore, the drop in monthly operating cash outflow has been adjusted in line with the evolution of traffic, based on which, Aena has reopened terminals, and operational spaces at airports in which the capacity has been adapted to meet the specific needs of the operation.

Another of the measures adopted with the goal of strengthening the Group's solvency and safeguarding its liquidity as far as possible as a result of the circumstances produced by the COVID-19 health crisis, was the cancellation of the expected dividend charged to the results of fiscal year 2019, by agreement of the Board of Directors of Aena S.M.E., S.A., at its meeting held on 30 June 2020.

In conclusion, the Company has a cash balance of €1,383,069 thousand as of 31 December 2021 (2020: €1,141,265 thousand). In addition, it has €468,870 thousand available (undrawn) financing relating to loans with the EIB and ICO (2020: €124,370 thousand) and €800,000 thousand available in a syndicated line of credit with long-term maturity (2020: €800,000 thousand) (Note 15).

(Amounts in thousands of euros unless otherwise stated)

The maturities of the previous loans are detailed below:

Organisation	Amount (Millions of euros)	Maturity
EIB	110	Maximum 20 years since disbursement
EIB	14	Maximum 17 years since disbursement
EIB	95	Maximum 20 years since disbursement
ICO	250	7 October 2031
Syndicated Credit Line	800	12 December 2025
Total	1,269	

The Company's available cash and credit facilities at 31 December 2021 amounted to a total of €2,652 million (2020: €2,065 million), to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, which, at the end of the year, were available in their entirety (2020: €845 million). With all this, the Company has sufficient liquidity to deal with possible situations resulting in a reduction in cash generation derived from a reduction in the activity

Health risk

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

Regarding health and operational controls at airports managed by Aena, in accordance with the first additional provision of Royal Decree-Law 21/2020, of 9 June, on urgent prevention, containment and coordination measures to deal with the health crisis caused by COVID-19, Aena, as manager of the public interest airport network, must temporarily make available to the central and peripheral services of the Foreign Health sub-directorate of the Spanish Ministry of Health, the human, healthcare and support resources necessary to ensure health checks on passengers arriving on international flights entering the country at the airports it manages. This is why, in collaboration with the Ministry of Health, Aena is currently managing the human and material resources that carry out primary checks on all passengers arriving in Spain from any other country, consisting of taking the temperature of passengers with thermal screening cameras, collecting data for locating passengers and a visual inspection, as well as a secondary check on passengers with symptoms. In addition, the Government of Spain announced the requirement, as of November 2020, to conduct a PCR test at origin for passengers from countries where the epidemiological situation may be risky. In order to comply with this decision, Aena has collaborated with the Ministry of Health, providing the technical and human means necessary for this new function.

Aena will be entitled to recover, as part of the Airport Regulation Document (DORA) framework by airport charges, the costs actually incurred for collaborating in carrying out health checks at airports, and the operational health and safety measures adopted, discounting any grants or other financial assistance it may receive for carrying out these activities under the first additional provision of Royal Decree-Law 21/2020, of 9 June, and the other operational health and safety measures to be adopted as a result of the COVID-19 pandemic.

The proposed measures affecting workers have been developed locally in each of the workplaces. Following the declarations of the pandemic and the State of Emergency in Spain, different measures and procedures, as far as possible taking into account the requirements of the different services, have been implemented, such as: teleworking, preventive measures related to cleaning, information and training, organisational measures, guidelines for the gradual return to face-to-face activity, protection equipment, diagnostic tests, risk assessments, etc. This was done in order to try and preserve the health of employees and, in order to do so, each job position had to be looked at individually when deciding which measures to take.

The Company's commitment to providing a safe environment that complies with all health recommendations has been accredited by the following recognitions received and projects developed:

- Aena has been accredited as a secure airport by the ACI Airport Health Accreditation (AHA) programme for the 46 airports in its network. The AHA programme evaluates compliance with the measures recommended by international health and aeronautical organisations.
- Moreover, Aena has worked to obtain the accreditation of the Skytrax COVID-19 Safety Ratings programme. Skytrax is the industry-leading accreditation organisation that rates safety and hygiene standards. Adolfo Suárez Madrid-Barajas Airport, Barcelona-El Prat Josep Tarradellas Airport, Palma de Mallorca Airport, Málaga-Costa del Sol Airport, Alicante-Elche Airport and Tenerife Norte-Ciudad de La Laguna Airport have achieved the maximum score of 5 stars awarded by the consultancy.

The AHA programme by ACI and Skytrax accreditations of the network airports form part of the 'Estándar de aeropuerto seguro de Aena' (Aena Safe Airport Standard) project, whose main objective is to ensure the efficiency and effectiveness of the measures implemented in the Operational Recovery Plan.

With regard to the investment plan, during the State of Emergency period, from 14 March 2020, when the country's activity was paralysed, Aena temporarily suspended, for reasons of health safety and strategic prudence, the execution of its contracts for construction projects and technical assistance work associated with the plan. Airport projects require the direct and continuous participation of a multidisciplinary group of professionals from different companies and organisations, whose work was not compatible with compliance with the recommendations of the health authorities or with the legislation passed. In view of the new context, Aena carried out an exhaustive analysis and review of all ongoing and planned investments, in order to adapt its investment plan to the different, more realistic scenarios, based on meeting needs as they arise. Therefore, it was necessary to stop and rationally analyse the projects that would be associated with such investments, without this resulting in any breach of the investment obligations derived from the DORA.

As a result of the measures taken to control, contain and foresee events surrounding the pandemic in 2021, the Company incurred exceptional expenses, both in airport facilities, as well as in personal and health protection, to the reported amount of €114 million (2020: €53 million), recorded under the 'Other results' heading of the Income Statement. In addition, investments have been made in fixed assets amounting to €9.8 million (2020: €9.8 million).

As we indicated previously, Royal Decree-Law 21/2020, of 9 June, states that under the framework of the DORA, Aena will have the right to recover the costs incurred as a consequence of collaborating with the health authorities and of the remaining operational safety and hygiene measures that must be adopted as a consequence of the COVID-19 pandemic. At the end of fiscal year 2021, it is estimated that the amount of recoverable costs incurred by the Company in 2021 will amount to €54 million (2020: €22,964 thousand).

- **Legal and regulatory risk:**

This risk is related to uncertainty on the interpretation of legislation in the context of the current crisis and adherence to new and ongoing legal requirements, which could lead to an increase in litigation arising from conflicts with operators, suppliers and customers.

ii. Regulatory risks

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

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

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

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

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

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

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

- The tariff path, with the establishment of a maximum annual revenue per passenger (IMAP) that allows Aena to recover costs associated with the provision of basic airport services, costs that also respond to efficiency criteria set forth by the regulator. Aena's IMAP will undergo an annual decrease of 2.22% over the period 2017–21, starting from 1 March 2017.
- The investments that Aena must carry out and that have to meet the standards of capacity and service levels must also remain in line with traffic forecasts. Regulated investment related to airport services amounts to €2,185 million for the five years (€437.1 million on average per year). Furthermore, a series of strategic investment projects have been drawn up, although any delay in their execution entails a penalty in the IMAP.
- The levels of service quality, as well as a system of incentives and penalties to ensure compliance with them. The penalty/maximum annual bonus applicable to Aena for this item would be ±2% of the IMAP.
- The amount of operating costs recognised in DORA 2017-21 were prospectively estimated without price effects and must be updated through the P index. Thus, any unexceptional deviation, such as current inflationary pressure which may be transferred to service providers, is considered to be an operator risk.

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

DORA II offers the stability necessary to develop an efficient, competitive and sustainable long-term service. It sets the parameters for the recovery of the air transportation sector by allowing the airport network to have the resources necessary to provide a safe, quality and sustainable service with sufficient capacity to cover the recovery of traffic when it occurs. However, the conditions established in DORA 2022-2026 entail a series of obligations regarding the quality standards of the service and commissioning of strategic investments, whose non-compliance may entail penalties that, as occurred with DORA I, would in any case affect future fiscal years. The Company does not expect any non-compliance with the commitments undertaken within the framework of the DORA.

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

DORA II establishes, among other measures, a freezing of Aena's airport fares over the next five years. This means fares will be among the most competitive and are expected to contribute to attracting new companies and to the recovery of the air transport sector.

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

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

- In order to determine the investment and the applicable charges, it is estimated that 1,234 million passengers will be reached in the five-year period. The traffic scenario foresees a recovery of the 2019 air traffic levels at the end of 2025, mainly due to the increase in domestic traffic and in line with the base scenario forecasts published by Eurocontrol.
- With regard to commercial discounts, DORA 2022-2026 makes it easier to establish commercial incentives by eliminating the requirement to obtain a report from the Spanish Civil Aviation Authority (DGAC) with a reasoned

proposal that includes the users' opinion. Given the special circumstances associated with the COVID-19 pandemic, it introduces extraordinary commercial incentive schemes, which allow for the recovery of traffic and reduce connectivity restrictions. Commercial incentives aimed at improving environmental sustainability at the network's airports may also be established.

- The total recognised investment for the DORA period amounts to €2,250 million, fostering and accelerating investments related to digitisation, innovation and sustainability. The average scheduled annual investment level will be €450 million each year.
- The weighted average cost of capital before taxes (WACC) recognised in DORA II, on a prospective basis, is 6.02%.
- Determination of the IMAAJ: when determining the IMAAJ and its limits for each year, consideration must be given to the adjustments applicable in previous fiscal years to ensure they do not prevent, in its case, the possibility of achieving the IMAP set forth in DORA 2022-2026, in accordance with the framework established in Act 18/2014.
- Recovery of COVID-19 expenses: when determining the annual IMAAJ, pursuant to the provisions of the First Additional Provision of Act 2/2021, of 29 March, on urgent prevention, containment and coordination measures to address the health crisis caused by COVID-19, the CNMC must conduct an analysis and supervision of the costs incurred for this item in previous fiscal years and determine, if no agreement is reached between Aena and the representative user associations, the method used for the recovery thereof within the framework of the supervisory function of the annual consultation procedure and the adjustment, to the IMAAJ, of Aena's airport charges referred to in section 2 of Article 10 of the Act that creates it.
- Environmental standards: sustainability is a core strategy for the company and has now been reflected in DORA 2022-2026 through environmental standards. In this regard, this document sets the conditions for the sustainable development of the Aena airport network by establishing environmental standards that are articulated through 6 indicators: absolute CO2 emissions; energy efficiency; carbon neutrality; water consumed; noise levels; and non-hazardous waste valorisation.
- Commercial incentives with environmental criteria: "as part of its sustainability strategy, Aena will be able to establish commercial incentives aimed at improving environmental sustainability at the network's airports".

It should also be mentioned that, in an unexceptional situation, Aena assumes the risk arising from air traffic. However, in accordance with Article 27 of Act 18/2014, the Airport Regulation Document (DORA) may be reviewed for exceptional reasons during its validity period. This article considers exceptional reasons to be "anything not attributable to Aena, S.A., that is unforeseeable when approving the Airport Regulation Document (DORA), whenever there is a certain and substantial effect on the financial viability of the Aena, S.A. airport network. This includes, among others, annual reductions in passenger traffic above 10% throughout the network caused by natural disasters, terrorist acts or warfare".

As indicated in note 3.p, as a result of the strong drop in the Company's activity resulting from the COVID19 pandemic and the measures adopted to control it, under Article 27 of Law 18/2014, Aena requested, on 8 March 2021, the modification of DORA 2017-2021 and the granting of the economic rebalancing provided for in said standard. The Directorate General of Civil Aviation of the Ministry of Transport, Mobility and Urban Agenda has agreed, by Resolution of 16 December 2021, not to initiate the procedure to amend the aforementioned DORA 2017-2021, as it does not consider that all the exceptional circumstances referred to in Article 27 of Act 18/2014, of 15 October, have occurred and said Directorate General finds no elements within the DORA from which the requested compensation could derive. On 21 January 2022, Aena filed an administrative appeal before the Directorate General of Civil Aviation regarding the resolution, without prejudice to exercising other actions to which the Company may be entitled in defence of its corporate interests.

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

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

The main shareholder of Aena is the Spanish State. This Spanish State will continue to have control of Aena's operations, and its interests may differ from those of the other shareholders.

iii. Operational risks

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

- Aena's business is directly related to passenger traffic and air operations levels. In this regard, and aggravated by the effects of the COVID-19 pandemic, Aena may be affected by macroeconomic, political or other factors with a negative impact on Spain and other countries, both those that are the origin/destination of traffic and others that are competing tourist destinations. Despite the agreements reached after the UK left the European Union, the risks associated with Brexit continue to be monitored, in particular those associated with changes in the ownership and control of airlines and their regulation, which could affect their operations in the European Union.

  These external factors that impact the aeronautical business include the risks derived from dependence upon airlines, possible bankruptcies and airline mergers in a crisis context, as well as competition from new means of transportation or alternative airports.

- Aena is exposed to risks related to airport operations (operational and physical security). The negative impacts on the safety of persons or property, due to incidents, accidents and illegal interference activities (including terrorists) derived from operations that could expose the Company to potential responsibilities that may involve indemnities and compensations, as well as loss of reputation or interruption of operations.

- Risk of losing competitiveness by not developing innovation and technological development policies that are appropriate to the needs of the business, and which are aimed at improving passenger experience, strengthening airport security and improving operational efficiency.

- Failure to adhere to the health safety requirements and its impact on the service quality perceived by passengers and in relation to other airports. This could affect Aena's reputation or entail breaches.

- Aena is dependent on information and communication technology, and systems and infrastructures face certain risks including risks related to cybersecurity, that are the result of both internal and external threats and the exploitation of vulnerabilities, as a result of cyberattacks and other threats to the confidentiality, integrity and availability of the information stored in the systems, as well as to the capacity of the systems.

- Aena is a listed state trading company and, as such, its management capacity in certain areas (international expansion, hiring of personnel and suppliers, among others) is affected by the application of public and private regulations.

- Aena depends on the services provided by third parties at its airports. Aspects such as labour disputes and breaches in service levels by these providers could have an impact on operations.

- Risk derived from the increase in the need for planned investments as well as breaches to the deadline, budget or quality of the contracted actions, that affect the operation or profitability of airports, or that entail a breach of the obligations of the DORA regulatory framework, as a result of actions by third parties (awardees or public bodies) or derived from the evolution of other external conditions that could affect the execution of the actions (increase in prices of raw materials, supply chain failures, new environmental regulation, etc.).

- Aena's international activity is subject to risks associated with the materialization of potential impacts that have not been foreseen when planning acquisitions, as well as those derived from the subsequent development of operations in third-party countries (through subsidiaries and affiliates) and the fact that profitability prospects may not be as expected due to the worsening economic situation, adverse legal and regulatory changes and/or loss of concession agreements, among others. In particular, the investment made in Brazil requires continuous analysis of its recovery and the evolution of its main indicators, which may be affected by the market/country in which it operates.

- There is a risk that Aena may suffer from sanctions, financial losses or damage to its reputation, or be held liable due to non-compliance or defective compliance with legal regulations, rules of conduct and other standards enforceable in its operation.

- Changes in tax legislation could result in additional taxes or other forms of harm to the tax position of Aena.

- Aena is and will in the future continue to be exposed to the risk of loss from legal or administrative proceedings in which it is involved.

- Aena is exposed to risks specifically related to commercial activity. Commercial revenue has been affected by both lower passenger volume and their spending capacity. Additionally, the entry into force of the 7th Final Provision of Act 13/2021 has caused a reduction in commercial revenue until the traffic levels of 2019 are recovered. In a context that is still marked by the crisis and the worsening of the passenger mix, there has been a greater concentration of commercial operators, increasing the risk of non-payment and abandonment of contracts. Changes in consumer trends are also affecting the real estate business, raising additional challenges linked to the development strategy of airport cities.

- Insurance coverage may be insufficient.
- Aena is exposed to risks related to its indebtedness, whose obligations may limit Aena's activity and the possibility of accessing financing, distributing dividends or making its investments, among others.

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

iv. Risks related to Brexit

On 31 January 2020, the UK left the European Union (Brexit) through the withdrawal agreement reached by both parties. It is considered that the potential consequences for air transport have been diffused in the current context dominated by the impact of COVID-19, so there are no relevant risks related to Brexit, with the exception of the requirement of ownership and control.

European legislation prevents airlines from operating among the countries of the European Union if majority ownership and control is not in European hands, therefore the risk lies in the fact that the European ownership of, among others, Iberia, Vueling, Iberia Express, Ryanair and EasyJet could be questioned and, therefore, so could their authorization to operate in Spain, both on domestic and European routes.

The IAG group represented 32.7% of total traffic in the airport network in Spain in 2021 (31.4% in 2020), while Ryanair accounted for 19.5% (17.8% in 2020) and EasyJet accounted for 4.1% in 2020 (4.8% in 2020). In response to this situation, airlines have taken different measures aimed at meeting these criteria that have been ratified by different national regulators. In addition, the UK's withdrawal agreement from the European Union covers the analysis of these ownership and control requirements as the result of a possible reciprocal liberalisation thereof.

b) Description of the main financial risks

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

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

There is an acknowledgement of financial debt agreement between Aena S.M.E., S.A. and its parent company ENAIRE, which originated in the non-monetary contribution that led to the creation of Aena Aeropuertos, S.A., through which 94.9% of the parent company's bank debt was initially taken on ('Mirror loan with ENAIRE'). On 29 July 2014, this contract was novated (See Note 15.a).

The main financial risks are described below:

i. Market risk

Exchange rate risk

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

Interest rate risk on cash flows and fair value

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

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

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

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

Aena S.M.E., S.A. manages the interest rate risk in cash flows through variable to fixed interest rate hedge swaps. On 10 June 2015, the Company engaged in a variable to fixed interest rate cash flow hedging operation, for a notional amount of €4,195 million, of which hedges for a notional amount of €3,896 thousand maturing on 15 December 2026 are outstanding, to cover part of its exposure to the Mirror Loan with ENAIRE. The average spread of these loans over three and six-month Euribor was 1.0379%. The execution fixed rate was 1.9780%. The objective of the transaction was to provide a stable framework of interest rates in the DORA 2017–21 period. As of 31 December 2021, the total amount of the liability for these interest rate swaps amounts to €73,558 thousand (2020: €128,479 thousand) (See Note 15.e).

As of 31 December 2021, if the interest rate of variable-rate loans of Aena S.M.E., S.A. had increased or decreased by 20 basis points, keeping the remaining variables constant, the pre-tax profit for the year would have been €6,645 thousand higher and €6,645 thousand lower respectively (in 2020: €4,409 thousand higher and €4,409 thousand lower, respectively).

The Company has carefully monitored the market and the work of the various groups in the industry that are managing the transition to the new benchmark interest rates. This includes announcements made by LIBOR regulatory agencies (including the Financial Conduct Authority (FCA) and the US Commodity Futures Trading Commission) regarding the transition from the LIBOR (including the GBP LIBOR, USD LIBOR and JPY LIBOR) to the Sterling Overnight Index Average Rate (SONIA), the Secured Overnight Financing Rate (SOFR), and the Tokyo Overnight Average Rate (TONA), respectively.

In response to these announcements, the Company a transition programme was established in which the Treasury and Finance department is involved under the supervision of the Chief Financial Officer. The objective of the programme was to define which business areas have exposures to the LIBOR, and to prepare and present an action plan allowing a smooth transition to alternative benchmark rates. The company novated loan and interest rate derivative contracts in October 2021 and since this date, they have already reflected the new SONIA interest rate. This had no significant impact on the Luton subgroup.

As a result of all of this, the composition of the Company's debt by rates, as of 31 December 2021 is at 59% fixed-rate debt, compared to 41% variable-rate debt (as of 31 December 2020: 70% fixed and 30% variable), if the effect derived from the contracted interest rate swaps is considered.

ii. Credit risk

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

Credit risk relating to trade accounts is reduced, given that main clients are airlines, and collections are usually made in advance. As for retail customers who have leased premises at the various airports, their risk is managed by obtaining sureties and guarantees. As of 31 December 2021, the Company has, in addition to the deposits and other cash bonds listed in the Balance Sheet, sureties and other guarantees related to the normal course of the aeronautical business amounting to €190,777 thousand (2020: €221,900 thousand) and the normal course of the commercial business amounting to €426,618 thousand (2020: €543,720 thousand).

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

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

iii. Liquidity risk

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

The credit risk policy described in the previous section results in short average collection periods. Additionally, as reflected in item a.i) of this note, as a result of the exceptional situation caused by the pandemic, Aena S.M.E., S.A. suffered significant cash flow reductions in 2021 compared to 2019 and is showing significant improvements compared to 2020. In order to ensure liquidity in the face of the severity and uncertainty surrounding the progress of the pandemic, the Company has deployed a plan to strengthen liquidity, making use of available credit lines and signing new financing operations. This situation, together with the substantial reduction of costs and investments, has had a positive effect on the Company's cash generation. As of 31 December 2021, the Company has positive working capital of €404,817 thousand (positive in 2020: €754,103 thousand), EBITDA, calculated as the sum of operating profit and amortisation/depreciation of fixed assets, of €707,494 thousand (2020: €815,081 thousand), and there is no risk in meeting its short-term commitments given the positive operating cash flows, which the Company expects will remain positive in the short term. The Company tracks cash flow generation to ensure that it is capable of meeting its financial commitments.

(Amounts in thousands of euros unless otherwise stated)

The Company also has a cash balance of €1,383,069 thousand as of 31 December 2021 (2020: €1,141,265 thousand). In addition, the Company has €468,870 thousand available (undrawn) financing relating to loans with the EIB and ICO (2020: €124,370 thousand) and €800,000 thousand available in a syndicated line of credit with long-term maturity (Note 15). The Company's available cash and credit facilities as of 31 December 2021 amount to a total of €2,652 million, to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme up to €900 million, of which, at the end of the year, €900 million are available (2020: €845 million). Together with the implementation of specific plans for the efficient management of the Opex and Capex, this will allow the Company to face future liquidity tensions.

The breakdown of the Aena S.M.E., S.A. loans by applicable interest rate and annual average interest rate on 31 December 2021 and 31 December 2020, taking into account the hedging resulting from the contracted interest rate swaps is as follows:

Thousands of euros	31 December 2021		31 December 2020	
	Balance	Average rate	Balance	Average rate
Variable	3,322,617	0.43	2,204,557	0.37
Permanent	4,765,525	1.26	5,229,933	1.32
TOTAL	**8,088,142**	**0.99**	**7,434,490**	**1.07**

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

- Net Financial Debt/EBITDA must be less than or equal to 7,0x
- EBITDA/Finance Expenses must be higher than or equal to 3,0x.

These *covenants* are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months, and the net financial debt at the end of the period. In view of the ratio default forecast, Aena obtained, on 23 December 2021, waivers thereof until, June 2023. In this regard, the financial ratios established in the Company's financing agreements are as follows:

Ratio	2020	2021	2022	2023 and subsequent
Net financial debt/EBITDA Less than or equal to:	7.00x	7.00x	7.00x	7.00x
EBITDA/Finance expenses Greater than or equal to:	3.00x	3.00x	3.00x	3.00x

Its only financial covenants are the two mentioned ratios, with the exception of two loans with the European Investment Bank (EIB), for a joint amount of €475.63 million where additional compliance with an Own Funds/Total Assets consolidated data ratio is required. The ratio needs to be greater than or equal to 15.0%. The ratio as of 31 December 2021 is 36.8%.

The concession by the European Investment Bank of the waiver of the fulfilment of the ratios until June 2023 requires monthly compliance with a liquidity ratio, calculated as Liquidity/Debt Servicing for the next 12 months of Aena S.M.E., S.A. The Bank requires that the ratio be equal to or greater than 1x. The last available ratio has been 2.7x, corresponding to the December 2021 reporting period.

Despite the negative effect on the Company's liquidity, the significant reduction in its activity as a result of the COVID-19 pandemic, in both 2020 and 2021, positive operating cash flows have been generated that increased during 2021 as air traffic has increased. In addition to the cash flows generated by its activity, as mentioned in Note 5.a.i, the Company has sufficient liquidity and access to financing that will allow it to meet investment payment commitments for the coming years (Note 7.i) and loan maturities (Note 5.a.i). Even if the conditions worsen significantly, Aena could access additional external financing, halt its investment plan and implement cost reduction measures, as it did at the beginning of the pandemic.

c) Description of the main risks derived from climate change

Aena is exposed to the effects of climate change and environmental sustainability is a key strategy for the company. This risk entails economic, operational and reputational impacts arising from the following matters:

- Regulatory changes that may result in an increase in the price of carbon emissions, a reduction in demand or other aspects related to the use of sustainable aviation fuel (SAF).
- Level of implementation of the measures related to climate action and sustainability foreseen in the company's Climate Action Plan, aimed at establishing a decarbonised and sustainable economic model in the Network's airports, in a context of increasing pressure from investors and society as a whole.
- Resilience of airport infrastructure and operations in facing events associated with climate change, natural disasters and extreme weather conditions, and the need to undertake adaptation actions in airports in the medium to long term.
- Partial or total limitations to the operation, capacity and necessary development of airports resulting from environmental reasons or derived from compliance with existing or future environmental regulations.
- Destinations that are no longer attractive to visitors, due to changes in consumer preferences and behaviours, to the stigmatisation of the sector, to policies to discourage and restrict domestic flights on routes where there is an alternative high-speed train, to a possible imposition of a new ecotax on the price of tickets, among others.
- A framework of uncoordinated national and regional climate policies and regulations.

When preparing the traffic forecasts taken into account in the performance of the impairment tests, the Group, in addition to taking into account the expected macroeconomic environment, has analysed the main risks, uncertainties and factors affecting air traffic, highlighting the risks related to climate change. Additionally, the Group has taken into account the projections made by the main international bodies of the aviation sector (see Note 8), which do not foresee a significant impact from the mentioned risk factors; thus, IATA forecasts an annual global growth of the number of air passengers in the range of 1.5-3.8% over the next 20 years.

In this regard, the models proposed for developing air traffic projections, have considered the impact of the following measures that are already being imposed in some European countries:

- Application of new taxes on plane tickets.
- Restriction of short-haul flights on routes served by the Spanish high-speed train (AVE): any restriction with a high proportion of connecting passengers would significantly limit medium- and long-haul connectivity and would limit the hub development of the main airports.

The impact that these measures could have on air traffic will depend on the conditions in which they are applied, although as of today there is still not enough detail on the scope and time frames for their implementation. Because of this, and to limit the uncertainty associated with the application of these measures, instead of the theoretical scenario that the econometric models would produce, the Base Scenario chosen is located in the medium-low fork of said econometric models (Note 7.e)

Additionally, in recent years, various environmental initiatives that could have a major impact on the aviation sector, if they materialise, have emerged. The EU's initiative 'Fit for 55' stands out, which aims to reduce greenhouse gases by 55% by 2030, including, among others, the following legislative proposals:

- Review of the EU emission allowances trading scheme.
- Review of the Directive on energy taxation: elimination of air transport exemptions (kerosene taxes)
- ReFuelEU Aviation initiative for sustainable aviation fuels: Will force fuel suppliers and airlines to combine an increasingly higher level of sustainable fuels (SAF) into current fuels
- Regulation for the deployment of infrastructure for the supply of alternative fuels

However, these possible regulations and laws are long-term risks that have not affected these consolidated annual accounts because legislation only gives rise to obligations in the financial statements once enacted or substantially enacted.

(Amounts in thousands of euros unless otherwise stated)

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

6. Intangible fixed assets

The movements in the accounts included in intangible fixed assets for fiscal years 2021 and 2020 have been as follows:

2021

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

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

2020

	Operational	Intangible assets, concession agreement	Software	Other intangible fixed assets	Intangible fixed assets under construction	Total
Cost:						
Opening balance	818	15,528	205,396	8,740	57,240	287,722
Additions	-	51	10,520	3	20,329	30,903
Derecognitions (*)	-	-	(866)	-	(23)	(889)
Transfers (Notes 7 and 8)	-	31	5,599	1,312	(8,175)	(1,233)
Closing balance	**818**	**15,610**	**220,649**	**10,055**	**69,371**	**316,503**
Amortisation:						
Opening balance	(818)	(6,142)	(163,232)	(6,843)	-	(177,035)
Allocation	-	(697)	(19,969)	(439)	-	(21,105)
Derecognitions (*)	-	-	866	-	-	866
Transfers (Notes 7 and 8)	-	-	74	655	-	729
Closing balance	**(818)**	**(6,839)**	**(182,261)**	**(6,627)**	**-**	**(196,545)**
Net:	**-**	**8,771**	**38,388**	**3,428**	**69,371**	**119,958**

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

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

The main additions in fiscal years 2021 and 2020 in the 'Software' and 'Intangible fixed assets under construction' headings correspond to acquisitions, as well as improvements and developments, of new software technologies related to airports and central services, these include the new innovation site and the integration of loyalty clubs.

The total costs activated on 31 December 2021 and 2020 in the different kinds of intangible fixed assets, include assets under construction in accordance with the following breakdown:

	2021	2020
Software	40,454	32,873
Other intangible fixed assets	37,261	36,498
Total	**77,715**	**69,371**

a) Intangible fixed assets acquired from related companies

During fiscal years 2021 and 2020, the Company has acquired the following items of their fixed assets from related companies Ingeniería y Economía del Transporte, S.A. (INECO), Ingeniería de Sistemas para la Defensa de España (ISDEFE) and Grupo Indra (in thousands of euros):

	2021		2020	
	Cost	Accumulated amortisation	Cost	Accumulated amortisation
Software	857	(69)	319	(38)
Other intangible fixed assets	1,150	-	755	-
Intangible fixed assets under construction	1,260	-	1,269	-
Total	**3,267**	**(69)**	**2,343**	**(38)**

b) Finance expenses

During fiscal year 2021, a total of €4 thousand of finance expenses associated with intangible fixed assets (2020: €8 thousand) have been activated, which are recorded under the 'Activation of finance expenses' heading in finance income (see Note 23.e).

c) Fully amortised assets

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

	2021	2020
Concessions	72	39
Operational	794	794
Software	267,675	250,898
Other intangible fixed assets	86,105	86,273
Total	**354,646**	**338,004**

Because the non-monetary contribution mentioned in Note 1 was made at net book value, in 2021 and 2020, the original cost of these fixed assets is higher than the cost of the intangible fixed assets shown in the movement.

d) Concession agreement, regulated asset

- Ceuta Heliport: the Company operates the civilian-use Ceuta heliport with all its services under a service concession agreement with the Port Authority of Ceuta. This concession started on 28 March 2003 and lasts for 30 years. The Company pays an annual fee of €39,000 for the occupancy of the public port. Likewise, in accordance with article 69 bis of Act 27/92, the Company pays a fee amounting to €0.823386 per passenger to the Port Authority, depending on volume of passengers.

- Algeciras Heliport: the Company has an administrative concession agreement with the Port of Algeciras Bay for the use of the facilities that will be used for installation and operation activities of the publicly owned heliport at the Port of Algeciras. This concession started on 3 February 2009 and lasts for 25 years. The agreement establishes an occupancy rate for the exclusive use of the public port area of €82,000 per year and a rate of special use of the public space of €1 per passenger loaded or unloaded at the facility.

e) Impairment of intangible assets

As described in Notes 4.a and 5.a.i, at the close of the fiscal years ended on 31 December 2021 and 2020, the Company has carried out the appropriate impairment tests, and results show that there is no need to allocate any amount for this item in fiscal year 2021.

The recoverable amount of the Aena airport network CGU is determined as detailed in Note 7, based on calculations of the value in use. The discount rate applied to cash flow forecasts is the Weighted Average Cost of Capital (WACC), and is determined by the weighted average cost of equity and cost of debt capital according to the financial structure established for the cash-generating unit, applying the CAPM (Capital Asset Pricing Model) methodology.

This sensitivity analysis that was conducted showed that there are no significant risks associated with reasonably possible changes in the assumptions, considered on an individual basis. That is, management believes that, within the above ranges, no corrections for impairment will be necessary. The main assumptions affecting the Company's cash flows are passenger traffic, change in prices, investment levels and efficiencies in operating costs.

(Amounts in thousands of euros unless otherwise stated)

7. Property, plant and equipment

The movements in this heading during fiscal years 2021 and 2020 have been as follows:

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

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

	2020					
	Land and buildings	Plant and machinery	Other facilities, tools and furnishings	Other fixed assets	Property, plant and equipment under construction	Total
Cost:						
Opening balance	13,546,292	871,677	3,466,785	11,412	486,635	18,382,801
Additions	53,848	14,312	51,446	747	290,347	410,700
Derecognitions (*)	(13,316)	(15,229)	(32,400)	(220)	(3,955)	(65,120)
Transfers (Notes 6 and 8)	94,859	32,279	100,545	250	(230,601)	(2,668)
Closing balance	**13,681,683**	**903,039**	**3,586,376**	**12,189**	**542,426**	**18,725,713**
Amortisation						
Opening balance	(3,206,964)	(488,741)	(2,261,648)	(7,578)	-	(5,964,931)
Allocation	(385,739)	(65,063)	(243,424)	(952)	-	(695,178)
Derecognitions (*)	8,302	13,714	30,912	220	-	53,148
Transfers (Notes 6 and 8)	3,210	219	(2,400)	-	-	1,029
Closing balance	**(3,581,191)**	**(539,871)**	**(2,476,560)**	**(8,310)**	-	**(6,605,932)**
Impairment:						
Opening balance	(109)	(37)	(10)	-	-	(156)
Closing balance	**(109)**	**(37)**	**(10)**	-	-	**(156)**
Net book value	**10,100,383**	**363,131**	**1,109,806**	**3,879**	**542,426**	**12,119,625**

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

(Amounts in thousands of euros unless otherwise stated)

The Company owns properties whose net value, separate from land and buildings, at the close of fiscal years 2021 and 2020, is as follows:

	2021	2020
Land	3,534,885	3,535,875
Buildings	6,348,453	6,564,508
Total	**9,883,338**	**10,100,383**

a) Property, plant and equipment acquired from related companies

During fiscal years 2021 and 2020, the Company has acquired the following items of their property, plant and equipment from group company Aena Desarrollo Internacional S.M.E., S.A. (ADI) and related companies Ingeniería y Economía del Transporte, S.A. (INECO) and Ingeniería de Sistemas para la Defensa de España (ISDEFE) and Grupo Indra (thousands of euros):

	2021		2020	
	Book value (gross)	**Accumulated amortisation**	**Book value (gross)**	**Accumulated amortisation**
Land and buildings	1,130	(511)	271	(15)
Technical facilities and machinery	654	(60)	50	(4)
Other facilities, tools and furnishings	188	(7)	293	(10)
Other fixed assets	712	(29)	7	-
Property, plant and equipment under construction	3,905	-	3,900	-
Total	**6,589**	**(607)**	**4,521**	**(29)**

b) Finance and other expenses

During fiscal year 2021, a total of €973 thousand of finance expenses accrued in the fiscal year have been activated, corresponding to the financing of fixed assets under construction (2020: €618 thousand), which are recorded in the 'Activation of finance expenses' heading in finance income (Note 23.e). In addition, €6,374 thousand of internal work carried out by the Company for its property, plant and equipment have been activated, which are recorded in the heading 'Works carried out by the company for its assets' of the attached profit and loss account (2020: €5,177 thousand).

c) Additions of property, plant and equipment

The main additions recognised in fiscal years 2021 and 2020 are described below:

- *Land and buildings*

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

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

During fiscal year 2020, the main additions in the period were the works related to connecting the apron with the parallel taxiway and the rapid exit taxiways, the refurbishment of the paving of the apron and runway thresholds, and the strips and taxiways at Ibiza Airport.

The most important actions put into service were: the adaptation of the terminal building to the new functional design in Reus Airport; the resurfacing of the runway at Sevilla Airport; the work done on the beacons at Málaga-Costa del Sol Airport to comply with the technical standards; the thermal insulation work on the terminal building and modules, and the new flooring in the terminal building at Palma de Mallorca Airport; and the renovation work on the T1, A2, A3, A4 and A5 taxiways, as well as the expansion of the commercial aircraft apron at Zaragoza Airport.

Technical facilities, machinery, furniture and other fixed assets

In fiscal year 2021, the most important additions were:

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

During fiscal year 2020, the most important additions were:

- Acquisitions of explosives detection systems (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various network airports.
- The transfer of central services from the Data Processing Centre to Terminal 4 at Adolfo Suárez Madrid-Barajas Airport.
- The implementation of automatic passport control systems at various airports.
- The investment in hyper-converged infrastructure equipment and the remodelling of cloud-oriented server infrastructure for airports and central services.
- And the supply and installation of boarding airbridges at Barcelona-El Prat Josep Tarradellas Airport.

Property, plant and equipment under construction

As for ongoing actions, worth noting are the investments in functional improvements at the terminal building of Tenerife Sur Airport; the continued acquisitions of explosive detection equipment (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various airports in the network, as well of checked baggage inspection systems; at Adolfo Suárez Madrid-Barajas Airport, the work on the T4S remote apron and the new T4 bus area; and in Gran Canaria Airport the work for the extension of accesses to the 03R and 03L thresholds.

During fiscal year 2020 the main additions to fixed assets under construction corresponded to the works to remodel and extend the south dock building at Barcelona-El Prat Josep Tarradellas Airport, the works related to the T4S remote apron at Adolfo Suárez Madrid-Barajas Airport, the extension of the automated baggage handling system at Palma de Mallorca Airport, those related to the functional improvements of the terminal building at Tenerife Sur Airport, and, notably, the acquisitions of explosives detection systems (EDS) adapted to comply with Standard 3 integrated into the baggage handling system at various airports in the network. Additionally, the main actions that are being carried out as of 31 December 2020 are: improvements in the Terminal Building according to a new functional design at Sevilla Airport, the regeneration of runway 06L-24R, and new rapid exit taxiways at Palma de Mallorca Airport.

d) Derecognitions and results for disposals of property, plant and equipment

Property, plant and equipment assets with a net value of €25,564 thousand were derecognised during fiscal year 2021 (during fiscal year 2020: €11,972 thousand).

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

The derecognitions of property, plant and equipment that occurred during fiscal year 2021, allocated to results, have led to a total negative result of €13,053 thousand (have to add €211 thousand from asset repurchases to the negative result of €13,264 thousand of the net value of the derecognitions). Moreover, the following items that have not generated any result in the profit and loss account are included within the derecognitions

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

- Payments to suppliers of fixed assets in relation to amounts activated in previous fiscal years, amounted to €2,289 thousand.

During fiscal year 2020 the most significant derecognitions were due to the replacement of various installations and items of equipment at several network airports and central services, demolitions to replace airport infrastructure, and derecognitions related to payments from fixed asset suppliers in respect of amounts capitalised in previous fiscal years.

The derecognitions of property, plant and equipment that occurred during fiscal year 2020, with allocation to results, led to a total negative result of €5,051 thousand (€1,124 thousand of profits from asset repurchases need to be added to the negative result of €6,265 thousand of the net value of the derecognitions). Moreover, the following items that have not generated any result in the profit and loss account are included within derecognitions:

- Reversals of provisions recorded in previous fiscal years for fair value differences arising primarily from land expropriations and estimated environmental investments to comply with current legislation, and for litigation related to works, which have been charged to the provisions for risks and expenses accounts (see Note 21) amounted to a total of €880 thousand.

- Payments to suppliers of fixed assets in relation to amounts activated in previous fiscal years, amounted to €4,850 thousand.

e) Impairment of property, plant and equipment

As described in section a.i) of Note 5 and section e) of Note 4 of these annual accounts, on the effects of the COVID-19 pandemic, the measures to stop the spread of the coronavirus have led to an extraordinary reduction in the Company's activity and revenue, which has caused a sharp reduction in operating cash flows. These events can be considered as indicators of impairment, in accordance with the provisions of the accounting standards. Consequently, at the close of the fiscal years ended 31 December 2021 and 2020, the Company has carried out the appropriate impairment tests on all its cash-generating units, not identifying any adjustments as of 31 December 2021 and 2020 that affect the property, plant and equipment items.

The reasonableness of the key assumptions made, as well as of the sensitivity analyses carried out, the results and the conclusions reached in the impairment tests carried out, have been favourably reviewed, in 2021 and 2020, by independent professional experts from Deloitte and Ernst & Young, respectively.

'Aena airport network' CGU

During fiscal year 2021 both the gradual recovery of air traffic, which is still far from the levels prior to the pandemic for all companies in the Aena Group, as well as the existing uncertainty regarding the recovery of the Group's activity, continue to be indicators of possible deterioration, therefore the impairment tests of all Cash-Generating Units have been updated. The assumptions on the evolution of air traffic continue to be key aspects when preparing the different scenarios of the impairment test due to the high degree of uncertainty that still exists in this regard.

The main premises and assumptions used to prepare the impairment tests carried out for each the CGU of the National Airport Network of Aena S.M.E., S.A., the sensitivity analyses carried out and the results and conclusions reached, are detailed below.

Description of the base scenario

The main premises used in the base scenario used for calculating the recoverable value of the impairment test at the close of the fiscal year ended 31 December 2021 have been as follows:

- **Traffic**

As foreseen in the Airport Regulation Document DORA 2022-2026, published by the Spanish Civil Aviation Authority and approved by the Council of Ministers on 28 September 2021, it is estimated that the recovery of 2019 traffic will take place at the end of 2025, with a traffic recovery level for 2022 of -68% compared to 2019.

Although the current changing environment makes it extremely difficult to make estimates, this expectation of recovery is also supported by the outlook for European airports, in line with the base scenario published by ACI Europe in October 2021, as well as with projections regarding the number of Eurocontrol operations, also published in October 2021.

For the Base Scenario of the impairment test, Aena has considered the scenario approved in DORA 2022-2026, which is in line with the projections of the aforementioned international bodies and aligned with the Scenario proposed by Aena during the DORA elaboration process.

This traffic scenario takes into account, in addition to the foreseen macroeconomic environment, an analysis of the main risks, uncertainties and factors that affect air traffic at the current situation, both globally and those of the sector. Among the main risk factors analysed would be, among others: the evolution of the pandemic itself and the restrictions on mobility imposed, as well as the progress of the vaccination, structural habit changes, the adjustment of capacity by the airlines, competition with other modes of transport such as the high speed trains due to the entry into service of new corridors and the liberalisation of the railway sector, as well as the possible impact of climate change measures.

With regard to the possible impact of environmental measures, a large part of EU countries are committed, particularly through various environmental and reduction of emissions agreements, with a green exit from the crisis. These commitments are reflected in various initiatives that affect the air transport sector, as this sector is in the spotlight as regards measures to be taken.

In the models proposed for preparing the air traffic projections, the possible impact of the following measures that are already being imposed in some European countries has been considered:

- Application of new taxes on plane tickets.
- Restriction of short-haul flights on routes served by the Spanish high-speed train (AVE): any restriction with a high proportion of connecting passengers would significantly limit medium- and long-haul connectivity and would limit the hub development of the main airports.

The impact that these measures could have on air traffic will depend on the conditions in which they are applied, although as of today there is still not enough detail on the scope and time frames for their implementation. Because of this, and to limit the uncertainty associated with the application of these measures, instead of the theoretical scenario that the econometric models would produce, the Base Scenario chosen is located in the medium-low range of these econometric models, with a significance level of 50%, derived from the risk analysis carried out and taking into account that Eurocontrol regularly uses this same interval to develop its traffic scenarios.

Additionally, in recent years various environmental initiatives have emerged that have not been considered in the Base Traffic Scenario because it is still premature to be able to make an assessment on them, but which, should they materialise, could have a great impact on the aviation sector. Worth noting is the EU ‘Fit for 55’, which includes, among others, the following legislative proposals:

- Review of the EU emission allowances trading scheme.
- Review of the Directive on energy taxation: elimination of air transport exemptions (kerosene taxes).
- ReFuelEU Aviation initiative for sustainable aviation fuels: Will force fuel suppliers and airlines to combine an increasingly higher level of sustainable fuels (SAF) into current fuels

The scenario foreseen in the 2020 annual accounts was practically identical, based on a recovery of 2019 traffic levels between 2025 and 2026, and with a traffic recovery level for 2021 of -65% compared to 2019.

- **Financial projections**

The Company carried out the calculations of the recoverable value as value in use on 31 December 2021 based on the financial projections approved by Management for the 2022-2027 period and based on the scenario for the regulated business proposed in DORA 2022-2026.

Traditionally, the Company uses a four-year projection period for this CGU. However, considering the current uncertain environment, it has been deemed more appropriate to extend the projection period until 2027.

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

(Amounts in thousands of euros unless otherwise stated)

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

- Passenger traffic, in which the scenario mentioned above has been contemplated.
- The variation in airport service rates considered in the assumptions has been as follows:

2022	2023	2024	2025	2026	2027
-3.17%	3.00%	2.00%	1.00%	1.00%	1.00%

In the base scenario, a charges reduction of 3.17% has been considered for 2022, as proposed during the consultation process with the airlines and has been confirmed by the CNMC in its resolution of February 17, 2022 (Note 29). In 2023, 2024 and 2025, there is an estimated rate increase that will enable the continued recovery of the costs incurred as a result of the pandemic. From 2026, a growth assumption of 1% is made, as from that year, Transitory Provision 6a of Act 18/2014 allows rate increases higher than 0%.

- Level of investments as planned and with little dependence on the level of traffic.
- Operating expenses (OPEX) grow slightly above inflation (estimated at 2% annually), due to a certain level of variability with traffic increases, even when considering efficiencies therein. The amounts forecast in 2022 foresee the full opening of the facilities that were partially closed in previous years due to the pandemic.
- The revenue from airport services has been calculated based on the variations in traffic and charges, and commercial incentives to support the recovery of traffic have been considered.
- As for commercial revenue, cautious scenarios have been considered that reflect the reduction in rent payments as a result of the 7th Final Provision of Act 13/2021 and the agreements reached with some leaseholders.

- **Discount and perpetual growth rates**

	31 December	
	2021	2020
Perpetual growth rate	1.5%	1.5%
Pre-tax discount rate (WACC pre-tax)	9.1%	8.5%
Post-tax discount rate (WACC post-tax)	6.8%	6.3%

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

The slight increase in the discount rate used in 2021 compared to the one used in the fiscal year 2020 is mainly due to the increased yield of the Spanish 10-year bond during the fiscal year 2021.

Conclusions and sensitivity analysis

To 31 December 2021, the Group carried out the impairment test using the base scenario with the assumptions and variables described above and found no impacts on the consolidated financial statements as of 31 December 2021.

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

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

As well as the following changes in the key assumptions:

- Passenger traffic, in which a scenario that is more pessimistic than the base scenario has been used, in which the recovery of 2019 traffic would occur around 2026, and 2022 traffic would be 61% of the traffic recorded in 2019. In the most optimistic scenario, traffic recovery occurs in 2024 and traffic in 2022 would be 80% of that recorded in 2019.
- Commercial revenue is considered in each scenario taking into account the foreseen traffic, as well as the reduction of lease payments as a result of the 7th Final Provision of Act 13/2021 and the agreements reached with some leaseholders.

(Amounts in thousands of euros unless otherwise stated)

- The variation in airport service charges: In 2021, the approved change is considered (0% variation). For the second DORA, a variation of -2% of the charge is foreseen.

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

	Post-tax discount rate			Perpetual growth rate (g)		
Thousands of euros	5.8%	6.8%	7.8%	0.5%	1.5%	2.5%
Pessimistic passenger traffic scenario	3,677,149	(1,514,206)	(5,040,246)	(4,338,035)	(1,514,206)	2,637,307
Base Scenario	5,451,664	-	(3,704,575)	(2,962,183)	-	4,354,918
Optimistic passenger traffic scenario	8,085,547	2,354,563	(1,493,360)	(850,741)	2,354,563	7,066,910
Rates -2%	606,191	(3,853,032)	(6,884,973)	(6,272,719)	(3,853,032)	(295,676)

The result of these sensitivity analyses, performed on 31 December 2021, show there are no significant risks associated with reasonably possible changes to the assumptions. That is, Management believes that, within the above ranges, no corrections for impairment in any of the aforementioned situations will be necessary.

f) Capital grants

As of 31 December 2021, the Company has grants for fixed assets amounting to €319,035 thousand net taxes (2020: €345,466 thousand) (see Note 19d). The gross cost of the assets in use related to these grants is €2,384 million, which correspond to property, plant and equipment (2020: €2,394 million).

Of the above amount, Aena S.M.E., S.A. has collected practically all amounts, leaving only a debit balance for this item of €961 thousand as of 31 December 2021 (2020: €1,153 thousand) (see Note 22).

g) Limitations

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

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

h) Fully amortised assets

As of 31 December 2021 and 2020, there is property, plant and equipment that is fully amortised and still in use, according to the following details:

	2021 (*)	**2020 (*)**
Buildings	1,356,085	1,323,307
Plant and machinery	598,917	481,273
Other facilities, tools and furnishings	2,096,366	1,723,320
Other fixed assets	12,862	13,571
Total	**4,064,230**	**3,541,471**

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

i) Commitments

The commitments for investments pending execution as of 31 December 2021 amount to approximately €958.9 million (2020: €1,288 million), which include the awarded investments pending contractual formalisation and the final investments pending execution. The details of the fiscal years in which payments will be made for the fixed asset purchase commitments are shown below:

(Amounts in thousands of euros unless otherwise stated)

Maturity	At 31 December 2021 *(millions of euros)*
2022	638.9
2023	197.0
2024	70.6
2025	36.6
2026	8.4
Subsequent	7.4
Total	**958.9**

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

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

Type of investment (Millions of euros)	Total period 2022–2026	
Strategic	479.16	21.3%
Regulatory	615.90	27.4%
Relevant	334.55	14.8
Other investments	697.29	31.0%
Budgetary allocation for replacement	123.10	5.5%
Total DORA Period	**2,250.00**	**100%**

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

The regulated investments planned for the next five-year period and onwards are focused, to a large extent, on performing the actions required by the applicable regulations, as well as on carrying out the proper maintenance of the airport network and contributing to the improvement of environmental sustainability.

j) Insurance policies

The Company's policy is to take out insurance policies to suitably cover all possible risks that could affect the various items of its property, plant and equipment. At the end of fiscal years 2021 and 2020, the Company considers there is no coverage deficit.

k) Leases

The Company leases part of its property, plant and equipment to third parties for commercial use. The Company's operating and financial leases are detailed in Note 9. The approximate amount of the property, plant and equipment items that are subject to operating lease as of 31 December 2021 amounts to approximately €1,196 million (2020: €1,200 million).

l) Jointly controlled assets

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

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

	2021	2020
- Non-current assets	174,147	178,119
Net assets	**174,147**	**178,119**
- Revenue	12,168	9,893
- Expenses	(37,566)	(36,265)
Profit/(loss) after taxes	**(25,398)**	**(26,372)**

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

m) Renovation costs

In accordance with the accounting policy described in Note '4b)', the Company activates, as the greatest value of the fixed assets, the initial estimate of the costs to repair the site to its original condition, when they constitute obligations incurred by Aena as a result of using the item. Thus, all obligations envisaged for carrying out noise insulation and soundproofing of residential areas in order to comply with current legislation on noise generated by airport infrastructures are capitalised as an increase in airport assets (see Note 21).

(Amounts in thousands of euros unless otherwise stated)

8. Real estate investments

Real estate investment movements during fiscal years 2021 and 2020 are shown below:

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

	2020		
	Real estate land and buildings	**Other Facilities**	**Total**
Cost:			
Opening balance	185,437	3,359	188,796
Additions	75	-	75
Transfers (Notes 6 and 7)	3,753	148	3,901
Closing balance	**189,265**	**3,507**	**192,772**
Amortisation:			
Opening balance	(38,397)	(3,228)	(41,625)
Allocation	(4,983)	(104)	(5,087)
Transfers (Notes 6 and 7)	(1,708)	(50)	(1,758)
Closing balance	**(45,088)**	**(3,382)**	**(48,470)**
Impairment:			
Opening balance	(6,243)	-	(6,243)
Allocation	(724)	-	(724)
Reversal	1,841	-	1,841
Closing balance	**(5,126)**	**-**	**(5,126)**
Net:	**139,051**	**125**	**139,176**

This section mainly includes real estate assets used for leasing operations (land, offices, hangars and warehouses). In the cases in which these properties are composed of one part that generates rent and another part that is used in the production or supply of goods or services, or for administrative purposes, such properties are considered real estate investments when only an insignificant portion of them is used for the production or supply of goods or services, or for administrative purposes.

At the end of fiscal years 2021 and 2020, there were no real estate investments subject to guarantees.

The Company's policy is to obtain insurance policies to cover possible risks that could affect its real estate investments. At the end of fiscal years 2021 and 2020, the Company had reasonably covered these risks.

(Amounts in thousands of euros unless otherwise stated)

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

In fiscal year 2020, the main additions in real estate investments correspond to improvements made in real estate constructions, and the transfers are caused by the change of use of various buildings.

In 2021, the Company did not acquire real estate constructions from group or related companies, nor did it in 2020.

As of 31 December 2021 and 2020, there are real estate investments that are fully amortised and still in use, according to the following details:

	2021	2020
Real estate buildings	14,244	14,007
Real estate facilities	2,865	2,832
Total	**17,109**	**16,839**

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

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

	2021	2020
Land	344,263	331,874
Buildings	518,920	499,580
Total	**863,183**	**831,454**

The Company has commissioned an independent appraisal company (Gloval Valuation, S.A.U.) to review and value the real estate portfolio as of 31 December 2021, as it also did for 31 December 2020, in order to determine the fair value of its real estate investments, with special attention put on the significant changes and market conditions caused by the COVID-19 pandemic.

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

As a result of the comparison between the fair value as of 31 December 2021 and the book value of the various cash-generating units included in the Real Estate segment an impairment has been provisioned for two buildings and land totalling €1,645 thousand and a partial reversal of impairments totalling €120 thousand, thus obtaining a net positive result of €104 thousand. The joint recoverable value of all real estate service segment assets as of 31 December 2021 amounts to €863,183 thousand.

In fiscal year 2020, the Company also engaged an independent appraisal company (Gloval Valuation, S.A.U.) to review and appraise the real estate portfolio as of 31 December 2020. The purpose was to determine the fair value of its real estate investments. As a result of the comparison between the fair value as of 31 December 2020 and the book value of the various CGUs included in the Real estate segment an impairment was provisioned for four buildings totalling €724 thousand as well as a partial reversal of the impairment for land occupied by the golf courses at Barcelona-El Prat Josep Tarradellas Airport and Valencia Airport totalling €1,841 thousand, thus obtaining a net positive result of €1,117 thousand. The joint recoverable value of all real estate service segment assets as of 31 December 2020 amounts to €831,454 thousand.

9. Leases

Operating leases

- **Lessee**

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

Asset	Location	Date of maturity	Annual rent without VAT (thousands of euros)	Notes
Piovera building	Madrid	31/01/2024	3,756	Rent based on contract conditions

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

	2021	2020
Less than one year	3,883	3,754
Between one and five years	4,283	8,185
More than five years	-	-
Total	**8,166**	**11,939**

- **Lessor**

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

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

	2021	2020
Less than one year	93,645	701,756
Between one and five years	214,512	2,514,572
More than five years	27,001	25,777
Total	**335,158**	**3,242,105**

On 3 October 2021, Act 13/2021, of 1 October, amending Act 16/1987, of 30 July, on Land Transport Regulations, entered into force. The seventh final provision (DF7) thereof establishes that the Minimum Annual Guaranteed Rent (MAG) established in the agreements becomes variable rent on the basis of the drop in the volume of passengers at each airport where the leased premises are located with respect to the volume of passengers that existed at that same airport in 2019, until the annual volume of passengers at the airport is equal to the one that existed in 2019. Given that the rent becomes variable based on the number of passengers until traffic recovers to 2019 levels, it has been considered that there will be no minimum MAG charges until traffic recovers as foreseen in DORA II, which explains the significant decrease in total minimum charges.

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

Maturity	**At 31 December 2021** *(thousands of euros)*
2022	93,645
2023	80,900
2024	64,010
2025	43,065
2026	26,537
Subsequent	27,001
Total	**335,158**

Financial leases

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

	2021	**2020**
Cost – capitalised finance leases	17,955	17,955
Accumulated amortisation	(11,938)	(10,453)
Net book value	**6,017**	**7,502**

As of 31 December 2021 and 2020, the current value of the minimum lease payments to be paid in the future, not including increases in inflation or other contingent charges, derived from said financial lease agreement is as follows (in thousands of euros):

	2021	**2020**
Less than one year	1,682	1,682
Between one and five years	5,586	7,332
More than five years	-	-
	7,268	**9,014**

The current value of the minimum lease payments to be paid in the future, for the next five years, is as follows:

Maturity	**At 31 December 2021** *(thousands of euros)*
2022	1,682
2023	1,790
2024	1,915
2025	1,881
2026	-
Total	**7,268**

10. Financial instruments

Analysis by category

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

	Long-term financial assets					
	Loans to companies		Other financial assets (*)		Total	
	2021	2020	2021	2020	2021	2020
Financial Assets at Amortised Cost	-	370,000	95,043	98,162	95,043	468,162
Financial Assets at Cost (Note 12)	370,000	-	-	-	370,000	-
Total	**370,000**	**370,000**	**95,043**	**98,162**	**465,043**	**468,162**

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

	Short-term financial assets					
	Loans to companies		Other financial assets (**)		Total	
	2021	2020	2021	2020	2021	2020
Financial Assets at Amortised Cost	2,150	299	556,051	743,058	558,201	743,357
Total	**2,150**	**299**	**556,051**	**743,058**	**558,201**	**743,357**

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

	Long-term financial liabilities									
	Debts with credit institutions (*)		Debts with group companies (**)		Derivatives		Other financial liabilities (***)		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial Liabilities at Amortised Cost	3,292,734	2,673,731	3,624,598	4,159,882	-	-	154,409	144,864	7,071,741	6,978,477
Hedging derivatives	-	-	-	-	45,951	96,834	-	-	45,951	96,834
Total	**3,292,734**	**2,673,731**	**3,624,598**	**4,159,882**	**45,951**	**96,834**	**154,409**	**144,864**	**7,117,692**	**7,075,311**

(*) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €2,896 thousand (2020: €1,899 thousand) (see Note 15).

(*) The 'Debts' heading refers to 'Debts with group companies' and includes the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €2,078 thousand (2020: €2,630 thousand) (see Note 15).

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

	Short-term financial liabilities											
	Debts with credit institutions (*)		Bonds and other negotiable securities		Debts with group and associated companies (**)		Derivatives		Other financial liabilities (***)		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial Liabilities at Amortised Cost	632,907	53,370	-	55,000	545,693	561,798	-	-	632,754	456,424	1,811,354	1,126,592
Hedging derivatives	-	-	-	-	-	-	27,607	31,645	-	-	27,607	31,645
Total	**632,907**	**53,370**	**-**	**55,000**	**545,693**	**561,798**	**27,607**	**31,645**	**632,754**	**456,424**	**1,838,961**	**1,158,237**

(*) Including the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €830 thousand (2020: €488 thousand (Note 20)) (see Note 15).

(**) The 'Debts' heading refers to 'Debts with group companies' and includes the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €272 thousand (2020: €316 thousand) (see Note 15).

(***) Includes, mainly, debts to fixed asset Suppliers, for the amount of €337,952 thousand (2020: €206,734 thousand), as well as

the 'Commercial creditors and other accounts payable' heading excluding 'Other debts with Public Administrations'.

The net profits and losses of financial assets and liabilities as of 31 December 2021 and 2020 are shown in Note 23.f.

At the close of the fiscal year ended 31 December 2021 and 2020, the Company has no firm commitment to purchase or sell financial assets and liabilities.

Fair value

At the end of fiscal years 2021 and 2020, the book value of financial assets and liabilities does not differ significantly from their fair value.

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

- Listed prices (not adjusted) on active markets for identical assets and liabilities (Tier 1).
- Data other than listed prices included within Level 1 that are observable for the asset or liability, both directly (ie prices) and indirectly (ie derived from prices) (Tier 2).
- Information regarding the asset or liability that is not based on observable market data (non-observable data) (Tier 3).

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

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

The following table presents the Company's assets and liabilities measured at fair value at 31 December 2020:

	Tier 1	Tier 2	Tier 3	Total balance
Assets				
Derivatives (Note 13)	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
Derivatives (Note 13)	-	128,479	-	128,479
Total liabilities	**-**	**128,479**	**-**	**128,479**

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

a) Financial instruments in Tier 1:

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

b) Financial instruments in Tier 2:

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

c) Financial instruments in Tier 3:

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

The specific measurement techniques applied to financial instruments include:

- Listed market prices or the prices established by financial brokers for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on estimated interest rate curves (see Note 8.b).
- Other techniques, such as an analysis of discounted cash flows, are used to analyse the fair value of all other financial instruments.

Analysis by maturity

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

Financial assets	**2022**	**2023**	**2024**	**2025**	**2026**	**2027 and subsequent**	**Total**
Financial Assets at Amortised Cost	558,201	14,186	9,182	5,818	31,846	34,011	**653,244**
Financial Assets at Cost (Note 11)	-	370,000	-	-	-	-	**370,000**
Total	**558,201**	**384,186**	**9,182**	**5,818**	**31,846**	**34,011**	**1,023,244**

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

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

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

On 31 December 2020, the amounts of financial instruments with a determined or determinable maturity, classified by year of maturity, are as follows (in euros):

Financial assets	2021	2022	2023	2024	2025	2026 and thereafter	Total
Financial Assets at Amortised Cost	743,357	21,535	9,866	5,681	38,341	392,739	**1,211,519**
Total	**743,357**	**21,535**	**9,866**	**5,681**	**38,341**	**392,739**	**1,211,519**

Financial liabilities	2021	2022	2023	2024	2025	2026 and thereafter	Total
Loan with the ultimate parent company (*) (Note 15)	546,349	535,836	514,364	512,641	649,777	1,949,894	**4,708,861**
Interest accrued on outstanding loans	11,656	-	-	-	-	-	**11,656**
Debts due to tax effect (Note 12)	3,461	-	-	-	-	-	**3.461**
Bonds and other negotiable securities (Note 15)	55,000	-	-	-	-	-	**55,000**
Debts with credit institutions (**) (Note 15)	50,000	530,000	480,000	255,000	555,000	855,630	**2,725,630**
Interest on debts with credit institutions	3,370	-	-	-	-	-	**3,370**
Guarantees received	23,771	35,141	16,350	10,296	42,576	32,978	**161,112**
Financial leasing creditors	1,682	1,794	1,822	1,835	1,881	-	**9,014**
Other long-term debts	121	82	82	27	-	-	**312**
Trade and other payables	430,849	-	-	-	-	-	**430,849**
Financial Liabilities at Amortised Cost	**1,126,259**	**1,102,853**	**1,012,618**	**779,799**	**1,249,234**	**2,838,502**	**8,109,265**
Hedging derivatives (Note 15)	31,645	28,066	23,889	19,868	15,818	9,193	**128,479**
Total	**1,157,904**	**1,130,919**	**1,036,507**	**799,667**	**1,265,052**	**2,847,695**	**8,237,744**

(*) Excluding the effect of the novation commissions and expenses accounted for at the amortised cost criteria for a total amount of €2,946 thousand, of which an amount of €316thousand corresponds to the long-term (2019: €3,615 thousand, of which €3,257 thousand long-term) (see note 15), as these concepts do not involve cash outflow.

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

Equity instruments

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

Subsidiaries	Thousands of euros			
	2020	Additions	Derecognitions	2021
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	16,192	-	-	16,192
Aena Desarrollo Internacional S.M.E., S.A. ('ADI')	165,032	-	-	165,032
Cost	**181,224**	**-**	**-**	**181,224**
	2020	**Allocation**	**Reversal**	**2021**
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	(16,192)	-	6,806	(9,386)
Impairment	**(16,192)**	**-**	**6,806**	**(9,386)**
Total equity instruments	**165,032**	**-**	**6,806**	**171,838**

Subsidiaries	Thousands of euros			
	2019	Additions	Derecognitions	2020
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	16,192	-	-	16,192
Aena Desarrollo Internacional S.M.E., S.A. ('ADI')	165,032	-	-	165,032
Cost	**181,224**	**-**	**-**	**181,224**
	2020	**Allocation**	**Reversal**	**2021**
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. ('SCAIRM')	-	(16,192)	-	(16,192)
Impairment	**-**	**(16,192)**	**-**	**(16,192)**
Total equity instruments	**181,224**	**(16,192)**	**-**	**165,032**

In 2020 and 2021, as described in Note 5 on the effects of the COVID-19 pandemic, the measures to stop the spread of the coronavirus have led to an extraordinary reduction in activity and revenue of all Aena Group companies, which has caused a sharp reduction in operating cash flows and which can be considered indicators of impairment in accordance with the accounting standards. Consequently, at the close of the fiscal year ended 31 December 2021 and 2020, Aena has proceeded to calculate the recoverable amount of its stakes. As a result of said calculation, at the end of fiscal year 2021, it has only been necessary to revert the recorded impairment in the stake in AIRM in the amount of €6,806 thousand (2020: impairment in the stake in AIRM in the amount of €16,192 thousand) (see Note 23.f).

The main data regarding shareholdings in group and associated companies, as well as other shareholdings, none of which are listed on the stock exchange as of 31 December 2021 and 2020, are set out below:

1. Shareholdings in group companies

Details of the Group's subsidiary companies as of 31 December 2021 and 2020, all consolidated by applying the global integration method in the consolidated annual accounts of the group of which the Company is parent, are as follows:

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

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

The main amounts of capital, equity, results and book value related to the group companies at the end of fiscal years 2021 and 2020 are as follows:

Companies with a direct stake in Aena

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

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

(*) Data obtained from the individual annual accounts for fiscal year 2021.
(**) The profit/(loss) for the year comes entirely from continuing operations.

Name/ Address/Activity	31 December 2020 (*) Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation	Net (**)	Reserves	Other Equity	Total equity	Book value
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. Avenida España 101, Valladolises y Lo Jurado (Murcia)/ Administrative concession for the management, operation and maintenance of the Región de Murcia International Airport.	100%	8,500	(54,709)	(41,885)	(1)	3,730	(29,656)	-
Total								-

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.
(**) The profit/(loss) for the year comes entirely from continuing operations.

On 25 January 2018, Aena incorporated the concession company holding the contract for the management, operation, maintenance and conservation of the Región de Murcia International Airport (SCAIRM), operating this airport as a concession and its complementary activities area for a period of 25 years, the concession agreement being formalised on 24 February 2019. Aena thereby complied with the requirements of the Specific Administrative Terms and Conditions of the contract that was awarded by the Autonomous Community of the Murcia Region on 20 December 2017. The new company, which takes the form of a limited company, is called 'Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A.' and has Aena S.M.E., S.A. as its sole shareholder.

On 17 December 2018, the Company, as sole shareholder of SCAIRM, made a monetary contribution for the amount of €1,914,648 in accordance with the provisions of the Economic-Financial Plan of Airport Activities of the Concession Company for the year 2019. Likewise, on 16 May 2020, in accordance with the provisions of the aforementioned Economic-Financial Plan of Airport Activities of the Concession Company, a new direct monetary contribution was made to the Company's equity for the amount of €4,586,296.

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

On 29 December 2020, Decree No. 224/2020, of 23 December, was published in the Official Gazette of the Region of Murcia, establishing the special rules governing the direct concession of a grant in favour of Aena SCAIRM for an amount of €2,592 thousand, as a compensation mechanism to restore economic balance due to the impact that the COVID-19 crisis has had on the management, operation, maintenance and conservation contract of the Región de Murcia International Airport during the period ranging between 14 March and 30 June 2020.

In 2021, the situation caused by the pandemic has not ceased, air traffic has not recovered and the unbalanced concession situation has not disappeared after this first compensation. Therefore, the Governing Council of the Region of Murcia, by means of the Third Additional Provision of Decree-Law 1/2021, of 6 May, on economic and social reactivation after the impact of COVID-19 on the area of housing and infrastructures, agreed to authorise the adaptation of the airport's public services management agreement to the new circumstances derived from the pandemic in accordance with the new rebalancing request submitted by Aena SCAIRM. On 27 December 2021, the addendum to the concession agreement was formalised in accordance with the Order of the Ministry of Development and Infrastructures of the Region of Murcia dated 17 November 2021, which issues a resolution regarding the requests to rebalance the Concession Agreement for the 'Management, operation, maintenance and conservation of the Región de Murcia International Airport', modifying part of the relevant terms of the agreement based on which compensation mechanisms are established, which are based mainly on a transformation of the fixed fees to be paid into variables based on air traffic that will be periodically reviewed.

As a consequence of the modification of the concession agreement, the concession company has proceeded to revaluate the intangible asset derived from said agreement for the consideration paid or payable, without considering the contingent payments associated with the transaction. Therefore, it is necessary to record the derecognition of the entire regulated intangible asset. Consequently, at the time of publishing the rebalancing order of the concession agreement, the derecognition of the intangible asset has been recorded for the amount of €42,040,462, against the amortisation and impairment compensatory accounts, amounting to €2,693,930 and €39,346,532, respectively.

Similarly, in 2021 the concession company recorded the cancellation of the financial liability with the granting entity (Autonomous Community of the Region of Murcia) that arose at the time the initial concession agreement was formalized, generating a positive result in the amount of €50,146,134.

The rebalancing agreement considers a correction factor for the annual variable fee to adapt it to the reality of passenger traffic and to current market conditions, by applying a correction factor equal to the variation of actual traffic with respect to that established in the bid.

Stake impairment test

As a result of the situation described, the impairment test for this stake that was carried out in the fiscal year ended 31 December 2020, showed the need to record a valuation correction for the entire share for the amount of €16,192 thousand.

As of 31 December 2021, a new impairment test of the investment that the Company maintains in SCAIRM has been carried out to determine its recoverable amount, by calculating its value in use based on the valuation of its share in the cash flows expected to be generated by the concession company. These calculations, which have been reviewed by independent experts, use cash flow projections based on financial budgets approved by Management that cover the duration of the concession for the exploitation of the Región de Murcia International Airport. The flows consider past experience and represent Management's best estimate of future market evolution. As a result of this test at the end of fiscal year 2021, a reversal of impairment of the Company's investment in SCAIRM has been detected amounting to €6,806 thousand.

The main assumptions used in the calculation of the value in use for preparing the base scenario as of 31 December 2021 are the following:

- **Traffic**

  The base scenario considered the recovery of 2019 traffic levels by 2024, with air traffic level for 2022 of 48% with respect to 2019 traffic, with traffic growths as regards 2022 traffic in 2023, 2024 and 2025 of 79%, 108% and 127% respectively. Given the high concentration of traffic from the United Kingdom to this airport, traffic recovery in 2024 is consistent with the forecasts of the main international bodies, such as IATA, for the aforementioned market.

  The proposed traffic scenario has been generated by applying the direct translation of the Bid assumptions in terms of the potential development of new routes and compound growth rate (average growth rate in annual terms over a period of time [CAGR]) with an eight-year displacement:

  - CAGR 2025-2033: the same CAGRs of the Bid for 2017–25 (+5.9%) are applied.
  - CAGR 2033-2038: the same CAGRs of the Bid for 2025–30 (+5.7%) are applied.
  - CAGR 2038-2043: the same CAGRs of the Bid for 2030-2035 (+4%) are applied. Based on these assumptions, about 3 million passengers would be reached in 2042, compared with just over 4 million in the Bid for that same year.

The assumptions consider a drop of 20.8 million passengers during the concession period when compared with estimated passenger numbers in the initially submitted Bid, when the concession agreement was formalized (40.8 million passengers compared to 61.6 million passengers in the Bid, 34% fewer).

- **Financial projections**

  - The operating revenues contemplated in the described base scenario amount to €516.6 million during the entire period of the concession (2019-2043). The decrease in total revenue, concerning the revenue foreseen in the Bid, is about €313.1 million.
  - Operating expenses: the variation in expenses regarding the Bid is relatively small, around €75 million less, due to a high component of fixed expenses which are independent of traffic. The year-on-year inflation considered is 2%.
  - The variation in airport service rates considered in the assumptions has been as follows:

2022	2023	2024	2025	2026	2027
-3.17%	3.00%	2.00%	1.00%	1.00%	1.00%

The estimated rates for the Concession Company are based on the regulatory model approved for DORA 2022-2026 applicable for Aena. Therefore, the variation in airport service rates in the base scenario has considered a 3.15% drop in rates for 2022, as proposed during the consultation process with the airlines and as currently under supervision by the National Markets and Competition Commission. In 2023, 2024 and 2025, there is an estimated rate increase that will enable the continued recovery of the costs incurred as a result of the pandemic. From 2026, a growth assumption of 1% is made, given that, like in the assumptions proposed for Aena's National Airport Network, Transitory Provision 6a of Act 18/2014 allows rate increases higher than 0% as of this year.

- Discount rate:

	31 December	
	2021	2020
Pre-tax discount rate (WACC pre-tax)	11.5%	11.0%
Post-tax discount rate (WACC post-tax)	8.6%	8.2%

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

The slight increase in the discount rate used in 2021 compared to the one used in the fiscal year 2020 is mainly due to the increased yield of the Spanish 10-year bond during the fiscal year 2021.

Conclusions and sensitivity analysis

The Company performed a sensitivity analysis of the impairment calculation, using reasonable variations in the main financial assumptions considered in the calculation, assuming the following increases or decreases in percentage points (pp):

- Discount rate: (-1 p.p./+1 p.p.)
- Rate level: the same ones estimated by the Aena parent company are considered in line with what has been done in the past, based on the DORA: 2022-2027: 0%; From 2027: +/-2 p.p.

  The variations to value in use with respect to the value in use of the described base scenario resulting from the described sensitivity analyses are shown below:

	WACC post-tax		
Thousands of euros	7.6%	8.6%	9.6%
Rates -2%	(9,419)	(10,048)	(10,563)
Base Scenario	2,113	-	(1,784)
Rates +2%	13,189	9,636	6,623

- Level of traffic: additionally, given the uncertainty about the evolution of short-term traffic derived from the Omicron variant and the strong dependency of the Región de Murcia International Airport on British traffic, with strict measures that have restricted its mobility as a result of the pandemic, the Company has prepared additional sensitivity analyses considering different scenarios based on traffic behaviour. In the optimistic scenario, it has been considered that traffic recovery in 2022 will reach 68% of traffic in 2019, according to the estimate of international bodies, such as IATA for the United Kingdom and ICA for Europe. In the pessimistic scenario, a margin of error similar to that which occurred in 2021 in this market has been applied to this percentage, estimating that 2022 traffic could reach only 41% of 2019 traffic, in line with the actual recovery observed in the last year. The variations to the value in use with respect to the described base scenario, taking into account the variations in the discount rate and the traffic scenarios are shown below:

Thousands of euros	WACC post-tax 7.6%	8.6%	9.6%
Pessimistic passenger traffic scenario 2022	1,861	(258)	(2,048)
Base Scenario	2,113	-	(1,784)
Optimistic passenger traffic scenario 2022	3,049	962	(801)

As a result of the impairment test carried out at the end of 2021, a reversal of the impairment has been recorded amounting to €6,086 thousand. This amount appears under the 'Impairment and result of financial instrument disposals' heading of the attached Profit and Loss Account.

At the end of fiscal year 2021, the value of the Company's stake in SCAIRM amounts to €6,806 thousand (2020: 0), which correspond to the cost of the stake in SCAIRM amounting to €16,192 thousand, minus the value impairment correction of the stake amounting to €9,386 thousand.

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

31 December 2021 (*)

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

(*) Data obtained from the individual annual accounts for fiscal year 2021.
(**) The profit/(loss) for the year comes entirely from continuing operations.

31 December 2020 (*)

Name/ Address/Activity	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation	Profit/(Loss) Net (**)	Reserves	Other equity	Total equity	Book value
Aena Desarrollo Internacional S.M.E., S.A. Peonías, 12. Madrid/ Operation, conservation, management and administration of airport infrastructures.	100%	161,182	(293,778)	(300,323)	230,989	-	91,848	165,032
Total								**165,032**

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.
(**) The profit/(loss) for the year comes entirely from continuing operations.

In fiscal years 2021 and 2020, Aena Desarrollo Internacional, S.M.E., S.A. ('ADI') has not distributed dividends.

In line with the test conducted by Aena, at the close of the fiscal year ended on 31 December 2021, Aena Desarrollo Internacional has calculated the recoverable amount of its stakes, as well as of the loan granted to its subsidiaries LLAHL II and LLAH III and ANB, by estimating its share in the cash flows expected to be generated by the held companies, arising from both their ordinary activities and their disposal or derecognition in accounts. These calculations use cash flow forecasts based on financial budgets approved by Management that cover the duration of the operating concessions of the Luton (London, United Kingdom) and Nordeste do Brasil. The flows consider past experience and represent Management's best estimate of future market evolution. As a result of these tests, at the end of financial year 2021, ADI recorded an impairment reversal in its stake in LLAHL III amounting to €29,867 thousand, in relation to the impairment produced in 2020 amounting to €61,277 thousand, and has recorded an impairment amounting to €90,329 thousand in its stake in ANB (2020: impairment of €238,238 thousand). As of 31 December 2019, none of those subsidiaries had any accumulated impairment.

As a result of the aforementioned impairments, ADI's net equity has been reduced, as of 31 December 2021, to €46,025 thousand euros (2020: €91,848 thousand) and, therefore, is less than 2/3 of its share capital, so it would be incurring in the mandatory capital reduction situation provided for in Article 327 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital, LSC) if the net equity is not recovered within the term of one fiscal year. However, in this case, the administrators have carried out the necessary measures to ensure the Company's equity is rebalanced, Aena and ADI have signed a Participatory Loan in order to strengthen equity and provide the Company with the financial resources that will allow it to carry out its activity. This Loan was signed on 23 December 2021, for an amount of €370 million, due on 23 December 2023 and with two automatic extensions for 2-year periods.

On the other hand, it is important to mention that ADI's management and administrators estimate that the valuation of the Company's investment in Aeropuertos Mexicanos del Pacífico (AMP) at 31 December 2021, made on the basis of the share price of the GAP shares on that date, would amount to €395,862 thousand, while the net book value of the Company's investment in AMP at 31 December 2021 amounts to €50,555 thousand showing a significant unrealized gain in this company.

As indicated in the following section, when performing the impairment test of the Company's stake in ADI, in the event of a breach of the loan covenants by the Luton subgroup, the likelihood of significant financial impact occurring has been considered remote. In this extreme situation, the impact on ADI's equity would be limited to the value of its stake in Luton, whose book value as of 31 December 2021 is €31,606 thousand.

On the basis of the foregoing, the Company's management considers that the calculated recoverable amount of the ADI investment, as of 31 December 2021 and 2020, is higher than its acquisition cost.

Companies with an indirect stake in Aena

- **London Luton Airport**

The Company Aena S.M.E., S.A. has a majority stake in London Luton Airport Holding III Limited (hereinafter, 'LLAH III') and all of its subsidiaries through Aena Desarrollo Internacional S.M.E., S.A. (hereinafter, 'ADI'). The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed on the acquisition date, related to this company at the end of fiscal years 2021 and 2020 are as follows (expressed in thousands):

	31 December 2021 (*)						
Name/Address/Activity	% Indirect Stake	Capital	Operating profit/(loss)	Profit/(loss) for the fiscal year (***)	Reserves	Other equity	Total equity
		Thousands of GBP					
London Luton Airport Holdings III Limited (*)	51.0%	986	(31,315)	(51,826)	97,453	(197,726)	(151,113)
London Luton Airport Holdings II Limited (*)	51.0%	986	(27,600)	(47,073)	97,453	(224,832)	(173,466)
London Luton Airport Holdings I Limited (*)	51.0%	1,930	(27,598)	(41,003)	190,920	(216,213)	(64,366)
London Luton Airport Group Limited (*)	51.0%	5,274	(2,089)	(4,672)	70,628	-	71,230
London Luton Airport Operations Limited (**)	51.0%	5,274	(2,089)	(4,672)	70,628	-	71,230

(*) Data obtained from the consolidated annual accounts as of 31 December 2021.
(**) Data obtained from the individual annual accounts as of 31 December 2021.
(***) The profit/(loss) for the year comes entirely from continuing operations.

	31 December 2020 (*)						
Name/Address/Activity	% Indirect Stake	Capital	Operating profit/(loss)	Profit/(loss) for the fiscal year (***)	Reserves	Other equity	Total equity
		Thousands of GBP					
London Luton Airport Holdings III Limited (*)	51.0%	986	(41,305)	(61,666)	93,398	(131,854)	(99,136)
London Luton Airport Holdings II Limited (*)	51.0%	986	(37,597)	(57,924)	93,398	(162,701)	(126,241)
London Luton Airport Holdings I Limited (*)	51.0%	1,930	(37,592)	(50,117)	186,865	(161,890)	(23,212)
London Luton Airport Group Limited (*)	51.0%	5,274	(11,728)	(13,528)	98,363	-	90,109
London Luton Airport Operations Limited (**)	51.0%	5,274	(11,728)	(13,528)	98,363	-	90,109

(*) Data obtained from the consolidated annual accounts as of 31 December 2020.
(**) Data obtained from the individual annual accounts as of 31 December 2020.
(***) The profit/(loss) for the year comes entirely from continuing operations.

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

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

On 16 October 2014, Aena Desarrollo Internacional S.M.E., S.A., once the relevant authorisations were obtained, proceeded to execute the purchase option, reaching 51% of the share capital in LLAHL III for an amount of £13.7 million (corresponding to €17.2 million). Aena Desarrollo Internacional S.M.E., S.A. also took on 51% of the debt subscribed by Aerofi in LLAHL II, which amounted to £48.3 million. This debt corresponds to a 10-year shareholder loan, at 8% interest, with semi-annual payment of interest and with amortisation at maturity in November 2023, with the option of capitalizing the interest accrued on the date of payment becoming part of the principal and accruing interest. This option has been used both in fiscal year 2021 and in fiscal year 2020. Therefore, as of 31 December 2021, the nominal amount of the shareholder loan granted to LLAHL II amounts to £56,489 thousand (2020: £52,228 thousand), corresponding to €67,227 thousand (2020: €58,093 thousand). In fiscal year 2021, this loan generated interest in favour of Aena Desarrollo Internacional S.M.E., S.A. of €5,006 thousand (2020: €4,474 thousand).

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

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

As a consequence of the exceptional situation caused by COVID-19 and its impact on EBITDA, as of June 2020, the Luton subgroup exceeded the financial ratios it had undertaken to comply with under the financing contracts. However, it obtained waivers from the financial institutions regarding the fulfilment of the ratios as of December 31, 2020. Similarly, on 30 June 2021, Luton subgroup obtained, from the institutions that provide its financing, an extension of the waiver from compliance with the financial ratios as of 31 December 2021 and the application of ratios less demanding than those established contractually as of 30 June 2022. Under that agreement, the group of American financiers, whose debt balance amounts to £110 million, has seen its annual coupon increase by 125 bps until the Luton subgroup recovers the ratios set forth in the agreements, has received a 10 bps waiver fee and a commitment from the shareholders to contribute £20 million of liquidity and another £20 million in the form of a loan.

Currently, it is estimated that the Luton subgroup will comply with the established adjusted financial ratio by 30 June 2022. The measurement of this ratio must be communicated to the financial institutions before 30 September 2022, based on the most recent forecasts that include the inconveniences directly related to the COVID-19 pandemic. In addition, various scenarios have been developed for compliance with said ratios and in the one considered most likely, the Directors anticipate that the financial ratios established in the financing contracts will be met as of 31 December 2022.

However, in the event that they were ultimately not fulfilled the mentioned ratios, as envisaged in a severe downside scenario as managed by Luton subgroup management, this would entail a breach of the contractual obligations that could lead to the financial institutions having the right to enforce the guarantees associated with the financing agreements, which include the pledge on the shares of the airport concessionaire. In this extreme situation, the impact on ADI's equity would be limited to the value of its stake in Luton, whose book value at 31 December 2021 is €31,606 thousand. Failure to comply with the aforementioned obligations would not entail any additional liability on the part of the shareholders. Likewise, the directors of the Company do not consider that the potential impact of a breach of ratios by the Luton subgroup, considered remote, would have a significant financial impact on their accounts. Compliance with these ratios is a relevant hypothesis considered in the recoverable amount estimate, as of 31 December 2021, of the Company's investments in LLAHL III and LLAHLII.

The Luton subgroup has considered severe but plausible negative scenarios in its forecasts. In the event of a decrease of about 3 million passengers with respect to the expected traffic for 2022 (about 12.4 million passengers), the risk of a breach of the covenants on 30 June 2022 would increase. In any case, if this situation occurs, conversations would be held with the lenders to reach an agreement that releases them from these obligations (waivers), as has happened before.

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

The interest accrued in fiscal year 2021 in favour of ADI for this new loan has been €446 thousand.

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

By regulation, the capacity of London Luton Airport was limited to 18 million passengers until 1 December 2021, when the planning authority of the Municipality of Luton (Local Planning Authority) approved the request for an extension of 1 million additional passengers submitted by LLA. Although legal enactment is still pending (expected during the first quarter of 2022), the base scenario of the impairment test has taken into account this new limit given that, in addition to the extension being approved, the status of the asset allows it to operate with 19 million passengers per year. This is because the airport has the physical capacity for this level of traffic having previously executed all necessary expansion investments.

In line with the test conducted by Aena, at the close of the fiscal year ended on 31 December 2021, Aena Desarrollo Internacional has calculated the recoverable amount of its stakes, as well as of the loan granted to its subsidiaries LLAHL II and LLAH III, by estimating its share in the cash flows expected to be generated by the held companies, arising from both their ordinary activities and their disposal or derecognition in accounts. These calculations use cash flow forecasts based on financial budgets approved by Management that cover the duration of the operating concessions of the Luton (London, United Kingdom) airports. The flows consider past experience and represent Management's best estimate of future market evolution. As a result of this test, at the end of fiscal year 2021, as mentioned above, ADI recorded a reversal of impairment in its stake in LLAHL III for the amount of €29,867 thousand, in relation to the impairment produced in 2020 for the amount of €61,277 thousand.

Northeast Brazil Airports

Within the scope of the 2018-21 Strategic Plan objectives, on 15 March 2019, Aena was declared the winner by the Brazilian National Civil Aviation Agency (ANAC [Agência Nacional de Aviação Civil]) of the auction held in connection with the operation and maintenance concession for Aeroporto Internacional Recife/Guararapes - Gilberto Freyre, Aeroporto Internacional de Maceió - Zumbi dos Palmares, Aeroporto Internacional de Aracaju - Santa Maria, Aeroporto de Campina Grande - Presidente João Suassuna, Aeroporto Internacional de Joao Pessoa - Presidente Castro Pinto and Aeroporto de Juazeiro do Norte - Orlando Bezerra de Menezes in Brazil. These airports are grouped within Aeroportos do Nordeste do Brasil.

In accordance with Act 40/2015, of 1 October, on the Legal Regime of the Public Sector, at its meeting on 12 April 2019, the Council of Ministers agreed to authorise Aena Desarrollo Internacional, S.M.E., S.A. to create the state trading company called Aeroportos do Nordeste do Brasil S.A. (hereinafter, 'ANB') as the holder of the concession to manage the aforementioned airports. On 30 May 2019, the new Brazilian company was incorporated, wholly owned by Aena Desarrollo Internacional S.M.E. S.A., with a share capital of R$10,000 and with the specific and exclusive corporate purpose of providing public services for the expansion, maintenance and operation of the infrastructure of the airport complexes that make up the Northeast of Brazil block. At its meeting held on 1 July 2019, the Board of Directors of the Brazilian company approved a share capital increase of R$2,388,990,000, which was fully subscribed by its sole shareholder. In order to reduce the exposure to the variation in the BRL/EUR exchange rate of said commitments up to said dates, ADI carried out a fair value hedging strategy ensuring an exchange rate of 4.4425 BRL/EUR. The form and term in which this disbursement was made is as follows:

- On 18 July 2019: R$488,894,033 (€110.1 million at the above-mentioned insured exchange rate) corresponding to the contribution stipulated by the Government of Brazil for concession expenses payable to Infraero (advisers, auction expenses and severance plan for Infraero workers) and remaining cash.

- On 26 August 2019: R$1,900,000,000 (€427.7 million at the insured exchange rate mentioned above) corresponding to the amount of the offer.

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

In January 2020, ANB began operating the airports of Juazeiro del Norte and Campina Grande. In the following weeks, the aforementioned concession company proceeded to manage the rest of the airports.

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

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

The main amounts of capital, equity, results and book value, expressed in local currency and under local accounting principles, and including the valuation of identifiable assets acquired and liabilities assumed on the acquisition date, related to this company at the end of fiscal years 2021 and 2020 are as follows (expressed in thousands):

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

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

	31 December 2020							
	Thousands of BRL (*)							Thousands of euros
Name/ Address/Activity	Fraction of Direct capital (%)	Capital	Profit/(Loss) Operation	Profit/(Loss) Net (**)	Reserves	Other equity	Total equity	Book value
Aeroportos do Nordeste do Brasil S.A. (ANB) *State of Sao Paulo-Brazil* Provision of public services for the expansion, maintenance and operation of airport infrastructure in the airport complexes comprising the Northeast of Brazil block.	100%	2,389,000	(491,823)	(330,398)	1,849	(14,667)	2,045,784	293,494
Total								**293,494**

(*) Data obtained from the individual annual accounts for the 2020 fiscal year.

As a result of the COVID-19 pandemic, the activity of Aeroportos do Nordeste do Brasil has been strongly impacted, with significant reductions in traffic. This has significantly affected activity and, therefore, the turnover and results of ANB, which is objective evidence of the impairment of the Company's investment in said subsidiary company.

Considering the way the concession agreement treats events of force majeure, the interpretations made by the Brazilian authorities on the COVID-19 pandemic, and the applicable legislation, in December 2020, the ANB Management submitted a request to the National Civil Aviation Agency of Brazil (ANAC) for an extraordinary review to restore the economic-financial balance of the concession agreement.

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

This imbalance will be compensated as follows:

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

Once the 2020 rebalancing approval process was completed, ANB initiated the process of requesting an imbalance for the 2021 financial year, in which it understands that it is entitled to the same rights since circumstances similar to those of the 2020 financial year continue to prevail. Thus, on 30 December 2021, a request for rebalancing was submitted based on an EBITDA estimate of the year-end closing, with a calculation methodology, amount and rebalancing conditions similar to those of fiscal 2020.

As of 31 December 2021, the Company has conducted an impairment test for the investment it maintains in ANB. The calculation of the recoverable amount of the investment has been carried out in accordance with the estimated value in use through the valuation of the cash flows expected to be generated by this subsidiary company, converted at the exchange rate applicable on the date of the determination of that value (closing exchange rate on the balance sheet date). These calculations are based on cash flow forecasts based on financial budgets prepared by ANB and approved by Management, and which cover the duration of the concession of the Brazilian airports. Said flows represent Management's best estimate of the market's future evolution. As a result of this test, at the end of 2021, the ADI recorded an impairment of €90,329 thousand in its stake in ANB (2020: impairment of €238,238 thousand).

2. Stakes in associated and jointly controlled companies

Moreover, the Company invests indirectly in other Companies through Aena Desarrollo Internacional S.M.E., S.A. The main capital, equity, results and book value amounts are expressed in local currency and under local accounting principles. The amounts, related to these companies at the end of the 2021 and 2020 fiscal years, are the following (expressed in thousands):

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

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

	31 December 2020						
Name/Address/Activity	% Stake	Capital	Operating profit/(loss)	Profit/(loss) for the fiscal year	Reserves	Other equity	Total equity
Sociedad Aeroportuaria de la Costa S.A. (SACSA)				*Thousands of COP*			
Rafael Núñez Airport. Cartagena de Indias-Colombia Operation of Cartagena Airport (*)	37.89%	3,698,728	(13,516,474)	(10,415,333)	13,150,541	18,241,135	24,675,071
Aeropuertos Mexicanos del Pacífico, S.A. de CV (AMP)				*Thousands of MXN*			
Mexico City Operator of 12 airports in Mexico (*)	33.33%	1,306,400	342,352	343,629	1,886,728	283,126	3,819,883
Aerocali, S.A.				Thousands of COP			
Alfonso Bonilla Aragón Cali Airport-Colombia Operation of Cali Airport (*)	50.00%	3,800,000	(27,485,160)	(22,523,231)	23,345,307	-	4,622,076

(*) Data obtained from the annual accounts at 31 December 2020.

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

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

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

At 31 December 2021, Aena Desarrollo Internacional has calculated the recoverable amount of its shares in associated and joint control companies. As a result, at the end of the 2021 fiscal year, the impairment recorded in 2020 to its stake in Aerocali for the amount of €296 thousand was reversed. Moreover, given the evolution of AMP, the administrators have not considered it necessary to make provisions for value impairments.

As of 31 December 2021, Aena Desarrollo Internacional has received dividends from SACSA to the amount of €2,553 thousand (2020: 0) and from Aerocali to the amount of €2,247 thousand (2020: 0).

Aerocali

On 29 May 2014, subsidiary company Aena Desarrollo Internacional S.M.E., S.A. purchased 63,335 additional ordinary shares in Aerocali, S.A., which amount to a 16.67% stake. With this acquisition, Aena Desarrollo Internacional S.M.E., S.A. now has a 50% stake in this company. The amount paid for this acquisition came to €2,036 thousand. According to the analysis carried out by the management of Aena Desarrollo Internacional S.M.E., S.A., with this acquisition, there would be no control over the investee, since there is joint control. Therefore, on 31 December 2021 and 31 December 2020, it continues to be recorded in the consolidated annual accounts using the equity method with changes in the invested percentage from the acquisition of the new shares.

Aeropuertos Mexicanos del Pacífico

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

The average acquisition price for the shares held by Aeropuertos Mexicanos del Pacífico in Grupo Aeroportuario del Pacífico is Mex$23.12, while the share price at 31 December 2021 was Mex$282.16 (2020: Mex$222.14) and the average share price over the last quarter was Mex$265.26 in 2021 (2020: Mex$203.01). In this regard, in relation to the impairment test of its stake in ADI carried out by the Company, there is a relevant tacit gain arising from the difference between the book value and the share price mentioned above. In this regard, and as mentioned previously, it is important to mention that the management and administrators of ADI estimate that the valuation of its investment in AMP as of 31 December 2021, made on the basis of the share price of the GAP shares on that date, would amount to €414,592 thousand, while the net book value of the Company's investment in AMP as of 31 December 2021 amounts to €50,555 thousand, with a substantial tacit capital gains of €364,037 thousand.

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

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

3. Other stakes

In October 2020, Aena proceeded to sell, to Barcelona City Council, its stake in the company Agencia Barcelona Regional, obtaining a profit of €42 thousand registered under the section of 'Impairment and net gain or loss on disposals of financial instruments' of the profit and loss account (see Note 23.f).

12. Transactions and balances with related parties

The breakdown of the debit and credit balances maintained with group and related companies at the end of the 2021 and 2020 fiscal years is the following:

Fiscal year 2021

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

2020 fiscal year

	Debtor (Note 13)	Long-term loans	Short-term loans	Short-term loans (Taxes) (Note 22)	Other short-term financial assets	Long-term debts (Note 15)	Short-term debts (Note 15)	Short-term debts (Taxes) (Note 15)	Real Estate Provider (Note 15)	Advances to customers (Note 16)	Creditors (Note 16)
Parent company:											
ENAIRE	356	-	-	-	-	(4,159,882)	(557,689)	-	-	-	(19,670)
Transactions with group and associated companies:											
Aena Desarrollo Internacional S.M.E., S.A. (ADI)	142	370,000	-	-	-	-	-	(1,595)	-	(2)	(172)
Aena, Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E., S.A. (AIRM)	58	-	-	-	282	-	-	(2,514)	-	(35)	-
Aeroportos do Nordeste do Brasil, S.A. (ANB)	767	-	-	-	-	-	-	-	-	-	-
Transactions with related parties:											
Servicios y Estudios para la Navegación Aérea y la Seguridad Aeronáutica, S.A.U. (SENASA)	-	-	-	-	-	-	-	-	-	-	(1)
State Meteorological Agency (AEMET)	1	-	-	-	-	-	-	-	-	-	(1,153)
Ingeniería de Sistemas para la Defensa de España, S.A. (ISDEFE)	-	-	-	-	-	-	-	-	(405)	-	(181)
Ingeniería y Economía del Transporte, S.A. (INECO)	-	-	-	-	-	-	-	-	(667)	-	(736)
Other related parties	458	-	-	-	-	-	-	-	(1,758)	(1)	(1,452)
	1,782	**370,000**	**-**	**-**	**282**	**(4,159,882)**	**(557,689)**	**(4,109)**	**(2,830)**	**(38)**	**(23,365)**

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

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

The breakdown of transactions made with group and related companies during the 2020 fiscal year is as follows (in thousands of euros):

	ENAIRE (Public Entity)	ADI	INECO	AEMET	ISDEFE	SENASA	ANB	AIRM	London Luton Airport Operations Limited	Other related parties
Revenue from services rendered	(495)	(183)	-	-	-	(25)	(257)	(1,031)	-	(5,264)
Services received	270	7	4,387	-	1,570	-	-	-	-	8,248
Subcontracted work and other supplies: Works performed by other companies (Note 23.b)	113,075	1,307	-	10,846	-	-	-	-	-	-
Acquisitions of fixed assets (Notes 6 and 7)	-	99	1,319	-	2,099	-	-	-	-	3,347
Voluntary reserves	14	-	-	-	-	-	-	-	-	-
Gains or losses on disposals and others	-	-	-	-	-	-	-	(17)	-	-
Other results	-	-	-	-	-	-	-	-	-	1,199
Finance income (Note 23f)	37,688	(3,762)	-	-	-	-	-	-	-	-

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

Main contracts

Listed below are the agreements drawn up by the Company with its majority shareholder, public business entity 'ENAIRE', and the other group and related companies for the 2021 and 2020 fiscal years:

- **ENAIRE**

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

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

On 31 October 2017, Aena and ENAIRE signed a service provision agreement for the car parks of the Aena network, for the free use of the car park 15 days a year for ENAIRE employees. As a result of this agreement, the financial benefits between the parties during 2021 amounted to €53 thousand (2020: €37 thousand) recorded at market value, although the amount paid by ENAIRE amounts to €13 thousand (2020: €9 thousand).

- **Aena Desarrollo Internacional S.M.E., S.A.**

On 1 October 2014, in effect since 1 April 2012, an agreement was signed with subsidiary company Aena Desarrollo Internacional, S.M.E., S.A., in which it provides Aena with flight verification services. The length of the agreement is three years with annual extensions, unless either party expressly wishes not to extend it.

On 1 December 2017, with the purpose of efficiently and appropriately implementing the Group's policies for more efficient corporate management, Aena Desarrollo Internacional, S.M.E., S.A. contracted with Aena S.M.E., S.A. the provision of certain consulting and management support services, which are outlined in the agreement signed for this purpose. The duration period of the agreement is three years with up to a maximum of four annual extensions, as long as there is agreement between the parties. The price of the services rendered is set annually and is revised according to the volume of services rendered. In 2021, services rendered amounted to €199 thousand (2020: €183 thousand).

On 20 June 2019, and taking effect on this day, a credit line agreement was signed between Aena (crediting party) and Aena Desarrollo Internacional (credited party) for €400 million, of which €30 million were reimbursed before 31 December 2019, to finance the treasury needs of the capital contribution of the airports in Northeast Brazil. The duration is four years and may be extended for periods of two years up to a maximum of three extensions, provided that neither party requests the cancellation 15 days before the maturity date. This line of credit accrues interest referenced to the 1 month Euribor, plus a 1% differential. At the end of fiscal years 2021 and 2020, no balance has been drawn from this line of credit.

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

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

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

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

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

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

In 2021, the services rendered derived from this agreement amounted to €977 thousand (2020: €1,000 thousand).

- **Aeroportos do Nordeste do Brasil S.A. (ANB)**

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

In 2021, the services rendered derived from this agreement amounted to €105 thousand (2020: €257 thousand).

- **INECO**

There is a cooperation agreement with Ingeniería y Economía del Transporte, S.A. (INECO) to draw up and revise projects, supervise construction and provide technical monitoring assistance, engineering for certification, maintenance and operation of facilities and airport processes, planning, airport and environmental development, commercial airport development and logistics designs and studies in terminal buildings to improve operating efficiency and reduce costs even further. Its appendix of actions is renewed every year.

- **ISDEFE**

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

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

- **AEMET**

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

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

(Amounts in thousands of euros unless otherwise stated)

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

Aena, since 2014, has paid for the services provided by AEMET at an initial payment of €7,500 thousand for the March–November period of 2014. Monthly payments of €833 thousand have been paid since then until June 2020, the date from which the monthly payment increases to €953 thousand.

13. Trade and other receivables

The balance of the section 'Trade and other receivables' of the attached balance sheet at the end of the 2021 and 2020 fiscal years is broken down as follows:

	Thousands of euros	
	2021	**2020**
Customers, rendering of services	574,819	758,500
Customers, bad debt	106,573	104,657
Less: impairment provision	(136,903)	(131,400)
Customers, group and associated companies (Note 12)	1,360	1,323
Sundry debtors (*)	7,968	7,826
Current tax assets	-	8,931
Staff costs	674	635
Other loans with Public Administrations (Note 22)	33,390	71,939
	587,881	**822,411**

(*)The sundry debtors heading includes an outstanding balance amounting to €7,423 thousand related to the incident involving an incursion onto the runway at Barcelona-El Prat Josep Tarradellas Airport on 28 July 2006. The Group has made a provision for this item.

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

As a result of the health crisis caused by COVID-19 and the measures adopted by public authorities to deal with it, since the end of 2020, Aena began negotiating with its tenants the reduction of lease payments on commercial premises in order to adapt the economic conditions of the contracts to the new economic and social situation that arose as a result of the pandemic. During 2021, most of the contractual amendments have been formalized; they have mostly entailed reductions to the contractually established MAG for 2020 and 2021 (Note 5.a.i).

Additionally, the minimum [annual] guaranteed rents (hereinafter MAG) established in the commercial lease agreements executed between Aena and its commercial operators, accrued between 15 March 2020 (start date of the first state of emergency in Spain) and 3 October 2021, have been modified as a result of the entry into force, on 3 October 2021, of the 7th Final Provision of Act 13/2021, of 1 October, which amends Act 16/1987, of 30 July, pertaining to Land Transport Management (hereinafter DF7 of Act 13/2021) (Note 5.a.i).

These lease agreement rent reductions, which are the result of contractual modifications arising directly from the adverse situation caused by COVID-19, are allocated to results prospectively using a linear distribution system throughout the remaining periods of the agreement (Notes 4.e and 5.a)

At the end of the 2020 fiscal year, the MAG accrued between 15 March and 31 December 2020 pending collection amounted to €638 million. Additionally, between 1 January and 3 October 2021, €388 million of MAG were accrued.

As detailed in Note 5.a.i, the amount of the reduction of these MAG and fixed rents accrued between 15 March 2020 and until the entry into force of the DF7 amounts to €795 million. Of this amount, €61 million have been recorded as lower commercial revenues in 2021, as these are incentives that correspond to completed agreements. The remaining amount, recorded as of 31 December 2020 as customers, rendering of services, corresponds to contracts that remain in force and has been recorded in accrual accounts (€43 million in 2020 and €691 million in 2021) and allocated linearly to results prospectively during the remaining period of validity of each agreement, from the entry into force of the contractual modification or from the date the DF7 entered into force, 3 October 2021 (Note 20).

(Amounts in thousands of euros unless otherwise stated)

Concentration of credit risk

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

	Thousands of euros	
	2021	**2020**
World Duty Free (DUFRY)	151,948	335,045
Áreas, S.A.	58,992	91,162
Vueling Airlines	43,538	12,721
Air Europa Líneas Aéreas, S.A.	18,926	28,810
Eurodivisas S.A.	17,948	16,852
Select Service Partner, S.A.	17,573	28,817
Sinapsis Trading	16,934	17,963
Iberia, Líneas Aéreas de España, S.A.	16,281	9,953
UTE Sistemas -Exterior Plus	14,492	5,927
Sistemas e Imagen Publicitaria, SLU	13,190	5,176
Pansfood S.A.	12,737	29,159
AB Servicios Selecta España S.A.	12,501	6,881
UTE Exact Change 2	12,206	7,441
Maxelga 93 S.L.	9,560	4,938
Air Nostrum	8,070	4,641
UTE New Business Media Ceco	6,396	2,800
Airfoods Restauración y Catering, S.L.	5,809	5,580
Bull Wrapping Global, S.L.	5,716	1,515
Lagardere Travel Retail, S.A.	5,452	20,439
Others	126,550	122,680
	574,819	**758,500**

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

Value impairment corrections arising from credit risk

The Company has analysed all exposure to credit risk individually. The result of this analysis at the end of the fiscal year shows that credit risk is almost entirely attenuated, by 77.59%, thanks to the credit guarantees and improvements the Company has at its disposal.

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

The activity of the provisions account for commercial operations during the 2021 and 2020 fiscal years has been the following:

	Thousands of euros	
	2021	**2020**
Opening balance	131,400	120,289
Variation in the impairment provision	5,503	11,111
	136,903	**131,400**

In addition to the variation of €5,503 thousand (2020: €11,111 thousand) in the provision for impairment from commercial operations, during the 2021 fiscal year, losses amounting to €174 thousand (2020: €696 thousand) have been recorded under the section 'Losses, impairment and change in provisions for operations' of the profit and loss account, due to definitive derecognitions carried out by the Spanish Tax Agency of debts sent to legal proceedings for collection, up to the expense amounting to €5,677 thousand that appears in this heading (2020: expense amounting to €11,807 thousand).

(Amounts in thousands of euros unless otherwise stated)

Credit modifications or restructurings

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

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

Other information

At 31 December 2021 and 2020, there are no balances to be collected in a currency other than the euro.

14. Short-term financial investments

The balance of the accounts under the section 'Short-term financial investments' at the end of the 2021 and 2020 fiscal years is as follows:

	Thousands of euros	
	2021	**2020**
Loans to companies	16	17
Short-term bonds and deposits	1,560	1,517
	1,576	**1,534**

15. Financial debt

All financial liabilities at 31 December 2021 and 2020 are recorded at amortised cost.

a) Debts with group and associated companies

The Company's loans and credits are formalised at 59% at fixed interest rates (see Note 5), and the remaining percentage is formalised at variable rates generally referenced to the Euribor (2020: 70% at fixed/reviewable fixed interest rates and the remaining percentage formalised at variable rates generally referenced to the Euribor). The average rate of this debt during 2021 was 0.992% (2020: 1.07%) (Note 5).

Due to the non-monetary contribution described in Note 1, the Company and its sole shareholder at that time signed a financing agreement whereby the debts corresponding to the branch of activity contributed in the capital increase described in said Note 3 were transferred from the public business entity 'Aeropuertos Españoles y Navegación Aérea' to the Company Aena S.M.E., S.A. In this agreement between both parties, the initial debt and the future cancellation conditions of this debt were recognised, as well as the procedure to settle the interest and repayment of the debt. It also specified that the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea' is the borrower as regards the lending financial institutions. However, it also recognised that Aena S.M.E., S.A. was obligated to pay the percentage of the active balance of the debt of the public entity Aena attributable to the airport line of business at the time of contribution of any payments that the state-owned enterprise 'Aeropuertos Españoles y Navegación Aérea' is required to pay to the financial institutions, in accordance with the financial conditions and the other terms and conditions provided in the Financing Agreements. The average rate of this debt during 2021 was 1.38% (2020: 1.34%).

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

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

(Amounts in thousands of euros unless otherwise stated)

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

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

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

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

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

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

The main clauses that were amended are summarised below:

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

Ratio	2021	2022	2023	2024 and subsequent
Net financial debt/EBITDA Less than or equal to:	7.00x	7.00x	7.00x	7.00x
EBITDA/Finance expenses Greater than or equal to:	3.00x	3.00x	3.00x	3.00x

- With regard to the possibility of granting charges and liens, a more favourable framework is established compared to what had been provided in the initial financing agreements. Certain real collateral on international assets may now be granted in international financing transactions without recourse to Aena S.M.E., S.A. or the state-owned enterprise 'ENAIRE', as opposed to the prohibition existing in many of the initial contracts which often hindered commercial expansion.
- Unification of the clauses that restrict the disposal of assets: Aena S.M.E., S.A. will directly or indirectly retain the ownership of all the airport assets and will not dispose of them in a single transaction or series of transactions,

whether or not these transactions are related, with certain exceptions relating to airport assets located outside Spain.

- Certain clauses were unified in order to clarify the events in which the financing agreements may be subject to early termination, as a result of payment defaults arising from the commercial relationships of Aena S.M.E., S.A.

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

a) Breach of any payment obligations arising from each financing agreement.

b) Breach of payment obligations arising from other financing agreements.

c) Breach of any payment obligation arising from usual commercial relationships in the ordinary course of business of Aena S.M.E., S.A., unless it has judicially or extrajudicially opposed the corresponding claim for payment arising from this breach, or has filed or is going to file corresponding legal actions that Aena S.M.E., S.A. is entitled to file provided that it has not received an unfavourable decision against it.

d) General embargoes on the assets of Aena S.M.E., S.A. and/or ENAIRE.

e) The creation by ENAIRE and/or by the Companies and entities of the ENAIRE group (with the exception of Aena S.M.E., S.A. and the Companies in its group, which are governed by the limitation indicated in the following point) of any real right, charge, lien or privilege over any present or future assets or rights.

f) The creation by Aena S.M.E., S.A. and the Companies in its group of any real right, charge, lien or privilege over any assets or rights existing in its balance sheet, with the exception of any real right, charge, lien or privilege created over assets located outside Spain (included in this exception are shares or participations in companies located in Spain as long as all their operating assets are located outside Spain), exclusively as collateral for financing or other obligations without recourse to Aena S.M.E., S.A. that are contracted by subsidiaries and/or other companies in the Aena group.

g) Unless the bank has given its written authorisation: Aena will directly and indirectly maintain the ownership of all its airport assets and will not dispose of them, in either a single transaction or series of related or unrelated transactions, for disposals up to a joint aggregate amount during the entire lifetime of the contract that does not exceed 20% of Aena's consolidated assets. The value of both the consolidated assets and transferred assets will be determined at all times by reference to the values accounted in Aena's consolidated statement of financial position corresponding as of 31 December of the last fiscal year prior to the time of signing the asset transfer contract. There is an exception exclusively relating to airport assets located outside Spain that are directly or indirectly owned by Aena. For the purposes of this clause, 'Airport Assets' means any assets that are part of the airport activity included in Aena's consolidated property, plant and equipment.

h) The change in the risk weighting of ENAIRE or the loans or credits granted through financing agreements.

Only the occurrence of these grounds for early termination may ultimately authorise the financial institutions, in accordance with the specific terms and conditions of their respective agreements, to declare early termination of their respective financing agreements. This is without prejudice to the need for good faith and the essential nature of the cited grounds.

In the event of a breach by Aena S.M.E., S.A. of its obligations under the debt acknowledgement agreement:

- Aena S.M.E., S.A. agrees to create a first-ranking pledge agreement on certain credit rights (amount corresponding to one year of debt service accrued under the financing agreements) in favour of ENAIRE (this obligation also arises in the event of loss of control of Aena S.M.E., S.A. by ENAIRE).

- The amounts unpaid by Aena S.M.E., S.A. will accrue late payment interest.

- In the event of ENAIRE having to pay any amount to the financial institutions that should have been paid by Aena S.M.E., S.A. according to the debt acknowledgement agreement, ENAIRE will be subrogated the creditor rights and guarantees with Aena S.M.E., S.A. and the debt recognised in the debt acknowledgement agreement will be automatically increased by the amount paid by ENAIRE.

- Likewise, in the case of early maturity of one or several financing contracts and a claim for the effective payment of any amount, as a result of the breach of an obligation by Aena S.M.E., S.A. under the financing contracts, Aena S.M.E., S.A. must pay ENAIRE a penalty equivalent to 3% of the total overdue principal of the respective breached financing agreement. This provision shall also be applied in the event of the party in breach being ENAIRE, in which case it must pay the aforementioned penalty to Aena S.M.E., S.A.

The breakdown of the '**Financial debt where the Company acts as joint creditor with ENAIRE**' (hereinafter referred to as 'Co-borrower debt') with financial institutions on 31 December 2021 is the following (in thousands of euros):

Financial institutions	Amount
EIB	2,523,431
ICO	1,191,350
FMS	442,867
TOTAL Co-borrower	**4,157,648**

Of the above €4,157,648 thousand, Aena S.M.E., S.A. owes the public entity 'ENAIRE' the debt arising from the contribution of the airport activity, which on 31 December 2021 amounts to €4,132,407 thousand (2020: €4,674,316 thousand), 99.39% of the total borrowed debt. In addition, Aena S.M.E., S.A. owes the public entity 'ENAIRE' in relation to other loans of €30,105 thousand (2020: €34,544 thousand). The maturity schedules for both items at end of the fiscal year is detailed further on.

Regarding the causes for declaring early maturity, ENAIRE, as the holder of the financing agreements, has not breached any of the conditions on early maturity, so this does not affect the Company's balance sheet at 31 December 2021 and 31 December 2020.

As a result of the exceptional situation caused by COVID-19 and its impact on EBITDA, at 31 December 2020, the Net Financial Debt/EBITDA ratio of Aena S.M.E., S.A. was 8.1x, which is in breach of the maximum ratio of 7.0x allowed in some financing agreements. Furthermore, as of 31 December 2021, the Net Financial Debt/EBITDA ratio of Aena S.M.E., S.A. was 9.8x, which is in breach of the maximum ratio of 7.0x allowed in some financing agreements. However, thanks to waibers indicated in the following paragraph, this situation has not been a cause for early termination of the agreements.

In view of the forecast of this rupture, Aena S.M.E., S.A. obtained on 1 December 2020 exemptions from compliance with the financial ratios of all the affected Financial Entities. These waivers had a deadline until at least 30 June 2022. On 23 December 2021, Aena S.M.E., S.A. extended the waivers until June 2023. In accordance with the established terms, the entities waive the right to declare their early maturity in the event of the possible breach of the aforementioned ratio.

(Amounts in thousands of euros unless otherwise stated)

The repayment schedule for the principal of the short and long-term debt with ENAIRE for financing airports (Note 10) at the end of the 2021 and 2020 fiscal years is as follows:

Repayments Maturity	Thousands of euros 2021
2022	535,836
2023	514,364
2024	765,707
2025	396,710
2026	376,402
Subsequent	1,573,493
Total	**4,162,512**

Repayments Maturity	Thousands of euros 2020
2021	546,349
2022	535,836
2023	514,364
2024	512,641
2025	649,777
Subsequent	1,949,894
Total	**4,708,861**

The breakdown of the 'Long-term debts with group and associated companies' and 'Short-term debts with group and associated companies' sections of the balance sheet liabilities as of 31 December 2021 and 2020 is shown below:

	Thousands of euros					
	2021			2020		
Debts with group and associated companies (Note 12)	**Long-term**	**Short-term**	**Total**	**Long-term**	**Short-term**	**Total**
Debts with ENAIRE	3,626,676	535,836	4,162,512	4,162,511	546,349	4,708,860
Debt from commissions	(2,078)	(272)	(2,350)	(2,629)	(316)	(2,945)
Interest accrued	-	10,129	10,129	-	11,656	11,656
Debt due to tax effect	-	-	-	-	4,109	4,109
Total	**3,624,598**	**545,693**	**4,170,291**	**4,159,882**	**561,798**	**4,721,680**

As of 31 December 2021 and 2020, long and short-term debts are denominated in euros.

(Amounts in thousands of euros unless otherwise stated)

The variations in the balance of the loan from ENAIRE, which occurred in the fiscal year 2021, primarily relate to the principal amortisation of €546,349 thousand, as previously indicated. The reconciliation between the opening and closing balances of the Financial debt components with the parent company in the statement of financial position is the following:

		Cash flows					
	31 December 2020	**Financing activities Collections**	**Financing activities Payments**	**Operating activities Interest payments**	**Transfers from short to long term**	**Accrued interest**	**31 December 2021**
Non-current							
Loan to Aena S.M.E., S.A. from ENAIRE	4,162.512	-	-	-	(535,836)	-	3,626,676
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(2,630)	-	-	-	552		(2,078)
Subtotal Aena S.M.E., S.A. long-term debt with ENAIRE	**4,159,882**	**-**	**-**	**-**	**(535,284)**	**-**	**3,624,598**
Current							
Loan from ENAIRE	546,349	-	(546,349)	-	535,836	-	535,836
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(316)	596	-	-	(552)		(272)
Interest accrued on loans from ENAIRE	11,656	-	-	(32,014)	-	30,487	10,129
Subtotal of Aena S.M.E., S.A. short-term debt with ENAIRE	**557,689**	**596**	**(546,349)**	**(32.014)**	**535,284**	**30,487**	**545,693**
Total	**4,717,571**	**596**	**(546,349)**	**(32.014)**	**-**	**30,487**	**4,170,291**

The variations in the balance of the loan from ENAIRE, which took place during the 2020 fiscal year, primarily correspond to the amortisation of the principal for the amount of €633,619 thousand. The reconciliation between the opening and closing balances of the Financial debt with the parent company component of the balance sheet is as follows:

		Cash flows					
	31 December 2019	**Financing activities Collections**	**Financing activities Payments**	**Operating activities Interest payments**	**Transfers from short to long term**	**Accrued interest**	**31 December 2020**
Non-current							
Loan to Aena S.M.E., S.A. from ENAIRE	4,708,860	-	-	-	(546,349)	-	4,162,511
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(3,257)	-	-	-	42	586	(2,629)
Subtotal of Aena S.M.E., S.A. long-term debt with ENAIRE	**4,705,603**	**-**	**-**	**-**	**(546,307)**	**586**	**4,159,882**
Current							
Loan from ENAIRE	633,619	-	(633,619)	-	546,349	-	546,349
Adjustment of the loan balance from ENAIRE using the effective cost criteria	(358)	-	-	-	(42)	84	(316)
Interest accrued on loans from ENAIRE	13,162	-	-	(38,525)	-	37,019	11,656
Subtotal of Aena S.M.E., S.A. short-term debt with ENAIRE	**646,423**	**-**	**(633,619)**	**(38,525)**	**546,307**	**37,103**	**557,689**
Total	**5,352,026**	**-**	**(633,619)**	**(38,525)**	**-**	**37,689**	**4,717,571**

The book values and fair values of non-current debts with ENAIRE are as follows:

	Book value		**Fair value**	
	31 December		**31 December**	
	2021	**2020**	**2021**	**2020**
Debt with ENAIRE	3,624,598	4,159,882	3,617,722	4,125,923
Total (Note 12)	**3,624,598**	**4,159,882**	**3,617,722**	**4,125,923**

The fair value of current external resources does not differ significantly from their book value, as the impact of applying the discount is not significant. Fair values for debt with a term greater than one year are based on cash flows discounted at risk-free rates (OIS curve) plus a spread equal to the five-year Aena CDS modelled by Bloomberg (116 bps) (2020: at risk-free rates (OIS curve) plus a spread equal to the five-year Aena CDS modelled by Bloomberg (146 bps)).

b) Debts with credit institutions

The Aena S.M.E., S.A. long-term debts with credit institutions balance amounts to €3,295,630,000 at 31 December 2021 (31 December 2020: €2,673,731,000) and its breakdown is the following:

- The breakdown of the outstanding long-term loan amounts is:

	31/12/2021		31/12/2020	
Financial institution	**Balance**	**Average Rate**	**Balance**	**Average Rate**
EIB	475,630	0.259	475,630	0.208
CAIXABANK	425,000	0.521	400,000	0.119
UNICAJA	290,000	0.317	350,000	0.311
ICO	300,000	0.65	300,000	0.65
BANKIA(*)	-	-	250,000	0.65
CAJAMAR	250,000	0.365	250,000	0.27
CREDIT AGRICOLE-CIB	-	-	200,000	0.6
KUTXABANK	280,000	0.314	200,000	0.374
ABANCA	300,000	0.293	100,000	0.537
BANKINTER	75,000	0.56	75,000	0.41
SABADELL	-	-	75,000	0.75
BBVA	300,000	0.013	-	-
MEDIOBANCA	100,000	0.009	-	-
INTESA SANPAOLO	500,000	-	-	-
TOTAL	**3,295,630**	**0.388**	**2,675,630**	**0.371**

(*) Merged with Caixabank

- As of 31 December 2021, the amount of commissions associated with these loans, which are accounted for at their lower value and pending allocation to the results, amounts to €2,896 thousand (2020: €1,899 thousand) (see note 10).

  Of the previous amount, the balances corresponding to UNICAJA, EIB, and ICO are subject to the same covenants established for the loan with ENAIRE. The Company obtained compliance waivers, until June 2023, of the financial leverage ratios and finance expense of all existing debt at 31 December 2021.

- As of 31 December 2021, the amounts of long-term loans with a determined or determinable maturity, classified by year of maturity, are as follows (in thousands of euros):

	2023	**2024**	**2025**	**2026**	**2027 and subsequent**	**Total**
EIB	-	-		26,667	448,963	475,630
CAIXABANK	400,000	-	25,000	-	-	425,000
UNICAJA	60,000	60,000	110,000	60,000		290,000
ICO	-	-	-	-	300,000	300,000
CAJAMAR	-	250,000	-	-	-	250,000
KUTXABANK	120,000	20,000	120,000	20,000	-	280,000
ABANCA	-	100,000	-	200,000	-	300,000
BANKINTER	-	-	75,000		-	75,000
BBVA	-	300,000	-	-	-	300,000
MEDIOBANCA	-	-	-	100,000	-	100,000
INTESA SANPAOLO	-	500,000	-	-	-	500,000
	580,000	**1,230,000**	**330,000**	**406,667**	**748,963**	**3,295,630**

(Amounts in thousands of euros unless otherwise stated)

Aena S.M.E., S.A. short-term debts with credit institutions balance as of 31 December 2021 amount to €633,737 thousand (31 December 2020: €53,370 thousand), of which €3,737 thousand corresponds to outstanding accrued interest (31 December 2020: €3,370 thousand from outstanding accrued interest), with the breakdown being as follows:

- The breakdown of the outstanding short-term loan amounts as of 31 December 2021 is:

Financial institution	2021	2020
CAIXABANK	225,000	-
CREDIT AGRICOLE-CIB	200,000	-
KUTXABANK	20,000	-
SABADELL	75,000	-
SOCGEN FINANC	50,000	50,000
UNICAJA	60,000	-
Interest accrued	3,737	3,370
TOTAL	633,737	53,370

- As of 31 December 2021, the amount of commissions associated with these loans, which are accounted for at their lower value and pending allocation to the results, amounts to €830 thousand (2020: €488 thousand) (see note 10).

  During the first days of 2022, €500 million have been amortised with the Intea loan

c) Credit facilities

1. The Sustainable Syndicated Credit Line (ESG-linked RCF) for the amount of €800 million has the following breakdown by entities:

BANKING ENTITY	AMOUNT (thousands of euros)
BBVA	190,000
SANTANDER	160,000
BANKINTER	100,000
SABADELL	100,000
UNICAJA	100,000
KUTXA	100,000
IBERCAJA	50,000
TOTAL	**800,000**

This line matures in December 2025. There is no drawn balance as of 31 December 2021 or 2020. The interest rate is variable, with an initial spread (0.275% annual) over the Euribor at 1/3/6 months.

The initial spread is reviewed annually based on the following two variables:

a) Moody's and/or Fitch's credit assessment of Aena according to the following table:

CREDIT RATING	Applicable margin
A+/A1 or higher	0.225%
A/A2	0.250%
A-/A3	0.300%
BBB+/Baa1	0.350%
BBB/Baa2	0.400%
BBB-/Baa3 or lower	0.550%

b) The evolution of Aena's sustainability parameters in environmental, social and good governance issues (ESG 'Environmental, Social and Governance' rating) evaluated by the ESG rating provider selected by Aena (Sustainalytics), so if the score increases or diminishes by five or more points with respect to the initial one, the resulting applicable margin will be reduced by 0.025% in the first case and will increase in the second.

(Amounts in thousands of euros unless otherwise stated)

- As referred to in Note 5, the Company also has €468,870 thousand of financing available (not drawn down) corresponding to EIB and ICO loans. The maturities of the loans are detailed below:

Organisation	Amount (Millions of euros)	Maturity
EIB	110	Maximum 20 years since disbursement
EIB	14	Maximum 17 years since disbursement
EIB	95	Maximum 20 years since disbursement
ICO	250	October 2031
Total	**469**	

d) Marketable securities

On 30 October 2019, Aena S.M.E, S.A. registered a Promissory Note Programme (Euro Commercial Paper) with the CNMV, with a maximum balance of €900,000 thousand in the Bolsas y Mercados Españoles (BME) Fixed Income Market. With this instrument, Aena can flexibly place promissory notes with minimum unit nominal amounts of €500 thousand and maturities between 3 and 364 days. This programme matured on 30 October 2020.

On 24 November 2020, the Company registered a Promissory Note Programme (Euro Commercial Paper) with the CNMV, with the same maximum balance (€900,000 thousand) in the BME Fixed Income Market and under the same conditions as the previous one. This programme expired on 24 November 2021.

On 27 December 2021, Aena S.M.E., S.A. published a new Promissory Note Programme (Euro Commercial Paper) under the new Securities Market Act 5/2021, approved on 12 April 2021. The programme has been admitted for trading and listing for a maximum amount of €900 million for the AIAF fixed income market (integrated into the BME group) and under the same conditions as the previous Programme.

As of 31 December 2021, there was no paper issued under this new programme (2020: €55,000 thousand).

(Amounts in thousands of euros unless otherwise stated)

e) Cash flow hedges

The breakdown of the fair value of derivative financial instruments as of 31 December 2021 and 31 December 2020 is shown in the following table:

	31 December 2021		31 December 2020	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps – cash flow hedges	-	73,558	-	128,479
Total	**-**	**73,558**	**-**	**128,479**
Current portion	**-**	**27,607**	**-**	**31,645**
Non-current portion	**-**	**45,951**	**-**	**96,834**

The total fair value of a hedging derivative is classified as a non-current asset or liability if the remaining validity of the hedged item is more than 12 months and as a current asset or liability if the remaining validity of the hedged item is less than 12 months.

During the periods ended 31 December 2021 and 31 December 2020, the hedging derivatives are 100% effective and meet all the requirements needed to apply hedge accounting, such that there is no ineffectiveness recorded in the profit and loss account.

The fair value of the interest swaps has been obtained by updating the net expected cash flows during the contractual period, using the discount factors obtained from the zero-coupon curve at each valuation time. In order to calculate the variable cash flows, the forward rates or implied rates obtained from the zero-coupon interest rates existing on the market at the time of the valuation of the interest swap are used. The fair value thus obtained is adjusted for credit risk, understanding credit risk as both the counterparty credit risk and own credit risk, as necessary. In order to quantify the credit risk of a financial agent, there are three commonly accepted methodologies in the market. These methodologies are applied in the following order of priority:

1) Whenever there is a Credit Default Swap (CDS) quoted on the market, the credit risk is quantified based on its share price.

2) Whenever there are debt issues accepted for listing in the different financial markets, the quantification of credit risk can be obtained as the differential between the internal rate of return (yield) of the bonds and the risk-free rate.

3) If it is not possible to quantify the risk by following the two previous methodologies, the use of comparables is generally accepted, i.e. taking as a reference companies or bonds of companies from the same sector as the one being analyse.

- Aena S.M.E., S.A. derivatives

As explained in Note 5, on 10 June 2015, Aena signed a hedging transaction from variable interest rate to fixed with lending entities with a credit rating equal to or better than BBB (Standard & Poor's), in order to avoid the risk of fluctuation in interest rates on various credits, for an amount of €4,196 million.

Their main characteristics are as follows:

	Classification	Rate	Contracted amount (thousands of euros)	Pending notional amount 31/12/2021	Agreement date	Derivative start date	Maturity	Hedge designation date
Interest rate swap	Cash flow hedge	Fixed interest rate swap at 0.144% against variable interest rate (Eur6M)	290,000(*)	-	27/06/2015	29/06/2015	15/12/2020	27/06/2015
Interest rate swap	Cash flow hedge	Fixed interest rate swap at 1.1735% against variable interest rate (Eur6M)	854,100	521,950	15/06/2015	15/06/2015	15/12/2026	15/06/2015
Interest rate swap	Cash flow hedge	Fixed interest rate swap at 0.9384% against variable interest rate (Eur3M)	3,041,833	1,373,956	15/06/2015	15/06/2015	15/12/2026	15/06/2015
		TOTAL	**4,185,933**	**1,895,906**				

(*) Initially contracted for a notional amount of €300,000 thousand.

The outstanding notional principal sums in these interest rate swap agreements amounts to €1,895,906 thousand as of 31 December 2021 (31 December 2020: €2,122,733 thousand).

The balance recognised in the equity hedge reserve for interest rate swap agreements as of 31 December 2021 will be continuously transferred to the income statement until the bank loans are repaid. During the fiscal year 2021, €31,491 thousand were allocated to the profit and loss account as finance expenses for the settlement of hedging instruments (in 2020: €31,859 thousand).

The fair value of these derivatives amounts to €73,558 thousand as of 31 December 2021 (31 December 2020: €128,479 thousand), and its breakdown between the current and non-current portions is the following:

Fair value recorded in 'Non-current liabilities' as of 31 December 2021 (in thousands of euros)	Fair value recorded in 'Current liabilities' as of 31 December 2021 (in thousands of euros)
45,951	27,607
Fair value recorded in 'Non-current liabilities' as of 31 December 2020 (in thousands of euros)	Fair value recorded in 'Current liabilities' as of 31 December 2020 (in thousands of euros)
96,834	31,645

As of 31 December 2021, if the interest rate had increased or decreased by 20 basis points, with the rest of the variables remaining constant, the liability for the said derivatives would have been €13,647 thousand lower and €13,647 thousand higher respectively (31 December 2020: €18,162 thousand lower and €18,384 thousand higher respectively).

As of 31 December 2021 and 2020, the hedging derivatives were effective and met the requirements needed to apply hedge accounting, such that there is no ineffectiveness recorded in the income statement.

(Amounts in thousands of euros unless otherwise stated)

16. Trade and other payables

The breakdown of credit balances for commercial operations is as follows:

	Thousands of euros	
Trade and other payables	**2021**	**2020**
Suppliers, group and associated companies (Note 12)	7,697	19,841
Sundry creditors	161,731	116,627
Staff costs	27,674	37,220
Other debts with Public Administrations (Note 22.1)	21,003	22,496
Customer advances	41,490	50,373
Total	**259,595**	**246,557**

Information on the average payment period to suppliers is as follows:

	Days	
	2021	**2020**
Average payment period to suppliers	37	42
Ratio of paid transactions	40	46
Ratio of outstanding transactions	22	23

These parameters were calculated in accordance with Art. 5 of the Resolution *dated 29 January 2016, published by the Accounting and Auditing Institute, on the information to be included in the annual accounts report in relation to the average payment period to suppliers in commercial transactions,* as follows:

1. Average payment period to suppliers = (Ratio of paid operations x total value of payments made + Ratio of outstanding payment operations x total amount outstanding payments) / (Total amount of payments made + total amount of outstanding payments).
2. Ratio of paid transactions = Σ (number of payment days x amount of paid transactions) / Total amount of payments made.

   Number of payment days means the calendar days that have elapsed since the date the calculation begins until the actual payment of the transaction.

3. Ratio of outstanding transactions = Σ (Days payable outstanding x amount of outstanding transactions) / Total amount of outstanding payments.

   Days payable outstanding means the calendar days that have elapsed since the date the calculation begins until the last day of the period referred to in the annual accounts.

4. For the calculation of both the number of payment days as well as the days payable outstanding, the company calculates the term as of the date of provision of the services. However, given the lack of reliable information on the time that this has taken place, the date of receipt of the invoice is used.

	Thousands of euros	
	Amount 2021	**Amount 2020**
Total payments made	1,643,151	1,272,150
Total outstanding payments	384,834	257,456

The average payment period is calculated over the invoices received and formed outstanding payment corresponding to the suppliers who, due to their nature, are suppliers of goods and services, in such a way that only the data relating to the ‘Sundry creditors’ item of the ‘Trade and other payables’ section are considered.

In the 2021 and 2020 fiscal years, the average payment terms adhered to the terms set out by Act 15/2010. In those exceptional cases where a payment has been made outside of the maximum legal term, this is due mainly to reasons not attributable to the Company: invoices not received on time, expired Spanish Tax Agency (AEAT) certificates, lack of documentary evidence of supplier bank accounts, among others.

(Amounts in thousands of euros unless otherwise stated)

17. Inventories

The balance of the 'Inventories' section at the end of the 2021 and 2020 fiscal years is broken down into the following items:

	Thousands of euros	
	2021	**2020**
Spare parts	5,309	5,598
Greenhouse effect emission allowances (Note 27)	205	301
	5,514	**5,899**

The inventories balance mainly includes materials and spare parts used by the Company in airport operations.

18. Cash and cash equivalents

The breakdown of the 'Cash and cash equivalents' section is as follows:

	Thousands of euros	
	2021	**2020**
Cash and bank deposits	783,069	386,265
Other cash equivalents	600,000	755,000
	1,383,069	**1,141,265**

At 31 December 2021 and 2020, there are no cash and cash equivalents balances that are unavailable for use.

19. Equity

a) Share capital

The Company was created on 31 May 2011 with an initial capital of €61,000 (€1,000 per 61 shares) provided in full by the public business entity ENAIRE. On 6 June 2011, the ENAIRE Shareholders' Meeting approved a capital increase with the non-monetary contribution of the branch of airport activity, where the following was agreed:

- To reduce the nominal value per share by splitting the 61 shares, at €10 per share, in such a way that there would be a total of 6,100 shares.

- To increase the share capital to €1,500,000 thousand , through the contribution of €1,499,939 thousand (149,993,900 shares issued at €10 each). These shares are issued with a premium of €1,100,868 thousand. Therefore, the capital and the share premium would amount to €2,600,807 thousand.

On 23 January 2015, the Council of Ministers approved the sale of 49% of Aena via an Initial Public Offer, registering the IPO prospectus with the CNMV on 23 January 2015. Trading in Aena S.M.E., S.A. shares opened on the Continuous Market, in the four Spanish stock exchanges, on 11 February 2015.

The listing of the Company on the stock exchange, as explained above, via the IPO of 49% of Aena S.M.E., S.A.'s capital, meant that the ENAIRE entity's shareholding in Aena S.M.E., S.A. fell to 51%, compared to its previous 100%.

On 31 December 2021 and 2020, the share capital of Aena S.M.E., S.A. was represented by 150,000,000 ordinary shares with a par value of €10 each, which have been fully paid. These shares have equal voting and economic rights. Its share price on the Stock Exchange amounted to €138.8 on 31 December 2021.

As of 31 December 2021 and 2020, there are also no capital increases in progress or authorisations to operate in own shares.

According to the information available at 31 December 2021 and 2020, the stakes exceeding 10% are as follows:

ENAIRE	51.00 %

b) Reserves

- **Share premium**

The consolidated text of the Corporate Enterprises Act expressly allows the use of the share premium balance to expand the share capital and does not establish any specific restriction regarding the drawing down of this balance.

This reserve is freely available provided that, as a result of its distribution, the Company's equity value is not less than the share capital figure.

As of 31 December 2021 and 2020, the Company's Share Premium amounts to €1,100,868 thousand.

Capitalisation reserve

The Capitalisation Reserve amounting to €164,176 thousand (2020: €159,877 thousand) comes from the approval of the Company's distribution of profits for the fiscal years ended 31 December 2015. This capitalisation reserve has been endowed in accordance with articles 25 and 62 of the Corporate Tax Act, which establishes that the reserve must be endowed with the amount stipulated in order to benefit from the reduction in the tax base of the tax group for the fiscal year. As defined in said article, the right to a reduction in the tax base of the tax group is set at 10% of the tax group's increase in equity. This sum may never exceed 10% of the positive tax base of the tax group corresponding to the tax year prior to the reduction and integration referred to in section 12 of article 11 of the Act and the compensation of negative tax bases. However, in the event of an insufficient tax base of the tax group for applying the reduction, the pending amounts may be applied in the tax years ending in the two years immediately following the end of the tax year in which the right to the reduction was generated, together with the reduction that may correspond in that year and at the indicated limit.

The Reserve is restricted and conditional upon maintaining the equity increase of the tax group for a period of five years from the end of the tax year to which the reduction corresponds, except for the existence of accounting losses. Once this five-year period has elapsed, and the established condition has been met, the reserve provided to cover the reduction applied in the Corporate Tax declaration for the fiscal year ended 31 December 2015 for €42,406 thousand, became available from 1 January 2021.

In the fiscal year 2021, the reclassification of voluntary reserves to capitalisation reserves has been carried out, for an amount of €4,299 thousand, as described in Note 3.

Legal reserve

The legal reserve must be allocated in accordance with article 274 of the Corporate Enterprises Act. This article requires that, in any event, a figure equal to 10% of the profits for the fiscal year be earmarked for the legal reserve, until its amount reaches at least 20% of the share capital.

The legal reserve, as long as it does not exceed the amount indicated above, may only be used to offset losses if no other reserves are available for this purpose.

At the end of the 2021 fiscal year, the legal reserve amounts to €300,000 thousand (31 December 2020: €300,000 thousand), equalling the minimum legal limit established in accordance with article 274 of the Corporate Enterprises Act.

Other reserves

As of the end of the 2021 and 2020 fiscal year, fully available voluntary reserves are included in this heading provided that, as a result of their distribution, the value of the Company's equity is not lower than the share capital.

(Amounts in thousands of euros unless otherwise stated)

c) Adjustments due to changes in value

The movement produced in the 2021 and 2020 fiscal years in this reserve as a result of the valuation adjustments of the derivatives designated as cash flow hedges (see Note 15) is as follows:

	2021			
	Opening balance	Variations Fair value	Postings to results	Balance 31/12/2021
Cash flow hedges				
Aena interest rate swaps	128,479	(23,431)	(31,491)	73,557
Tax effect	(32,120)	5,858	7,873	(18,389)
Total	**96,359**	**(17,573)**	**(23,618)**	**55,168**

	2020			
	Opening balance	Variations Fair value	Postings to results	Balance 31/12/2020
Cash flow hedges				
Aena interest rate swaps	125,777	34,561	(31,859)	128,479
Tax effect	(31,443)	(8,641)	7,964	(32,120)
Total	**94,334**	**25,920**	**(23,895)**	**96,359**

The breakdown of the fiscal years in which this reserve is expected to affect the profit and loss account is included in Note 10, under the 'Derivatives' section of the Analysis by maturity.

d) Grants, donations and legacies received

The breakdown and movement of this section as of 31 December 2021 and 2020 is as follows:

	2021			
	Opening balance	Additions	Postings to results	Balance 31/12/2021
Capital grants from official European bodies				
Amount	460,622	284	(35,525)	425,381
Tax effect	(115,156)	(71)	8,881	(106,346)
Net	**345,466**	**213**	**(26,644)**	**319,035**

	2020			
	Opening balance	Additions	Postings to results	Balance 31/12/2020
Capital grants from official European bodies				
Amount	497,337	31	(36,746)	460,622
Tax effect	(124,335)	(8)	9,187	(115,156)
Net	**373,002**	**23**	**(27,559)**	**345,466**

The additions for the fiscal year 2021 correspond to greenhouse gas emission rights of free allocation corresponding to the Barcelona-El Prat Josep Tarradellas Airport.

Proceeds from grants

The breakdown of the gross grants by operative programmes which were earned in the fiscal years 2021 and 2020 is as follows, in thousands of euros:

	Thousands of euros	
	2021	**2020**
Menorca Airport wastewater treatment plant grant	-	192
Total ERDF Funds Received	**-**	**192**

During the fiscal year 2021, no grants have been collected. At the end of the fiscal year 2020, the Company believes that all the conditions needed to receive and enjoy the grant detailed above have been met.

20. Accruals

Liability accruals

On 14 February 2013, Aena S.M.E., S.A. signed three contracts with World Duty Free Group España, S.A. (DUFRY) for the leasing of the commercial premises of duty-free and duty-paid shops in the entire Spanish airport network. These contracts were in force until 31 October 2020 and included an advance payment of €332,442 thousand, which were regularly offset with accrued revenue during this validity period. In this regard, as of 31 December 2020, the entire advance payment was recorded in the short-term, amounting to €19,373 thousand. At the end of 2021, there are €209 thousand pending allocation to results.

	2021	**2020**
Bonds	3,844	3,521
Other accruals	5,102	24,695
Total adjustments for accrual	**8,946**	**28,216**
Current	209	19,373
Non-current	8,737	8,843

The long-term accrual account, initially recorded by the amount received (€278,933 thousand) is subject to annual updates against finance expenses. These finance expenses amounted to €106 thousand in 2021 (2020: €12,442 thousand) (Note 23.f).

Asset accruals

	2021	**2020**
Commercial MAG and fixed rent discounts	623,598	36,370
Other accruals	11,451	11,153
Total adjustments for accrual	**635,049**	**47,523**
Current	320,496	28,803
Non-current	314,553	18,720

As indicated in Note 13, as a result of the reductions in commercial lease payments, the amount to be deferred during the remaining life of the commercial agreements corresponding to the MAG and fixed rent discounts accrued between 15 March 2020 and until the entry into force of the corresponding contractual modifications amounts to a total of €734 million, of which:

- €43 million correspond to addenda to the Car Rental activity agreements formalized in 2020; and
- €691 million correspond to the modifications of commercial agreements that took place during 2021, of which €666 million are a result of the entry into force of the DF7 of Act 13/2021.

(Amounts in thousands of euros unless otherwise stated)

These discounts in commercial rents have been recorded in asset accrual accounts; they are attributed to results as lower commercial revenue and are distributed linearly during the remaining life of the agreements (Notes 4.e and 5.a). As a result, in fiscal year 2021, lower commercial revenues have been recorded in the amount of €107 million (2020: €4 million).

The current assets heading also includes anticipated insurance premium expenses for the amount of €5,522 thousand (2020: €5,252 thousand); real estate incentives for the amount of €2,193 thousand (2020: €3,164 thousand); in 2021, there are no commissions for opening credit lines in the fiscal year (2020: €488 thousand (see Note 15); and €58 thousand for anticipated prepaid card expenses (2020: €59 thousand). The remaining amount of the non-current assets corresponds to real estate incentives for the amount of €3,678 thousand (2020: €2,188 thousand).

21. Provisions

The movement in the 2021 and 2020 fiscal years in the accounts included under this section has been as follows:

2021	Provision for Work Commitments	Expropriations and interest on late payment	Responsibilities	Taxes	Environmental actions	Other operating provisions	Total
Opening balance	**9,671**	**7,658**	**17,804**	**8,153**	**71,240**	**6,929**	**121,455**
Allocations	405	1	5,525	35	49,022	60,805	115,793
Discount additions	15	-	-	-	-	-	15
Reversals/Excesses	-	(1,687)	(8,355)	(2,091)	(8.210)	(1,768)	(22,111)
Applications	(733)	-	(443)	(438)	(7,542)	(58,284)	(67,440)
Closing balance	**9,358**	**5,972**	**14,531**	**5,659**	**104,510**	**7,682**	**147,712**
Short-term portion	-	1,409	12,819	2,501	11,269	7,682	**35,680**
Long-term portion	9,358	4,563	1,712	3,158	93,241	-	**112,032**

2020	Provision for Work Commitments	Expropriations and interest on late payment	Responsibilities	Taxes	Environmental actions	Other operating provisions	Total
Opening balance	**9,541**	**8,012**	**37,119**	**8,527**	**71,100**	**34,197**	**168,496**
Allocations	747	75	6,939	2,494	2,766	21,686	34,707
Discount additions	50	-	-	-	-	-	50
Reversals/Excesses	-	(314)	(10,176)	(1,089)	(294)	(9,777)	(21,650)
Applications	(667)	(115)	(16,078)	(1,779)	(2,332)	(39,177)	(60,148)
Closing balance	**9,671**	**7,658**	**17,804**	**8,153**	**71,240**	**6,929**	**121,455**
Short-term portion	-	4,648	15,811	5,191	13,406	6,929	**45,985**
Long-term portion	9,671	3,010	1,993	2,962	57,834	-	**75,470**

a) Provision for work commitments

The movement of the Provision for work commitments accounts during the 2021 and 2020 fiscal years, in thousands of euros, has been as follows:

	2021		
	Provision for length of service awards	**Provision for early retirement awards**	**Total provision for work commitments**
Opening balance on 1 January 2021	**8,882**	**789**	**9,671**
Allocations	625	39	664
Actuarial gains and losses	(265)	6	(259)
Discount increase	14	1	15
(Applications)/Rebates	(677)	(56)	(733)
Closing balance on 31 December 2021	**8,579**	**779**	**9,358**

	2020		
	Provision for length of service awards	**Provision for early retirement awards**	**Total provision for work commitments**
Opening balance on 1 January 2020	**8,833**	**708**	**9,541**
Allocations	630	37	667
Actuarial gains and losses	40	40	80
Discount increase	46	4	50
(Applications)/Rebates	(667)	-	(667)
Closing balance on 31 December 2020	**8,882**	**789**	**9,671**

Provision for length of service awards

At 31 December 2021, the balance of the liability recognised in the balance sheet for this provision is €8,579 thousand (2020: €8,882 thousand). The endowment for the 2021 fiscal year amounted to €374 thousand (2020: €716 thousand), €14 thousand of which correspond to the financial cost (2020: €46 thousand), having obtained actuarial gains of €265 thousand (2020: actuarial losses of €40 thousand).

Provision for early retirement awards

At 31 December 2021, the balance of the liability recognised in the balance sheet is €779 thousand (2020: €789 thousand), which corresponds to the difference between the present value of the obligation accrued as of 31 December 2021 of €779 thousand (2020: €789 thousand) and the fair value of the plan assets of €0 (2020: €0). The net additions for the fiscal year have corresponded to the normal cost of services for the fiscal year to the amount of €39 thousand (2020: €37 thousand), financial cost of €1 thousand (2020: €4 thousand), applications of €56 thousand (2020: €0), actuarial losses of €6 thousand (2020: actuarial losses of €4 thousand), and returns on plan assets of €0 (2020: €0).

Other work commitments

The agreement stipulates a pension plan as post-employment compensation for workers. For this benefit, the Company has made defined contributions to the fund during the fiscal years prior to 2013. However, for the 2017, 2016, 2015, 2014 and 2013 fiscal years, the Company has not made these contributions due to the suppression established in Act 3/2017, of 27 June, Act 48/2015, of 29 October, Act 36/2014, of 26 December, Act 22/2013, of 23 December, and RDL 17/2012, of 27 December, respectively. These acts establish that public companies cannot make contributions to employee pension plans or collective insurance contracts that include retirement contingency coverage.

For the 2018, 2019, 2020 and 2021 fiscal years, extraordinary contributions were made to the Pension Plan based on the application of the last paragraph of art. 18.2 of the 2019 State General Budget Act (LPGE [Ley de Presupuestos Generales del Estado]), art. 3.2 of RD-Law 24/2019, and the final paragraph of article 3 Two of Royal Decree-Law 2/2020, for the amounts of €494 thousand, €650 thousand and €2,444 thousand and €1,965 thousand respectively.

b) Expropriations and interest on late payment

The provision for expropriations and interest on late payment records the best estimate of the amount relating to the difference between the prices paid for the expropriation of land required for the expansion of airports and the estimates of the prices that the Company would have to pay, considering that it is likely that certain legal claims in progress regarding some of the prices paid will be successful for the claimants. When estimating the amount of the differences affecting these prices, the Company has taken into account the default interest using the prevailing legal cash interest rate for each year as the basis of calculation.

As of 31 December 2021, there are provisions that mainly correspond to disputes related to expropriations of land, notably at Vigo Airport. All these proceedings gave rise to a provision amounting to €5,972 thousand as of 31 December 2021, of which €4,956 thousand corresponded to price differences, for which the balancing entry was a higher value for land, and €1,016 thousand of accrued default interest as of 31 December 2021, for which the balancing entry was interest expense for expropriation delays (2020: €7,658 thousand , of which €6,360 thousand corresponded to price differences, for which the balancing entry was a higher value for land, and €1,298 thousand of accrued default interest as of 31 December 2020, the balancing entry for which was interest expense for expropriation delays).

The reversions made during the 2021 fiscal year are mainly a consequence of resolutions favourable to the interests of Aena, notably the reversal of the provision for the Adolfo Suárez Madrid-Barajas Airport. Of the €1,687 thousand reversed, €1,405 thousand was credited at the value of the fixed assets against which it was provided at the time, while the rest, for the amount of €282 thousand, was credited to the results for the period (at the time it was paid against the expense for interest on expropriations delays) (2020: €313 thousand reversed was credited at the value of the fixed asset against which it was provided at the time, while the rest, for the amount of € thousand, was credited to the results for the period).

The finance income from interest for expropriations as of 31 December 2021, once the aforementioned reversals were taken into account, has amounted to €282 thousand (31 December 2020: expense of €30 thousand) (see Note 23.f).

c) Provision for responsibilities

This heading mainly records provisions made based on the best estimates available to the Company's management to cover risks relating litigation, claims and commitments in progress that are known at the end of the year and for which the expectation is that an outflow of resources in the medium or long-term is likely. As of 31 December 2021 and 2020, the balances of the Provision mainly corresponded to unfavourable rulings in claims made by lessees, as well as to labour and other claims made by contractors and airlines.

During the 2021 fiscal year, the endowments made by the Group, totalling €5,525 thousand, corresponded mainly to claims for interest on delays for €762 thousand, claims made by airline companies for an amount of €900 thousand and labour claims amounting to €3,447 thousand (2020: €1,340 thousand).

During the 2020 fiscal year, the endowments made by the Group, totalling €6,939 thousand, corresponded mainly to claims made by commercial lessees, amounting to €5,425 thousand, and labour claims, amounting to €1,340 thousand.

During the fiscal year 2021, reversals, for a total amount of €8,355 thousand, were made by the resolution favourable to the Company of labour litigation and other risks, highlighting those corresponding to commercial claims that amounted to €5,523 thousand. The reversals have been credited to the profit and loss account, mainly under the heading 'Excess of provisions'.

During the 2020 fiscal year, reversals amounting to €10,176 thousand correspond to the resolution in favour of the Company of labour disputes and other risks, which have been credited to the profit and loss account, mainly under the section 'Provision surpluses'.

The Company's directors do not consider that, from the set of responsibilities underway, additional liabilities may arise that would significantly affect these annual accounts.

d) Taxes

This section mainly records provisions allocated with respect to appeals filed by the Company due to its disagreement with the proposed settlements received from the Tax Authorities regarding certain local taxes associated with airport assets and for which final decisions have yet to be made, of which the expectation is that an outflow of cash is likely, the definitive amounts and the definitive settlement of which are uncertain on the date that these annual accounts were prepared.

The amount of the reversals, fully credited to the profit and loss account under the 'Provision surpluses' section, is mainly related to favourable resolutions in settlements that were in dispute or prescriptions of these tax settlements in favour of the Company.

e) Provisions for environmental actions

Within this heading, provisions amounting to €102,365 thousand (31 December 2020: €69,539 thousand) were recognised in relation to the projected obligations for carrying out sound insulation and soundproofing works in residential areas to comply with the prevailing regulations on noise generated by airport infrastructures.

In addition, an environmental provision of €1,400 thousand (2020: €1,400 thousand) is recognised in relation to the additional measures contemplated in the Resolution of 9 April 2015, of the Secretary of State for the Environment. This resolution amends the ninth condition of the Environmental Impact Declaration for the Adolfo Suárez Madrid-Barajas Airport, of 30 November 2001, and makes provision for actions on the Jarama River. The 2021 provision also includes the greenhouse gas emission allowances acquired by Aena for its consumption, for an amount of €745 thousand (2020: €301 thousand). This corresponds to the best estimate of the allowances consumed during 2021, based on the emissions actually produced during 2021 (see Note 27).

In the fiscal year ended on 31 December 2021, €48,570 thousand was allocated for the inclusion of three new sound insulation plans for Vitoria Airport, Tenerife Sur Airport and César Manrique-Lanzarote Airport. In the case of the Vitoria Airport, the sound insulation plan is required under the Resolution of 21 January 2021, of the General Directorate of Quality and Environmental Evaluation, by which an environmental impact report of the project 'Vitoria Airport Operational Changes' is formulated. In the case of Tenerife Sur Airport and César Manrique-Lanzarote Airport, the sound insulation plan is part of the action plan for acoustic easements approved by Royal Decree 92/2021, of 9 February, and Royal Decree 783/2021, of 31 August. For the calculation of the provision, an average unit cost of €11,484/house was used (except for the Adolfo Suárez Madrid-Barajas airport, for which a cost of €26,839 was estimated due to the type of houses and buildings pending insulation at this airport, and for eight other airports, for which the estimated average amount was €5,200/house). The balancing entry for these provisions is included under 'Property, plant and equipment'.

The allocation of €2,766 thousand to the provision for environmental actions during the fiscal year 2020 was due to, mainly, updating the noise footprints of certain insulation plans. In the Annual Accounts for the fiscal year 2020, an average unit cost of €8,943/house was used (except for the Adolfo Suárez Madrid-Barajas airport, for which a cost of €15,311 was estimated due to the type of houses and buildings pending insulation at this airport, and for four other airports, for which the estimated average amount was €4,880/house).

The reversal that occurred during the fiscal year 2021, amounting to €8,210 thousand, is fundamentally related to a decrease in the average estimated insulation cost amount per house for four airports of the network, which dropped from €8,943/house to €5,200/house. This reversal was made against the value of the fixed asset for which the provision was originally made.

The environmental assessment legislation (currently Act 21/2013) requires that certain Aena S.M.E., S.A. projects are submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 metres), and are finalised by the formulation of the corresponding environmental impact statements by the Ministry for Environmental Transition. Such statements contain the obligation to develop and execute Sound Insulation Plans (SIP).

In terms of noise, Act 5/2010, of 17 March, amending Act 48/1960, of 21 July, on Air Navigation, stipulates the adoption of action plans, including any corrective measures, when acoustic easements are established to achieve acoustic quality objectives in relation to building exteriors, flight paths, number of flights and associated environmental impacts at airports with more than 50,000 flights/year.

The Company will post the corresponding provisions at the time when the obligation arises to insulate homes, that is, either when a new acoustic footprint is approved that centres on acoustic insulation issues, an easement and its action plan taking effect (via Royal Decree), or through the approval of a new Environmental Impact Statement as a result of the environmental evaluation of projects that require it. These published standards are the ones that must be considered when making provisions, regardless of if the insulating actions on affected buildings take place after they are made, which leads to a time difference between the provision and the execution of the works. The Company's administrators do not expect there to be any significant liabilities or additional contingencies for this reason.

f) Other provisions

This section records the provision for discounts applicable to landing and passenger-departure airport charges, accrued by airlines operating during certain days of the week at airports located in the Canary Islands. Also, the General State Budgets Act for the fiscal year 2016 established incentives in the public service benefits for passenger traffic, for growth in passenger numbers on the routes operated in the Aena network.

Furthermore, in accordance with section 3.9.2 of the Airport Regulation Document (DORA) 2017–2021, which states that Aena may establish a scheme of incentives, which, being compatible with Act 18/2014, has a positive effect on demand and promotes, among other things, the establishment of new routes or strengthens existing ones; on 22 February 2017, Aena approved a new commercial incentive scheme for the DORA period, in order to continue promoting the opening of new routes, increasing long-haul passenger traffic, encouraging traffic at airports with lower traffic volumes and reducing the seasonality of airports with a strong seasonal component.

The impact of COVID-19 on airport activity resulted in these incentives being rendered ineffective, so, in order to contribute to the reactivation of air traffic in Spain, Aena offered a commercial incentive that promoted the scheduling of operations by airlines, regardless of the number of passengers. As of 1 July 2020, the incentive was applied to the percentage of recovery of operations in comparison with the same month of 2019, providing certain thresholds are met. Each airline could obtain a discount of 75% or 100% on the average monthly landing charge, for all those monthly operations carried out at network airports that exceed the recovery levels set.

Subsequently, and for the winter season, the Board of Directors approved a new incentive. This measure, applicable between November 2020 and March 2021, provides incentives for all movements operated and not only those above a certain threshold, provided the airline achieves at least a 20% recovery compared to the same month of the previous winter season. At the same time, this measure also cancels the incentive for opening routes to new destinations and the growth incentive, which will cease to be in effect as of the beginning of the 2020 winter season (25 October 2020).

As of April 2021, the Board of Directors approved the extraordinary incentive for the recovery of operations during the summer of 2021. This measure incentivises transactions that exceed the 30% threshold in the months of April, May and June, and the 45% threshold in the months of July, August, September and October, in reference to the transactions made by the airline companies in the same months of the 2019 season. Companies will be entitled to reimbursement of the average monthly landing rate for operations that exceed these thresholds, for the percentage of recovery of each airline.

For the winter season of 2021, the Board of Directors approved the extraordinary incentive of recovery of operations applicable between November 2021 and March 2022, in which the average monthly landing rate of operations exceeding the threshold of 75% is reimbursed, in reference to the operations carried out in the same months of the 2019 season, by the recovery percentage corresponding to each airline.

The overall effect of all the traffic incentives amounted to a provision of €59,037 thousand during the 2021 fiscal year (a net amount originating from the reversal of €1,768 thousand of provisions from previous years) compared with €11,909 thousand corresponding to the same period in 2020 (a net amount originating from the reversal of €9,777 thousand of provisions from previous years). The above figures reflect the adjustment made in the 2021 and 2020 fiscal years of the provision for growth incentives because, as a result of the drastic decrease in passenger traffic, many airlines have stopped meeting the necessary requirements to accrue them.

The applications received amounted to €58,284 thousand against this provision during the period (2020: €39,177 thousand).

As of 31 December 2021, the sum of the amount provisioned for all these items amounted to a balance of €7,682 thousand (31 December 2020: €6,929 thousand).

(Amounts in thousands of euros unless otherwise stated)

22. Public Administrations and fiscal situation

22.1 Balances with Public Administrations

The composition of the debit and credit balances with Public Administrations is as follows:

Income tax receivable	**Thousands of euros**			
	2021		**2020**	
	Current	**Non-current**	**Current**	**Non-current**
Deferred tax assets (Note 22.3)		150,169	-	116,091
Current tax assets (Note 22.2)	-	-	8,931	-
VAT receivable	32,425	-	69,197	-
Canary Islands General Indirect Tax (IGIC [Impuesto General Indirecto Canario]) receivable	4	-	1,589	-
Income tax receivable for grants awarded (Note 7f)	961	-	1,153	-
	33,390	**150,169**	**80,870**	**116,091**

The section 'Income tax receivable for grants awarded' contained, as of 31 December 2021, an amount of €961 thousand related to a grant for the construction of a wastewater treatment plant at a network airport. At the end of the 2020 fiscal year, there was a debit balance of €1,153 thousand related to this grant. During the 2021 fiscal year, the Company collected €192 thousand from this grant (see Note 19d). During the 2020 fiscal year, the Company collected €192 thousand from this grant.

Income tax payable	**Thousands of euros**			
	2021		**2020**	
	Current	**Non-current**	**Current**	**Non-current**
Deferred tax liabilities (Note 22.3)	-	111,722	-	120,532
Personal income tax (IRPF [Impuesto sobre la renta de las personas físicas]) payable	7,773	-	6,934	-
Social Security payable	13,106	-	15,556	-
Other taxes payable	1	-	6	-
VAT payable	123	-	-	-
	21,003	**111,722**	**22,496**	**120,532**

(Amounts in thousands of euros unless otherwise stated)

22.2 Reconciliation of the profit/(loss) and tax base

The reconciliation between profit/(loss) and the taxable Corporate Tax base in the 2021 fiscal year is as follows:

	Thousands of euros					
	2021					
	Profit and loss account			Revenue and expenses allocated directly to equity		
Balance of revenue and expenses for the fiscal year			**(19,972)**			
	Increases	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**
Corporate Tax	-	(50,884)	(50,884)			
Profit/(loss) before tax			(70,856)			
Permanent differences	1,557	(6,894)	(5,337)			
Temporary differences:						
- Amortisation	42,574	(68,970)	(26,396)	-	-	-
- Impairment losses	10,237	(1,323)	8,914	-	-	-
- Pension plans	2,395	(3,124)	(729)	-	-	-
- Provisions		(109)	(109)	-	-	-
- Provision for impairment of fixed assets	15	(24)	(9)	-	-	-
- Hedging derivatives	-	-	-	28,830	(83,751)	(54,921)
- Grants, donations and legacies received	-	-	-	284	(35,525)	(35,241)
- Others	-	-	-	6	-	6
	55,221	(73,550)	(18,329)	29,120	(119,276)	(90,156)
Offsetting of negative tax bases						
Tax base (taxable income)			**(94,522)**			
Total tax liability			-			(22,539)
Deductions			-			
Tax liability			-			
Withholdings and payments on account			-			
Tax liability receivable			-			

	Thousands of euros					
	2020					
	Profit and loss account			Revenue and expenses allocated directly to equity		
Balance of revenue and expenses for the fiscal year			(5,290)			
	Increases	Decreases	Total	Increases	Decreases	Total
Corporate Tax	-	(6,718)	(6,718)			
Profit/(loss) before tax	-	-	(12,008)			
Permanent differences	19,251	-	19,251			
Temporary differences:						
- Amortisation	42,950	(68,680)	(25,730)	-	-	-
- Impairment losses	11,692	(8,384)	3,308	-	-	-
- Pension plans	4,362	(3,455)	907	-	-	-
- Provisions	336	(127)	209	-	-	-
- Provision for impairment of fixed assets	735	-	735	-	-	-
- Hedging derivatives	-	-	-	31,859	(34,560)	(2,701)
- Grants, donations and legacies received	-	-	-	31	(36,746)	(36,715)
- Others	-	-	-	-	(50)	(50)
	60,075	(80,646)	(20,571)			
Offsetting of negative tax bases			-			
Tax base (taxable income)			(13,328)			(39,466)
Total tax liability			-			(9,867)
Deductions			-			
Tax liability			-			
Withholdings and payments on account			(8,931)			
Tax liability receivable			(8,931)			

Under the consolidated Corporate Tax return regime, there are no dues to be collected or contributions to be paid to the Treasury (2020: €8,931 thousand).

The main permanent differences of the fiscal year 2021 correspond to non-deductible expenses and to the reversal of part of the impairment provided for in the last fiscal year related to the investment in its subsidiary SCAIRM, while there were also provisions due to impairment in 2020 of the financial investment in its subsidiary SCAIRM. In terms of the main temporary differences for the fiscal year 2021, similar to those for 2020, these correspond to the impairment or impairment reversal of the fixed assets of said Company SCAIRM, the difference between the fiscal and accounting amortisation, the endowment to the provision of insolvencies, and provisions of risks and staff costs.

The general Corporate Tax rate for the 2021 fiscal year is 25%, the same as in 2020.

The Income tax heading of the attached profit and loss account consists of:

	Thousands of euros	
	2021	2020
Current tax	-	-
Deferred tax	4,582	5,142
Credits to offset losses during the fiscal year	(23,631)	(3,332)
Tax deductions recorded (Note 22.3)	(30,652)	(7,329)
Others	(1,183)	(1,199)
	(50,884)	**(6,718)**

The 'Others' item corresponds mainly to the regularisation between the estimate made at the close of the fiscal year and the presentation of corporate tax in the following year.

(Amounts in thousands of euros unless otherwise stated)

The breakdown by company of the credits and debits between group companies as a result of the tax effect generated by the consolidated taxation regime is as follows:

	Thousands of euros			
	2021		2020	
	Current	Non-current	Current	Non-current
Aena Desarrollo Internacional S.M.E., S.A.	-	2,638	-	1,595
Aena Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia S.M.E.	-	470	-	1,866
	-	**3,108**	**-**	**3,461**

22.3 Deferred taxes

The breakdown of deferred taxes as of 31 December 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Deferred tax assets:		
- Temporary differences (Note 22.1)	150,169	116,091
	150,169	116,091
Deferred tax liabilities:		
- Temporary differences (Note 22.1)	(111,722)	(120,532)
	(111,722)	(120,532)
Deferred taxes	**38,447**	**(4,441)**

The breakdown of deferred tax assets and liabilities whose term of realisation or reversal is greater than 12 months is as follows:

	Thousands of euros	
	2021	2020
Deferred tax assets:		
- Temporary differences	72,962	77,024
	72,962	**77,024**
Deferred tax liabilities:		
- Temporary differences	(103,492)	(111,854)
	(103,492)	**(111,854)**
	(30,530)	**(34,830)**

The movement in deferred tax assets and liabilities during the 2021 and 2020 fiscal years has been as follows:

	Deferred tax assets										
	Amortisation (*)	Impairment losses	Pension plans	Impairment of fixed assets	Responsibility provisions	Hedging derivatives	Increased value of stakes	Credits due to Negative Taxable Base	Deductions pending application	Others	Total
Opening balance	**53,608**	**9,161**	**2,343**	**195**	**5,045**	**32,120**	**(920)**	**6,463**	**8,018**	**58**	**116,091**
Charge (credit) to profit and loss account	(6,599)	2,229	(182)	(2)	(27)	-	-	21,948	32,217	-	**49,584**
Charge (credit) to equity	-	-	1	-	-	(13,731)	-	-	-	-	**(13,730)**
Tax consolidated group companies	-	-	-	-	-	-	-	-	-	-	**-**
Use of credits in fiscal years											
Others (**)	(39)	(602)	(1,127)	(8)	-	-	-	-	-	-	**(1,776)**
Balance at 31 December 2021	**46,970**	**10,788**	**1,035**	**185**	**5,018**	**18,389**	**(920)**	**28,411**	**40,235**	**58**	**150,169**

(Amounts in thousands of euros unless otherwise stated)

	Deferred tax assets										
	Amortisation (*)	Impairment losses	Pension plans	Impairment of fixed assets	Responsibility provisions	Hedging derivatives	Increased value of stakes	Credits due to Negative Taxable Base	Deductions pending application	Others	Total
Opening balance	**59,634**	**6,634**	**2,103**	**11**	**4,999**	**31,445**	**(920)**	**-**	**-**	**69**	**103,975**
Charge (credit) to profit and loss account	(6,433)	827	227	184	53	-	-	3,332	7,329	-	**5,519**
Charge (credit) to equity	-	-	13	-	-	675	-	-	-	-	**688**
Tax consolidated group companies	-	-	-	-	-	-	-	3,131	689	-	**3,820**
Use of credits in fiscal years											
Others (**)	407	1,700	-	-	(7)	-	-	-	-	(11)	**2,089**
Balance at 31 December 2020	**53,608**	**9,161**	**2,343**	**195**	**5,045**	**32,120**	**(920)**	**6,463**	**8,018**	**58**	**116,091**

(*) The section 'Amortisation' includes €11,671 thousand (2020: €11,671 thousand) of the outstanding balance of the credit initially recognised for the amount of €21,944 thousand, once the €0 used during 2021 (2020: €0) had been considered (see deductions table).

(**) The section 'Others' mainly includes the effects of differences in the corporate tax expense accounted for at the close of each fiscal year, and the expense recorded with the definitive tax return to the AEAT.

	Thousands of euros		
	Grants	Increased value of stakes	Total
Deferred tax liabilities			
Opening balance	**(115,155)**	**(5,377)**	**(120,532)**
Charge (credit) to equity	8,810	-	**8,810**
Balance at 31 December 2021	**(106,345)**	**(5,377)**	**(111,722)**
Deferred tax liabilities			
Opening balance	**(124,333)**	**(5,377)**	**(129,710)**
Charge (credit) to equity	9,178	-	**9,178**
Balance at 31 December 2020	**(115,155)**	**(5,377)**	**(120,532)**

Fiscal years pending verification and inspection actions

Aena S.M.E., S.A. is subject to a consolidated tax return in Spain. The tax group as of 31 December 2021 is made up of three companies. Aena S.M.E., S.A. as the parent company and Aena Internacional S.M.E., S.A. and Sociedad Concesionaria del Aeropuerto Internacional de Murcia S.M.E., S.A. as subsidiaries.

The tax consolidation regime applies indefinitely to the extent that the requirements demanded for that purpose by the regulations that govern it continue to be met, or the application thereof is not expressly waived.

As established by current legislation, taxes may not be considered to be definitively settled until the relevant returns have been inspected by the tax authorities or until four years have elapsed since filing. In this regard, the companies comprising the Aena Tax Group have the fiscal year 2017 and subsequent years open for the tax inspection; in the case of Sociedad Concesionaria del Aeropuerto Internacional de Murcia S.M.E., S.A., the first fiscal year open for tax inspection is 2018, the year of its incorporation into the group. However, at the end of the fiscal year 2021, no Group company has any tax inspection procedure open.

The directors of Aena consider that the tax settlements have been properly carried out and, therefore, even if discrepancies were to arise in the interpretation of current legislation as a result of the tax treatment given to the transactions, any resulting liabilities, if any, would not have a material effect on the accompanying consolidated annual accounts.

(Amounts in thousands of euros unless otherwise stated)

Tax deductions

In the 2021 and 2020 fiscal years, the following deductions have been applied in the Corporate Tax settlement:

Tax deductions for the 2021 fiscal year

	Year generated (1)	Amount pending at 31/12/2020	Amount Recognised in 2021	Amount applied	Amount pending at 31/12/2021	Year matured (2)
Deductions in the Canary Islands for investments in fixed assets (2)	2020	7,191	-156		7,035	2035
	2021		28,877		28,877	2036
Deduction for investments in R&D&I (2)	2020	135	277		412	2038
	2021		1,745		1,745	2039
Deduction for donations (2)	2020	3	967		970	2030
	2021		29		29	2031
Deduction for double international taxation	2020	689			689	
	2021		478		478	
Subtotal		**8,018**	**32,217**		**40,236**	
30% deduction in amortisation (3)		2,335	2,333		4,668	
		10,353	**34,550**		**44,904**	

Tax deductions for the 2020 fiscal year

	Year generated (1)	Amount pending at 31/12/2019	Amount Recognised in 2020	Amount applied	Amount pending at 31/12/2020	Year matured (2)
Deductions in the Canary Islands for investments in fixed assets (2)	2020	-	7,191	-	7,191	2035
Deduction for investments in R&D&I (2)	2020	-	135	-	135	2038
Deduction for donations (2)	2020	-	3	-	3	2030
Subtotal		-	**7,329**	-	**7,329**	
30% deduction in amortisation (3)	2020	-	2,335	-	2,335	
	Total	-	**9,664**	-	**9,664**	

(1) *The year of generation responds to the period in which the assets or personnel who qualified for the generation thereof were associated with the branch of airport activity.*

(2) *Deduction in the Canary Islands for investments in fixed assets: RD Law 15/2014, Fourth Transitional Provision, establishes a period of use of 15 years; Deduction for R&D&I in art. 39 of Act 27/2014, on Corporate Tax, establishes a period of use of 18 years. Deduction for donations: Act 49/2002, on the tax system of non-profit entities and tax incentives for sponsorship, establishes in its article 20 that the amounts corresponding to the non-deducted tax period may be applied in the settlements of tax periods ending in the immediate and successive 10 years.*

(3) *Deduction with recoverability of 30% in amortisation adjustment: Corporate Tax Act: Transitional Provision Thirty-Seven does not establish a limit on its use. The €2,335 thousand of this deduction, recognised and applied to taxation in 2019, does not reduce the expense for tax in that period given that it was recognised in 2015. They include €2,000 corresponding to ADI, as Aena S.M.E., S.A. is the head of the tax group.*

23. Revenue and expenses

a) Distribution of the net turnover

The Company's activity is carried out geographically within Spain, having obtained the following revenue in the 2021 and 2020 fiscal years:

(Amounts in thousands of euros unless otherwise stated)

	Thousands of euros	
	2021	**2020**
Airport services	**1,283,395**	**935,760**
Aeronautics - Airport Charges	**1,232,864**	**899,269**
Landing/Air Transit Service/Meteorological Service	340,294	263,139
Parking facilities	61,152	70,504
Passengers	512,052	349,985
Boarding airbridges	59,247	45,199
Security	179,346	115,030
Handling charges	59,715	40,555
Fuel	15,842	11,360
Catering	5,216	3,497
Other airport services (1)	***50,531***	***36,491***
Commercial services	**781,526**	**1,030,180**
Leases	28,067	33,699
Shops	(5,155)	104,340
Duty-Free Shops	255,674	382,888
Food and beverages	175,962	224,894
Car rental	106,103	100,493
Car parks	76,036	50,684
Advertising	21,777	20,975
VIP services (2)	29,744	20,570
Other commercial revenue (3)	93,318	91,637
Real estate services	**70,052**	**76,243**
Leases	14,732	15,122
Land	19,590	24,882
Warehouses and hangars	7,644	8,742
Cargo logistics centres	18,654	19,912
Real Estate Operations	9,432	7,585
Total Net Turnover	**2,134,973**	**2,042,183**

(1) Includes Counters, 400 Hz usage, Fire Service, Left Luggage and Other Revenue.
(2) Includes VIP lounge rental, VIP packages, other lounges, fast-track and fast-lane.
(3) Includes commercial operations (banking services, vending machines, telecommunications, baggage laminating machines, etc.), commercial supplies, use of lounges, and filming and recordings.

As a result of the pandemic, during 2020 there has been a drastic reduction in air traffic and practically a total stoppage of the commercial business in the airport network, which has resulted in an unprecedented fall in the Company's turnover compared to the previous year. In the fiscal year 2021, there has been a certain recovery of air traffic, which is reflected in an increase in revenue from airport services of 37.15%.

During fiscal year 2021, there has been a very significant drop in the Company's commercial revenues with respect to fiscal year 2020, as a consequence of the exceptional situation derived from the COVID19 pandemic, which has resulted in many commercial premises lease agreements not being renewed (especially, stores). Commercial revenues for 2021 have also been impacted by the contractual modifications carried out to adapt the commercial lease contracts, terminated and in force, to the new supervening circumstances, as well as the reductions in MAG resulting from the entry into force of DF7 (Note 5.a).

During the fiscal year 2021, variable payments have been recorded within operating lease income for the amount of €601 million (2020: €427 million).

(Amounts in thousands of euros unless otherwise stated)

b) Supplies

The breakdown of the section 'Subcontracted work and other supplies' for the 2021 and 2020 fiscal years is as follows:

	Thousands of euros	
	2021	**2020**
Purchases of other supplies	(1,102)	(930)
Works performed by other companies	(156,901)	(152,900)
Total	**(158,003)**	**(153,830)**

The works performed by other companies corresponds mainly to communications, navigation and surveillance (CNS), air traffic management (ATM) and aeronautical information services (AIS) provided by ENAIRE under the agreements signed with this entity (Note 12), which amount to €119,219 thousand (2020: €113,075 thousand). This heading also includes the expenses derived from the agreement signed with the Spanish Meteorological Agency (AEMET) for the provision of meteorological services to the airport network managed by Aena (Note 12) for the amount of €11,664 thousand (2020: €10,846 thousand), and the services provided by the Ministry of Defence derived from the agreement signed with it (Note 4.u), amounting to €5,082 thousand (2020: €6,241 thousand).

c) Staff costs

The staff costs in the 2021 and 2020 fiscal years are broken down as follows:

	Thousands of euros	
	2021	**2020**
Wages, and salaries and compensation	296,008	295,454
Social Security paid by the company and other social expenses	118,266	117,340
Contributions to work commitments	1,965	2,444
Provision surplus for compensation and other benefits	(6,301)	(3,146)
Others	400	707
Total	**410,338**	**412,799**

The staff costs in 2021 are similar to those of 2020, and are mainly the result of the provision for the salary review for the year 2021 provided for in Act 11/2020, of 30 December, of General State Budgets for 2021, which sets an increase of 0.9%, and its impact on social security (2020: increase of 2% and of 0.3% of additional funds that will be allocated to the pension plan), and in the opposite direction, of the increase in the surplus of the provision for remunerations and the decrease in the contribution to employment commitments.

d) External services

The breakdown of this heading in the 2021 and 2020 fiscal years is as follows:

	Thousands of euros	
	2021	**2020**
Leases and royalties	4,839	4,846
Repairs and maintenance	213,454	189,763
Independent professional services	41,558	37,615
Insurance premiums	12,634	12,111
Bank services	930	1,744
Advertising and public relations	1,540	1,622
Utilities	131,673	59,356
Security and surveillance services	128,438	106,280
Other services	99,655	81,814
Total	**634,721**	**495,151**

The 'Repairs and maintenance' section mainly includes repairs of airport infrastructures, maintenance of the SATE system (automatic baggage handling system) and cleaning of the buildings and passenger terminals. Utilities relate mainly to lighting, water and telephone costs. 'Other services' relate mainly to car park management services, the cost of services to assist passengers with reduced mobility and public information services.

(Amounts in thousands of euros unless otherwise stated)

The increase in spending is mainly motivated by the significant increase in the price of electricity in the Spanish airport network, included in the supply item that in 2021 amounted to €121.5 million compared to the €50.8 million euros recorded in 2020.

In addition, operating expenses have been increased by the increase in fixed structural costs resulting from the opening of terminals at airports as a result of the gradual increase in traffic during the fiscal year 2021. In fiscal year 2020, there was an extraordinary reduction in airport activity as a result of the effects of the pandemic and a cost-saving plan was implemented in order to protect the Company's financial situation.

e) Taxes

The balance in Taxes primarily corresponds to the amounts paid in local taxes, mainly property tax (IBI) and Economic Activity Tax (IAE).

f) Financial results

The financial results obtained in the 2021 and 2020 fiscal years have been the following:

	Thousands of euros	
	2021	**2020**
Finance income	**9,666**	**5,335**
From marketable securities and other financial instruments		
- From group and associated companies (Note 12)	7,914	3,762
- From interest on expropriations (Note 21)	282	-
- From third parties	494	947
Activation of finance expenses (Notes 6 and 7)	976	626
Finance expenses	**(79,260)**	**(94,903)**
- For debts with group and associated companies (Note 12)	(31,083)	(37,976)
- For debts with third parties	(16,671)	(24,989)
- Derivatives (Notes 15 and 19 c)	(31,491)	(31,859)
- From interest on expropriations (Note 21)	-	(30)
- For the updating of provisions	(15)	(49)
Exchange differences	**(12)**	**(1)**
Impairment and net gain or loss on disposals of financial instruments	**6,806**	**(16,150)**
Impairment of stakes in Group companies (Note 11)	6,806	(16,192)
Gains or losses on disposals and others (Note 11)	-	42
FINANCIAL RESULTS	**(62,800)**	**(105,719)**

In this chapter, the main variations in the fiscal year 2021 compared to 2020 are the following:

- As for finance income, there has been an increase of €4.3 million in finance income derived mainly from the resolution of litigation in favour of Aena from the DEPFA Bank, by which expenses of the mirrored loan have been reduced by €4,162 thousand.
- The decrease of €6.9 million under the section 'Finance expenses for debt with group companies' occurs as a result of a decrease in the average debt and interest rates.
- The €8.3 million reduction in the 'Finance expenses for debts with third parties' heading is due to the advance finance expenses for duty free (improves the result by 12.2 million), offset in part by the increase in interest expenses for debts with credit institutions, due to the increase in average bank debt, given that the strengthening plan implemented by the Company in order to ensure the availability of liquidity has led to the medium- and long-term taking out of loans for the amount of €700 million (Notes 5.a and 15.b).
- In the 2021 fiscal year, the reversal due to impairment of the stake in the group company Sociedad Concesionaria del Aeropuerto Internacional de la Región de Murcia, S.A. has been recorded for the amount of €6.8 million (Note 11).

g) Provision surpluses

Of the total amount of €9,427 thousand (2020: €10,465 thousand) included in the 'Provision surpluses' section of the 2021 profit and loss account, €3,693 thousand correspond to favourable resolutions in settlements of local taxes that were in dispute (2020: €1,093 thousand), €5,734 thousand corresponds to provision surpluses for liabilities of different natures (commercial contracts, court rulings that modify the amount of the dispute, etc.) (2020: €9,372 thousand). (In 2020, there was a surplus of €50 in environmental performance provisions).

24. Other information

a) Employee information

The number of Aena S.M.E., S.A. employees, at the end of the 2021 and 2020 fiscal years, by category and gender, was as follows:

	31 December 2021			31 December 2020		
Job category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Senior Management	6	5	11	6	5	11
Executives and graduates	1,060	871	1,931	1,016	833	1,849
Coordinators	837	367	1,204	840	326	1,166
Technicians	2,825	1,383	4,208	2,846	1,395	4,241
Support staff	204	229	433	201	222	423
Total	**4,932**	**2,855**	**7,787**	**4,909**	**2,781**	**7,690**

The above figures include 640 temporary employees, at the end of the 2021 fiscal year (2020: 494).

The average number of Aena S.M.E., S.A. employees, during the 2021 and 2020 fiscal years, by category and gender, was as follows:

	Year 2021			Year 2020		
Job category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Senior Management	6	5	11	6	5	11
Executives and graduates	1,037	853	1,890	1,014	831	1,845
Coordinators	838	330	1,168	838	326	1,164
Technicians	2,824	1,383	4,207	2,880	1,433	4,313
Support staff	200	225	425	210	236	446
Total	**4,905**	**2,796**	**7,701**	**4,948**	**2,831**	**7,779**

The above figures include, on average, 526 temporary employees (2020: 577).

As of 31 December 2021, Aena S.M.E., S.A. had 108 employees with disabilities (2020: 108).

b) Remuneration of directors and Senior Management

Remuneration received during the 2021 and 2020 fiscal years by Directors and Senior Management of the Company, classified by type, was as follows (in thousands of euros):

	Year 2021			Year 2020		
Type	**Senior Management**	**Board of Directors**	**Total**	**Senior Management**	**Board of Directors**	**Total**
Salaries	1,469	-	**1,469**	1,412	-	**1,412**
Allowances	11	120	**131**	8	119	**127**
Pension plans	10	-	**10**	7	-	**7**
Insurance premiums	7	-	**7**	7	-	**7**
Total	**1,497**	**120**	**1,617**	**1,434**	**119**	**1,553**

The Board of Directors of Aena S.M.E., S.A. was made up of 15 members (10 men and 5 women) at 31 December 2021 (2020: 10 men and 5 women).

The compensation received during 2021 fiscal year corresponds to the compensation received by Aena S.M.E., S.A. for 10 senior management positions and by the Chairman-CEO. In addition, the Directors and Senior Management have not been granted advances or credits, nor have obligations been assumed on their behalf as collateral, nor have civil liability insurance premiums been paid for damages caused by acts or omissions in exercising the position. Likewise, the Company has no obligations concerning pensions and life insurance with respect to former or current Directors or Senior Management.

(Amounts in thousands of euros unless otherwise stated)

c) Transactions unrelated to ordinary traffic or in non-market conditions carried out by the Company's Directors

During fiscal years 2021 and 2020, the Directors did not carry out transactions with the Group nor with Group companies outside of the ordinary course of business or under conditions other than market conditions.

d) Shareholdings and positions held and activities carried out by members of the Board of Directors in other similar companies

During the 2021 and 2020 fiscal years, the members of the Board of Directors had not held any ownership interests in the share capital of Companies that directly engage in activities that are identical, similar or complementary in nature to the corporate purpose of the Company. In addition, no activities that are the same, similar or complementary to the activities constituting the Company's corporate purpose have been carried out or are currently being carried out.

As of 31 December 2021 and 2020, there are no members of the Board of Directors that hold directorship or executive positions at other Group companies, with the following exceptions:

- Mr Maurici Lucena Betriu is Chairman of the Board of Directors of Aena, International Development, S.M.E., S.A.
- Mr Javier Marín San Andrés is the CEO of Aena, Desarrollo Internacional, S.M.E., S.A. and Chairman of the Board of Directors of ANB.
- The Secretary of the Board of Directors, Mr Juan Carlos Alfonso Rubio, is Director of ANB.
- The Deputy Secretary of the Board of Directors, Mr Pablo Hernández-Lahoz Ortiz, is Secretary of the Board of Directors of Aena Desarrollo Internacional, S.M.E., S.A.
- Ms María de los Reyes Escrig Teigeiro, who during 2020 and until 21 December 2021 has been Vice-Secretary of the Board of Directors of Aena S.M.E., S.A., is the Director of the subsidiaries of London Luton Airport and Secretary of the Board of AMP.

None of the persons associated with the members of the Board of Directors hold any stake whatsoever in the share capital of Companies, and hold no position and fulfil no duties within any Company with the same, similar or supplementary corporate purpose as the Company.

In order to avoid situations of conflict with the interests of the Company, during the fiscal year, directors who have held positions on the Board of Directors have complied with the obligations set out in article 228 of the Consolidated Text of the Corporate Enterprises Act. Similarly, they and those related to them, have refrained from engaging in any conflict of interest situations mentioned in article 229 of that Act, except where the relevant authorisation has been granted.

25. Audit fees

The company that audits the annual accounts, KPMG Auditores, S.L., has charged professional fees and expenses during the fiscal years ended on 31 December 2021 and 31 December 2020, according to the following details:

	Thousands of euros	
	2021	**2020**
Audit services	232	211
Other verification services	77	66
Other services	27	35
Total	**336**	**312**

Other verification services and other services correspond to assurance services on regulatory compliance, and services of procedures agreed on financial information provided by KPMG Auditores, S.L. to Aena during the fiscal years ended 31 December 2021 and 31 December 2020. No tax services have been performed during the fiscal years ended 31 December 2021 and 31 December 2020.

The amounts included in the above table include all the fees for services rendered during the fiscal years 2021 and 2020, regardless of when they were invoiced.

(Amounts in thousands of euros unless otherwise stated)

26. Guarantees, commitments and other sureties

The bank guarantees provided to various Institutions as of 31 December 2021 amounted to €18,946 thousand (31 December 2020: €19,928 thousand).

Most of these guarantees were presented as a requirement of state public authorities or Autonomous Communities at the time the administrative request for the installation of Photovoltaic Solar Plants (PVSP) in several network airports was submitted. The sureties guarantee Aena's obligations for access to the electrical power grid.

The Company's directors do not expect them to generate significant liabilities.

27. Environmental commitments

The Company's management, faithful to its commitment to preserve the environment and to the quality of life around it, has been making investments in this area, which allow it to minimise the environmental impact of its actions, and protect and improve the environment.

As of 31 December 2021, property, plant and equipment included environmental investments totalling €594.9 million, with accumulated depreciation of €289.7 million (2020: investments of €553.6 million and depreciation of €275.9 million).

Investments of an environmental nature made during the 2021 fiscal year, which include the items incorporated into the company's equity in order to be used for the duration of their activity, whose main purpose is to minimise the environmental impact, and protect and improve the environment, including control, prevention, reduction or elimination of future pollution from the entity's operations, have risen to €59,467 thousand (2020: €10,977 thousand), according to the following breakdown:

	Thousands of euros	
	2021	**2020**
Tenerife Sur Airport	23,203	193
César Manrique-Lanzarote Airport	11,887	879
Adolfo Suárez Madrid-Barajas Airport	8,322	3,732
Alicante-Elche Airport	3,732	1,671
Tenerife Norte-Ciudad de La Laguna Airport	2,914	451
Bilbao Airport	2,618	311
Valencia Airport	1,247	103
Vitoria Airport	940	-
Palma de Mallorca	659	981
Ibiza Airport	648	403
Málaga-Costa del Sol Airport	630	692
Vigo Airport	516	178
Gran Canaria Airport	373	68
Barcelona-El Prat Josep Tarradellas Airport	360	557
Sevilla Airport	354	118
Other airports	1,064	640
Total	**59,467**	**10,977**

(Amounts in thousands of euros unless otherwise stated)

The profit and loss accounts of the fiscal years 2021 and 2020 include the following environmental expenses, broken down by category:

	Thousands of euros	
	2021	**2020**
Repairs and maintenance	10,310	6,177
Independent professional services	2,605	2,170
Other environmental services	2,409	1,494
Total	**15,324**	**9,841**

The environmental provisions and contingencies are outlined in Note 21. The environmental assessment legislation (currently Act 21/2013) requires that certain Aena S.M.E., S.A. projects are submitted to an environmental impact assessment (particularly runway extensions exceeding 2,100 metres), and are finalised by the formulation of the corresponding environmental impact statements by the Ministry for Environmental Transition. Such statements contain the obligation to develop and execute Sound Insulation Plans (SIP).

As of 31 December 2021, a total of 25,711 houses and buildings have been soundproofed in application of the Sound Insulation Plans (2020: 24,526 houses). This highlights 12,919 houses in the surroundings of the Adolfo Suárez Madrid-Barajas airport (2020: 12,917 houses), 2,998 at Alicante-Elche Airport (2020: 2,993 houses), 2.758 houses at Valencia Airport (2020: 1,967 houses), 1,580 at Bilbao Airport (2020: 1,572), 1.093 at Tenerife Norte-Ciudad de La Laguna Airport (2020: 977 houses), 1,031 at Palma de Mallorca Airport (2020: 925 houses) and 814 at Málaga-Costa del Sol Airport (2020: 811 houses).

Likewise, in accordance with the resolutions of the Ministry for Environmental Transition for which environmental impact statements are formulated for the Company's airports, the preventative, corrective and compensatory measures cited in the preventative environmental impact studies and in the aforementioned Environmental Impact Statements are being carried out, thus fulfilling a series of conditions primarily with the protection of the hydrological and hydrogeological system; soil protection and conservation; air quality protection; acoustic protection; protection of the flora, fauna and natural habitats; protection of the cultural heritage, service restoration and livestock trails, location of cliffs, loan zones, landfills and auxiliary facilities.

Information on greenhouse gas emission allowances

Until January 2021, Aena had eight airports affected by the regulations of the Business with Rights of Emissions Regulation, which were the following: Barcelona-El Prat Josep Tarradellas Airport, Palma de Mallorca Airport, Alicante-Elche Airport, Valencia Airport, Málaga-Costa del Sol Airport, Fuerteventura Airport, Gran Canaria Airport and Tenerife Sur Airport. As of 01/01/2021, the exclusion of the Regime for the airports of Alicante-Elche Airport, Valencia Airport, Málaga-Costa del Sol Airport, Fuerteventura Airport, Gran Canaria Airport and Tenerife Sur Airport entered into force, for complying with the conditions of the law to obtain it. Therefore, these airports are only required to prepare the Annual Emissions Report and submit it for verification, to demonstrate to the competent bodies that they continue to be low emissions facilities, and that, therefore, they continue to comply with the requirements of the exclusion granted. Therefore, in 2021 (with assignment, purchase and delivery of rights in 2022) there are only two airports in the network under the Business with Rights of Emissions Regime: Barcelona-El Prat Josep Tarradellas Airport and Palma de Mallorca Airport. And in the same way as in previous years, before 31 March 2022, the assignment of rights corresponding to fiscal year 2021 will be received. Some of the exclusion resolutions granted include an annual commitment to reduce emissions for the next five years, wherefore airports that exceed the maximum annual emissions set in such commitments must deliver the excess emissions in the form of emission rights/EUA. Specifically, the airports that have the reduction commitment included in their exclusion resolution are: Tenerife Sur Airport, Fuerteventura Airport, Gran Canaria Airport and Valencia Airport, and the first two have exceeded the maximum emissions that the competent bodies had set for fiscal year 2021: Tenerife Sur Airport by 10 TCO2 and Fuerteventura Airport by 1 TCO2, therefore the purchase of emission rights for 2022 will cover the purchase of the rights need in these four centres (Barcelona-El Prat Josep Tarradellas Airport, Palma de Mallorca Airport, Fuerteventura Airport and Tenerife Sur Airport)

As regards the types of rights assigned, all airports are assigned rights to issue the US type that must be acquired in the auction market. In addition, the Barcelona-El Prat Josep Tarradellas Airport was granted the free assignment, so that in 2021 it received 2,408 free rights (2020: 1,289 free rights).

At the end of the 2021 fiscal year, inventories (Note 17) are recorded for the amount of €205 thousand corresponding to 3,998 greenhouse gas emission rights, acquired or received free of charge by Aena for consumption. Likewise, a provision of 4,441 rights has been provided, valued at €444 thousand, which corresponds to the best estimate of the rights consumed during 2021, and which amount to 8,439 rights. For this, it is estimated that the verified emission values of 2021 (to be verified in February 2022) are an average among the emission data in those airports of what was issued in 2019 and 2020, which would mean a total of 8,439.05 Tonnes of CO2. In addition, the currently available balance is discounted in the accounts of both centres and, finally, the price of the one tonne of CO2 is estimated at the time of purchase (before 30 April 2022) at €100 per tonne of CO2. For the estimation of the price per tonne, it has been taken into account that the prices fluctuate and in addition to being a speculative market, it depends on factors such as the price of gas or electricity, the macroeconomic situation of the main issuing countries or the reduction policies, among other factors. Thus, its estimation is very complex, but the upward trend is very marked and consequently at 03/01/2022 the price is €83.55 per tonne.

(Amounts in thousands of euros unless otherwise stated)

Environmental sustainability

The various European and national initiatives make it essential to build the recovery of the air transportation sector, due to the COVID-19 pandemic, taking into account the pillar of environmental sustainability. This area of sustainability is therefore a strategic axis in the DORA 2022–2026. In this regard, this document sets the conditions for the sustainable development of the Aena airport network by establishing environmental standards that are articulated through six indicators. Through these indicators, specific aspects of the environmental performance of the network's airports can be quantified. The six indicators that define environmental standards are identified below:

	Indicator	Target level					Aena airports where it applies
		2022	**2023**	**2024**	**2025**	**2026**	
MAMB-01	**Absolute C02 emissions**	-60%	-61%	-62%	-72%	-82%	**Aena airport network**
		Compared to 2019					
		2022	**2023**	**2024**	**2025**	**2026**	
MAMB-02	**Energy efficiency**	n.a. [15]	n.a. [15]	0.0%	-1.6%	-2.3%	
		Compared to 2019					
		2022	**2023**	**2024**	**2025**	**2026**	
MAMB-03	**Carbon neutrality**	-60%	-69%	-70%	-80%	-100%	
		Compared to 2019					
		2022	2023	2024	2025	2026	
MAMB-04	**Water consumption**	99%	98%	97%	96%	95%	
		Compared to 2021					
MAMB-05	**Noise levels**	**Average deviation** (L_d y L_e) < 1dB and the deviation (L_n) < 1dB **Maximum deviation value** (L_d y L_e) < 1dB and the deviation (L_n) < 2dB *Compared to last year*					**Airports with noise monitoring system and glide paths**
		2022	**2023**	**2024**	**2025**	**2026**	
MAMB-06	**Recovered non-hazardous waste**	101%	102%	103%	104%	105%	**Aena airport network**
		Compared to 2021					

The DORA II establishes relevant investments as those that, without having been considered strategic, are related to air navigation, the endowment of capacity in infrastructure, energy efficiency and savings, the promotion of the use of renewable energies and efforts in terms of innovation.

28. Contingencies

Contingent liabilities

At the end of the 2021 and 2020 fiscal years, the Company maintains claims and legal disputes against it, as a natural consequence of the normal course of its business, which the Management considers possible obligations and, therefore, considers with the support of its lawyers that an outflow of resources is not likely to occur.

Commercial activities

With regard to the main litigations at 31 December 2021, it is worth noting first the claim filed by CEMUSA, Corporación Europea de Mobiliario Urbano, S.A. (fully owned by JCDECAUX EUROPE HOLDING) in which the amount of €55 million is claimed based on the clause 'rebus sic stantibus', with this claim not being related to COVID-19. This clause is invoked to support the claim of annulment of the contract, alleging that due to the 2008 crisis there was a fundamental change in the circumstances that motivated the contract and that it therefore prevents its compliance. On 5 October 2022, the preliminary hearing took place, and the trial hearing was set for 22 June 2022. The risk is considered remote.

Secondly, and as a consequence of the health crisis caused by COVID-19, legislators have been adopting temporary measures of an extraordinary nature to prevent and contain the virus and mitigate its health, social and economic impact throughout Spain. These included temporary restrictions to free movement and containment measures in areas of education, employment, business, leisure and places of worship.

Faced with these facts and as a consequence thereof, some lessees filed claims based on the legal doctrine of *'clausula rebus sic stantibus'* requesting that the Courts consider the need to adopt an injunction in order for Aena to refrain from invoicing the rents agreed in the contracts and, at the same time, suspend their right to execute the guarantees available in the event of any non-payment, among other requests. All the foregoing is put forth with the consequent ordinary claim.

From the start date of the judicial dispute to the end of the fiscal year, 70 lawsuits have been notified and 56 rulings pertaining to injunctive relief have been issued, of which 24 are favourable to Aena, 12 entail partial acknowledgement and 20 are unfavourable to Aena.

Five partial judgements have been issued, all of which are partially estimated, which recognise the economic rebalancing of lease agreements in application of the clause 'rebus sic estantibus', but applying different methods of calculating the MAG under discussion. All judgments have been appealed by Aena.

On 3 October 2021, the Seventh Final Provision of Law 13/2021, of 1 October, which amends Law 16/1987, of 30 July, pertaining to Land Transport Management in matters of infractions related to the lease of vehicles with drivers and to fight delinquency in the field of road transport (hereinafter, DF7). The standard contains a regulation whereby business premise lease or assignment agreements are automatically and retroactively modified in the airports managed by Aena in order to rebalance the current agreements.

DF7 is, therefore, a standard applicable to a large part of the lease agreements that are the subject of the different judicial proceedings that are being processed, since these are intended for that same modification of the agreements in application of the 'rebus sic stantibus' clause. Therefore, DF7 must necessarily be considered by the different judicial bodies when ruling on the aforementioned judicial dispute. However, Aena, after consulting with renowned Law professionals, believes that DF7 is unconstitutional and should therefore not be applied by judges and courts when ruling on the conflict.

As Aena has no standing to file an appeal for unconstitutionality against DF7, it may only assert its unconstitutionality through the corresponding questions of unconstitutionality issued within the framework of the judicial proceedings in which its application has been decisive for the ruling. Raising an issue of unconstitutionality is not a right of the party that raises it, but a power of the judge or court. In this case, raising this issue, given the impact of DF7 on ongoing cases, due to the revenues Aena has failed to receive, would be clearly justified.

As a result of the foregoing and with respect to the litigation in progress, Aena is requesting that the judicial body, prior to issuing a ruling on the matter under discussion, raise a question of unconstitutionality under Art. 35 Organic Law of the Constitutional Court. Up to 31 December 2021, the issue of unconstitutionality has been raised in 26 proceedings.

If the judicial body agrees to the request, it will suspend the ruling on the proceeding and will raise a question of unconstitutionality to the Constitutional Court. Once a question of unconstitutionality has been raised in any of the pending judicial proceedings, it would be reasonable for the rest of the courts and tribunals to raise new issues or for the issues not to be ruled upon until the Constitutional Court has decided on the constitutionality of the law.

Of the five sentences referred to above, the only one issued after the entry into force of DF7 is the Judgment dated 19 November 2021 of the Court of First Instance No. 21 of Palma de Mallorca, referring to the claim filed by CRYSTAL TRAVEL RETAIL. This Judgment already applies DF7 as its understands there is no longer a need to issue a ruling as to whether there has been a change of circumstances in the contract that could lead to the demand being accepted in order to rebalance the economic conditions of the contract. Thus, Aena must accommodate its actions to the provisions of said DF7 and the lessee may not claim more measures and modifications to the agreement than those agreed by said regulation.

In any case, it should be noted that any judgments accepting the claims filed by the lessees only entail lower revenue for Aena.

Contingent assets

a) Appeals against the CNMC Resolutions of 11 December 2019.

On 7 February 2020, Aena filed two administrative contentious appeals against two CNMC Decisions. Both Decisions are dated 11 December 2019.

1. PO 121/2020: This appeal was filed against the Supervision Resolution of the airport charges applicable by Aena S.M.E., S.A. in fiscal year 2019. The purpose of this Decision is to oversee the transparency and consultation procedure in relation to the updating of airport charges for 2019. Aena's resources are focused on the calculation of the K parameter of the IMAAJ—and, in particular, the determination of the traffic estimate or Qt—and on the competition that has been impugned by the CNMC to determine a different traffic estimate or forecast, and based on its own sources, which appears in the DORA.

   On 10 November 2020, Aena filed the claim.

   This procedure is currently pending voting and ruling.

2. PO 119/2020: This appeal was filed against the Decision of the accumulated disputes presented by ALA, IATA, ACETA and Norwegian entity against the Resolution of the Board of Directors of Aena S.M.E., S.A. dated 30 July 2019 in which the airport charges for the fiscal year 2019 are set. The purpose of the appeal is similar to that arising from the contesting of the Oversight Decision, that is, contesting the scope of the CNMC's jurisdiction. Aena considers that the Commission, on the occasion of this Decision, is crossing the line by applying different traffic estimates, without prejudice to the result being the same: the modification of the charge update established by Aena.

   On 12 January 2021, the Attorney General's Office filed the reply to the claim.

   This procedure is currently pending voting and ruling, which has been set for 16 February 2022.

29. Subsequent events

From 31 December to the date the Annual Accounts were prepared, the following relevant events have occurred:

- Ruling of 13 January 2022 of the Provincial Court of Palma de Mallorca, issued in the case pertaining to injunctive relief requested by a plaintiff which has ruled on our request to raise the issue of unconstitutionality of DF7. The Provincial Court considers that an injunctive relief procedure is not the correct procedure for raising this issue, as it may be done in an ordinary procedure.
- Several resolutions of Courts of [First] Instance (26 January 2022, of Court of 1st Instance No. 4 of Arrecife, and dated 1 February 2022 of Court of 1st Instance No. 3 of Elche and Decree of 26 January 2022, issued by the Court of 1st Instance No. 3 of Malaga), agree to the dismissal of the proceedings due to supervening loss of the subject matter in dispute. The plaintiff filed a document declaring its main claim satisfied and lacking a subject matter after the entry into force of DF7. Aena objected and raised the issue of unconstitutionality. By means of these proceedings, the Courts have agreed to dismiss on the understanding that an event subsequent to the litigation has satisfied the plaintiff's claims. Our request to raise the issue of unconstitutionality considers that, in the face of a supervening loss of the subject matter in dispute, DF7 would not be directly applicable to the case.
- Since 31 December 2021, 11 new requests have been submitted, raising unconstitutionality.
- On 10 February 2022, the Company and its affiliate, Sociedad Concesionaria de la Región de Murcia, S.A.U., signed a credit line agreement for the amount of €12 million and an equity loan for the amount of €3 million.
- In relation to the agreement to formalize the Air Navigation Services contract at Aena Airports, awarded to ENAIRE in the month of December for an amount of €601.2 million and a term of five years, dated 12 January 2022, Aena received notification of the claim filed by SAERCO and FERRONATS before the Central Administrative Court for Contractual Appeals (Tribunal Administrativo Central de Recursos Contractuales, TACRC).

On 27 January 2022, the TACRC lifted the suspension of the contracting file and that Court has not issued a ruling on the indicated claims. These claims pertaining to contracting matters are not judicial, but rather administrative, and an administrative litigation appeal may be filed against the resolution before the National Court.

- On 17 February 2022, the National Commission on Markets and Competition (CNMC) issued its Resolution on the supervision of Aena's airport charges for 2022. According to the aforementioned Resolution, charges approved by Aena's Board of Directors are applicable, which implies a IMAAJ of €9.95 per passenger and a rate variation of -3.17% compared to 2021 IMAAJ. On 3 February 2022, the CNMC notified Aena of the initiation of a dispute procedure regarding the modification of the 2022 airport charges, requested by IATA Spain and Ryanair, which does not affect their application as of 1 March. The Company considers that the rates approved and supervised by the CNMC will not be modified.

Management Report
Aena S.M.E., S.A.
2021

1. Key highlights

The effects of the situation caused by the spread of the SARS-CoV-2 virus (hereinafter COVID-19) have continued to affect the aviation sector during the year 2021. The aeronautical industry and Aena S.M.E., S.A. airports continue to suffer from the reduction in operations and passenger traffic compared to pre-pandemic levels.

The progress in the vaccination campaigns, the evolution of the epidemiological situation and the relaxation of travel restrictions allowed the behaviour of demand and the flights offered by airlines to improve as of May and during the summer months. The emergence of the Omicron variant has led many countries to resume or intensify restrictions and entry controls since the end of November. These measures continue to impact air mobility and the Spanish airport network has seen a slowdown in the rate of recovery that was taking place in recent months.

The number of passengers in the Spanish airport network reached 119.7 million, which represents a year-on-year increase of 57.8% and a recovery of 43.7% of the 2019 volume.

Despite the improvement experienced in demand and flight offers from airlines, the time and intensity with which traffic recovery will occur continue to depend on the evolution of the epidemiological situation and the flexibility of the restrictions imposed in different countries.

Revenue stands at €2,196.0 million, which represents a year-on-year increase of 4.3% and €90.6 million.

Revenue from aeronautical activity amounted to €1,283.4 million (a year-on-year increase of 37.2%) and commercial revenue stood at €781.5 million (a year-on-year decrease of 24.1%).

In July, activity was restored at all terminals in order to adapt infrastructures to demand and allow for a greater operating capacity. In the commercial field, in the third quarter, stores were able to open their doors to the public again, accompanied with progressive activity, although all business lines are still affected by the reduction of traffic at the network's airports.

Act 13/2021 entered into force on 3 October 2021. In its seventh final provision (hereinafter DF7), this regulation modifies the lease agreements or assignment of business premises for food and beverage or retail trade activities that were in force on 14 March 2020 or previously tendered, under the following terms:

- The MAG established in the contracts corresponding to the period between 15 March and 20 June 2020, both inclusive, will be abolished and will not be enforceable by Aena.
- As of 21 June 2020, the MAG established in the contracts will be automatically reduced in direct proportion to the lower volume of passengers at the airport where the premises is located, with respect to the volume of passengers at that same airport in 2019, and Aena will not enforce the payment of a MAG for a higher amount. This reduction of the MAG will be applicable in 2020, as well as in all subsequent years until the annual volume of passengers at the airport is equal to that of 2019.
- The modification will not affect Aena's right to demand the payment of the variable income established in the contracts based on the revenue derived from sales in the various premises.

As a result of this regulation, the MAG established in the commercial lease agreements for duty-free, specialty shops, and food and beverage activities formalised between Aena and its commercial operators, accrued from 15 March 2020 to 3 October 2021, have been modified. The total amount of the reduction corresponding to the MAG modifications affected by DF7 amounts to €727 million.

In addition, as a result of the health crisis caused by COVID-19, Aena has agreed to amendments with the operators of car rental, advertising and other commercial activities to reduce the lease payments accrued since the beginning of the pandemic. The reduction of these rents amounts to €68 million.

With respect to the accounting treatment of the affected contracts, the amount of these discounts in rents has been recorded in the statement of financial position in accrual accounts and is applied linearly to profit/loss as reduced commercial revenue during the remaining term of each contract from the effective date of the modification: on 3 October 2021 in the case of MAG affected by the entry into force of DF7 or the effective date of the contractual novation in the case of revenue not affected by said regulation.

The total amount of discounts for MAG modifications and accrued rents amounts to €795 million.

As a result of the accounting criterion applied, the expected impact on the Company's results is as follows:

- In fiscal year 2021, reduced revenue in the amount of €168 million was recorded.
- In fiscal year 2022, commercial revenue will be reduced by €322 million.
- In fiscal year 2023, the amount of the reduced revenue is estimated at €224 million.
- In fiscal years 2024, 2025, 2026, 2027 and 2028, reduced commercial revenue in the amount of €35 million, €26 million, €14 million, €5 million and €1 million, will be recorded, respectively.

To date, the estimated total reduction in rent over the life of these contracts is estimated at €1,300 million. This amount is subject to the evolution of traffic.

Operating expenses (supplies, staff costs and other operating expenses) amounted to €1,363.3 million, a year-on-year increase of 11.0% (€135.0 million). This variation reflects the effect of cost reduction measures that have been implemented in 2020 and the adapting of services in 2021 to the activity and operational levels of terminals and airport spaces, as well as the increase in the price of electricity at the network's airports, which has resulted in a year-on-year increase of €70.7 million to this cost.

As a result of the health and operational measures implemented by Aena, the Company incurred €113.6 million in expenses (€52.7 million in 2020), which are recorded under 'Impairment and net gain or loss on disposals of fixed assets' in the Income Statement. The Royal Decree-Law 21/2020, of 9 June, states that under the framework of DORA, Aena will have the right to recover the costs it incurs as a consequence of collaborating with the health authorities and of the remaining operational safety and hygiene measures that must be adopted in response to the COVID-19 pandemic.

Profit before tax reflects a loss of €70.9 million (€12.0 million in 2020).

The fiscal year ended with a negative net result of €20.0 million (€5.3 million in 2020).

With regard to net cash from operating activities, in 2021 €252.2 million was generated, which represents a year-on-year increase of €87.9 million.

In terms of financial position, the ratio of Aena S.M.E., S.A.'s accounted net financial debt to EBITDA has increased to 10.0x (8.1x as of 31 December 2020).

Aena has taken out loans for an outstanding amount at 31 December 2021 totalling €5,258.0 million, which include the obligation to meet the following financial ratios:

- Net Financial Debt/EBITDA must be less than or equal to 7.0x.
- EBITDA/Finance Expenses must be higher than or equal to 3.0x.

These ratios are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months, and the net financial debt at the end of the period.

As a result of the exceptional situation caused by COVID-19 and its impact on EBITDA, as of 31 December 2021, the maximum ratio of 7.0x Net Financial Debt/EBITDA has not been met. On 23 December 2021, Aena obtained extensions of all temporary exemptions for compliance with financial ratios until 30 June 2023 from all banking institutions.

On 6 October, the agency Fitch Ratings lowered the long-term credit rating of Aena S.M.E., S.A. to 'A-' from 'A', maintaining the negative outlook. It has also lowered the short-term rating from 'F1' to 'F2'. The long-term credit rating from the agency Moody's, updated on 25 March, remained at 'A3' with a negative outlook.

In relation to the investment programme, the amount paid during the period amounted to €653.6 million (€489.8 million in the same period in 2020). The investment made in 2021 amounted to €773.2 million. This amount is due to the investments being made in 2021 which it was not possible to make in 2020 as a result of the pandemic.

The effects arising from COVID-19 have been reflected in the performance of Aena's share price. During the period, it has fluctuated between a minimum of €126.90 and a maximum of €151.25. It closed the period at €138.80, which represents a fall in share price of 2.4% from 31 December 2020. In the same period, the IBEX 35 had an accumulated revaluation of 7.9%.

In relation to the Airport Regulation Document for the period 2017–2021 (DORA I), on 1 March, the 2021 airport charges came into effect. These charges are based on freezing the Adjusted Annual Maximum Revenue per Passenger (IMAAJ) for 2021 at the IMAAJ set in 2020, established at €10.27 per passenger, which means a 0% charge variation.

With regard to the Airport Regulation Document for the years 2022–2026 (DORA II), on 28 September, the Council of Ministers approved the regulatory framework applicable to Aena's airport management for the next five years. DORA II establishes an annual 0% variation in the Annual Maximum Revenue per Passenger (IMAP) for 2021. The Company highlights the following aspects included in DORA II:

- The total recognised investment for the period amounts to €2,250 million, with the average annual investment level during the period being €450 million. Aena considers that these investments will contribute to achieving the appropriate level of quality in the provision of airport services, especially in terms of sustainability and digitalisation.
- Calculation of the IMAAJ: On page 60 of the document, the following is specified: *"When determining the IMAAJ and its limits for each year, it will be taken into account that the adjustments applicable in previous fiscal years do not prevent, where applicable, the possibility of achieving the IMAP set forth in DORA 2022-2026, in accordance with the framework established in Act 18/2014."*
- Recovery of COVID-19 expenses: Page 60 of the document states that: *"In the determination of the annual IMAAJ, pursuant to the provisions of the First Additional Provision of Act 2/2021, of 29 March, on urgent prevention, containment and coordination measures to address the health crisis caused by COVID-19, the National Commission on Markets and Competition* (hereinafter COVID-19*) must conduct an analysis and supervision of the costs incurred for this concept in previous fiscal years and determine, if no agreement is reached between Aena and the representative user associations, the modality*

of its recovery within the framework of the supervision function of the annual consultation procedure and adjustment, to the IMAAJ, of Aena's airport charges referred to in section 2 of Article 10 of its Act of Incorporation."

- Environmental standards: The field of sustainability is regarded as a strategic axis of the Company and has now been reflected in the DORA 2022–2026 through environmental standards. In this regard, this document sets the conditions for the sustainable development of the Aena airport network by establishing environmental standards that are articulated through six indicators: Absolute emissions of CO_2, energy efficiency, carbon neutrality, water consumed, noise levels and non-hazardous waste recovered.
- Commercial incentives with environmental criteria: In this regard, page 61 of the DORA 2022-2026 document establishes the following: *"Likewise, as part of its sustainability strategy, Aena will be able to establish commercial incentives aimed at improving environmental sustainability at the network's airports."*

It is important to note that on 8 March 2021, Aena requested from the General Directorate of Civil Aviation to modify the DORA 2017-2021 in order to recognise the economic imbalance situation contepleted in that regulation, considering the concurrence of the exceptional circumstances referred to in the Article 27 of Act 18/2014, of 15 October. The COVID-19 pandemic is an exceptional and unpredictable event and has caused a reduction of more than 10% in air traffic, as established in the aforementioned article.

At this request, the General Directorate of Civil Aviation has agreed in its Resolution of 16 December 2021 not to initiate the procedure due to not appreciating the concurrence of all exceptional circumstances referred to in article 27 and not having observed elements in the DORA from which the requested compensation could derive. Therefore, on 21 January 2022, Aena filed an administrative appeal with the Directorate General of Civil Aviation, without prejudice to the exercise of other actions it might be entitled to in the defence of its corporate interest.

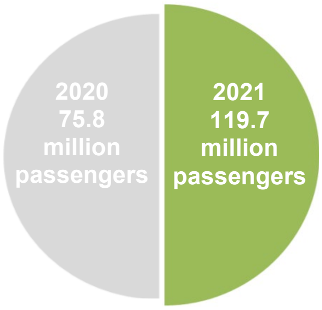
On 17 February 2022, the CNMC issued its Resolution on the supervision of Aena's airport charges for 2022. According to the aforementioned Resolution, charges approved by Aena´s Board of Directors are applicable, which implies an IMAAJ of €9.95 per passenger and a rate variation of -3.17% compared to 2021 IMAAJ. On 3 February 2022, the CNMC notified Aena of the initiation of a dispute procedure regarding the modification of the 2022 airport charges, requested by IATA Spain and Ryanair, which does not affect their application as of 1 March. The Company believes the charges approved and supervised by the CNMC will not be modified.

Finally, Aena's Shareholders' Meeting, held on 27 April, approved the Climate Action Plan 2021-2030. The Plan was submitted for the first time to an advisory vote after being permanently included as an independent point on the agenda at annual meetings. Thus, Aena has become the first Spanish company, and one of the first in the world, to render accounts to its shareholders every year on its performance in climate action. The Plan is composed of three strategic programmes:

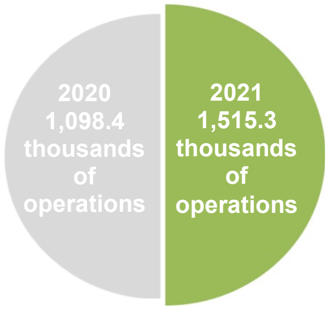
- carbon neutrality, which lays the groundwork for achieving 0 net emissions (Net Zero Carbon) by 2040,
- sustainable aviation, which focuses on Aena's role as a driver of other agents in the aviation sector to accelerate its decarbonisation, and
- the community and the sustainable value chain to improve the sustainability of the environment, through collaboration with suppliers, lessees, transportation agents and the community.

2. Activity figures

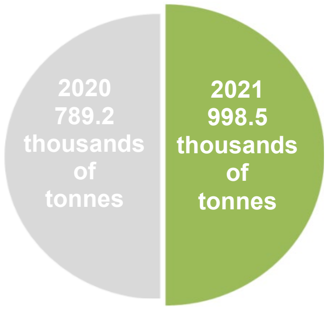
The number of passengers reached 119.7 million in 2021, a figure that represents a recovery of 43.7% of the 2019 volume.



+57.8%
Passengers 2021



+38.0%
Aircraft 2021



+26.5%
Cargo 2021

The passenger traffic figures have been improving month by month as vaccination campaigns progressed in both Spain and the surrounding countries. The evolution of the epidemiological situation and the relaxation of travel restrictions have allowed the behaviour of demand and the flights offered by airlines as of May and during the summer months to improve. The emergence of the Omicron variant has led many countries to resume or intensify restrictions and entry controls since the end of November, impacting air mobility.

Until May, 17.7% of 2019 traffic had been recovered, and from June to September, this figure was 51.9%. In the last quarter, the recovery reached 70.9% of the pre-pandemic volume, reaching 73.3% in the month of November. In the month of December, there was a slowdown in the rate of recovery that had been taking place over the last few months.

Domestic traffic has shown the greatest recovery. Of the total number of passengers recorded in 2021, 52.3 million were domestic passengers, representing 60.8% of 2019 domestic traffic and a share of 43.7% (31.3% in 2019).

International passenger traffic has recorded 67.4 million and a recovery of 35.8% compared to 2019. Its share has dropped to 56.3% (68.7% in 2019).

With regard to aircraft operations, 64.4% of pre-pandemic operations has been recovered in 2021. In spite of how difficult the year has been, Spain has completed 2021 with the highest number of operations in Europe, and Adolfo Suárez Madrid-Barajas Airport, Barcelona-El Prat Josep Tarradellas Airport and Palma de Mallorca Airport have ranked 4th, 6th and 9th in the continent[1].

Cargo volume has continued to evolve positively and the year has ended with a recovery of 93.4%.

The evolution of traffic for the period, classified by airport and airport group, is detailed below:

Airports and Airport Groups	Passengers			Aircraft			Cargo		
	Millions	Variation[(1)] YoY	Share	Thousands	Variation[(1)] YoY	Share	Tonnes	Variation[(1)] YoY	Share
Adolfo Suárez Madrid-Barajas Airport	24.1	41.0%	20.2%	217.5	31.2%	14.4%	523,396	30.0%	52.4%
Barcelona-El Prat Josep Tarradellas Airport	18.9	48.2%	15.8%	163.7	33.5%	10.8%	136,107	18.9%	13.6%
Palma de Mallorca Airport	14.5	137.3%	12.1%	141.2	83.7%	9.3%	6,755	0.3%	0.7%
Total Canary Islands Group	23.0	35.5%	19.2%	274.2	25.8%	18.1%	29,667	15.7%	3.0%
Total Group I	32.3	72.3%	27.0%	364.9	49.2%	24.0%	29,820	4.0%	3.0%
Total Group II	5.8	65.3%	4.9%	135.7	23.7%	9.0%	200,188	36.4%	20.0%
Total Group III	1.1	63.4%	0.9%	218.1	35.5%	14.4%	72,537	12.7%	7.3%
TOTAL	**119.7**	**57.8%**	**100.0%**	**1,515.3**	**38.0%**	**100.0%**	**998,471**	**26.5%**	**100.0%**

Traffic data pending final closure, not subject to significant variations.
(1) Percentage variation calculated in passengers, aircraft and kg.

[1] Excluding Russia and Turkey.

By geographical areas, domestic traffic has performed best:

Region	Passengers (millions) 2021	% Variation year-on-year	Share
Europe[1]	59.8	64.2%	49.9%
Spain	52.3	54.0%	43.7%
Latin America	3.3	38.6%	2.7%
North America[2]	1.7	56.9%	1.5%
Africa	1.7	58.9%	1.4%
Middle East	0.9	15.2%	0.7%
Asia and Others	0.1	-69.8%	0.1%
TOTAL	**119.7**	**57.8%**	**100.0%**

(1) Excludes Spain.

(2) Includes USA, Canada and Mexico.

Traffic data by country is shown below:

Country	Passengers (millions)		Year-on-year variation		Share	
	2021	2020	%	Passengers	2021	2020
Spain	52.3	33.9	54.0%	18.3	43.7%	44.7%
Germany	12.6	6.6	89.4%	5.9	10.5%	8.7%
United Kingdom	9.7	8.1	19.9%	1.6	8.1%	10.7%
France	6.7	3.8	73.7%	2.8	5.6%	5.1%
Italy	6.0	3.4	76.3%	2.6	5.0%	4.5%
Netherlands	4.6	2.4	89.5%	2.2	3.9%	3.2%
Switzerland	3.1	1.5	109.8%	1.6	2.6%	2.0%
Belgium	3.0	1.8	68.1%	1.2	2.5%	2.4%
Portugal	1.9	1.4	33.3%	0.5	1.6%	1.9%
Denmark	1.5	0.7	109.5%	0.8	1.3%	0.9%
Sweden	1.4	0.9	47.4%	0.4	1.1%	1.2%
Ireland	1.3	0.8	71.0%	0.6	1.1%	1.0%
Poland	1.3	0.6	106.3%	0.7	1.1%	0.8%
Morocco	1.3	0.7	85.8%	0.6	1.1%	0.9%
United States	1.0	0.7	42.8%	0.3	0.8%	0.9%
Total Top 15	107.7	67.5	59.5%	40.2	90.0%	89.0%
Other countries	12.0	8.3	44.1%	3.7	10.0%	11.0%
Total Passengers	119.7	75.8	57.8%	43.8	100.0%	100.0%

With regard to pre-pandemic levels, the recovery of the British market has been very low, at 22.1%. Other equally relevant markets, such as Germany, France and Italy, have recorded recovery levels of 43.1%, 47.4% and 36.7%, respectively.

In terms of the distribution of passenger traffic by airline:

Airline	Passengers (millions)		Year-on-year variation		Share	
	2021	2020	%	Passengers	2021	2020
Ryanair[(1)]	23.3	13.5	73.0	9.8	19.5	17.8
Vueling	22.3	12.8	73.9	9.5	18.6	16.9
Iberia	9.8	6.2	57.3	3.6	8.2	8.2
Air Europa	7.6	6.5	17.9	1.2	6.4	8.5
Binter Group [(2)]	6.2	4.5	37.6	1.7	5.2	5.9
Iberia Express	5.9	3.9	51.8	2.0	4.9	5.1
Air Nostrum	5.0	3.2	53.9	1.8	4.2	4.3
Easyjet [(3)])	4.8	3.6	35.4	1.3	4.1	4.7
Eurowings [(4)]	2.9	1.1	154.3	1.8	2.4	1.5
Lufthansa	2.4	1.1	104.8	1.2	2.0	1.5
Transavia	1.9	1.0	88.7	0.9	1.6	1.3
Jet2.Com	1.9	1.2	53.4	0.7	1.6	1.6
Wizz Air [(5)]	1.6	0.9	71.7	0.7	1.4	1.3
Volotea	1.6	0.9	90.1	0.8	1.4	1.1
Tuifly [(6)]	1.4	0.8	74.7	0.6	1.2	1.1
Total Top 15	98.6	61.3	60.8	37.3	82.4	80.8
Other airlines	21.1	14.6	44.9	6.5	17.6	19.2
Total passengers	119.7	75.8	57.8	43.8	100.0	100.0
Total low-cost passengers [(7)]	69.4	42.2	64.5	27.2	58.0	55.6

[(1)] Including Ryanair Ltd., Ryanair Sun, S.A. and Ryanair UK Limited.
[(2)] Including Binter Canarias, Naysa and Canarias Airlines.
[(3)] Including Easyjet Switzerland, S.A., Easyjet Airline Co. LTD. and Easyjet Europe Airline GMBH.
[(4)] Includes Eurowings AG, Nurnberg; Germanwings Gmbh and EW Discover GMBH.
[(5)] Including Wizz Air Hungary, Wizz Air Ukraine, Wizz Air UK LTD. and Wizz Air Bulgaria.
[(6)] Includes Hapag-Lloyd Executive, Tuifly Gmbh, Hapag Lloyd Express Gmbh, Tuifly Gmbh, Langenhagen.
[(7)] Including low-cost airline traffic on regular flights.

The IAG Group[2] has reached a recovery of 49.7% compared to 2019 and has accumulated a passenger share of 32.8%. The Binter Group, which operates domestic flights, has recovered 80.1% of passenger volume in 2019.

Ryanair, Air Europa and easyJet have recovered 47.2%, 40.1% and 27.6%, respectively, of the number of passengers recorded in 2019.

Aeronautical commercial incentive

In order to contribute to the reactivation of air traffic in Spain, Aena offers incentives that encourage airlines to schedule operations regardless of the number of passengers transported.

In summer 2021, between 1 April and 31 October, Aena offered a new incentive scheme for the recovery of operations upon exceeding certain thresholds. In the first three months of the season, the recovery threshold was set at 30% and for the last four months, it was set at 45%. All operations carried out based on these percentages have been incentivised in the same percentage of their recovery, regardless of the number of passengers carried. The incentive involved a discount on the average monthly landing rate.

For the winter 2021 season, between 1 November 2021 and 31 March 2022, Aena is offering an incentive for the recovery of operations when the recovery threshold of 75% is exceeded monthly with respect to the 2019 winter season. All operations above this percentage will be provided with landing fee incentives in the same percentage as their recovery. The incentive means that airlines will receive a reimbursement on their average monthly landing fee for all operations above the set level, regardless of the number of passengers carried.

On 30 November 2021, Aena's Board of Directors approved a specific incentive for La Palma Airport, whose traffic has been severely affected by the volcanic eruption. This incentive aims to promote the reactivation of traffic on the island starting in January 2022 and will be compatible with the general traffic recovery incentive during the winter season. The incentive consists of a 100% refund of the passenger fare on all flights that take place from 1 January 2022 to 31 December 2022 which originate at La Palma Airport and whose destination is in the Spanish mainland, the Balearic Islands or an international destination.

For the summer season 2022, between 1 April and 31 October, Aena will offer a new incentive scheme on the passenger traffic recovery when airlines exceed, in the season, a threshold with respect to the seat capacity scheduled on 31 January 2022. The threshold set by routes is the following:

[2] Iberia, Iberia Express, Vueling, British Airways, British Airways City Flyer LTD, Aer Lingus and Anisec.

- Short haul and Latam: when airlines operate at least 85% of the seat capacity scheduled on 31 January 2022, they will obtain a 50% discount on the average passenger charge for all the passengers that exceed a load factor threshold of 80%.
- Long haul (excluding Latam): when airlines operate at least 50% of the seat capacity scheduled on 31 January 2022, they will obtain a 100% discount on the average passenger charge for all the passengers that exceed a load factor threshold of 70%.

3. Business lines

3.1 Airports Segment

3.1.1 Aeronautical

Airport Regulation Document 2017–2021 (DORA I)

Regulated Asset Base

The regulated asset base at the close of 2021 stood at €9,898 million.[3]

2021 airport charges

On 1 March 2021, the 2021 airport charges came into force. These charges are based on freezing the adjusted annual maximum revenue per passenger (IMAAJ) for 2021 at the IMAAJ of 2020, setting the annual maximum revenue per passenger (IMAP) at €10.27 per passenger, which is a 0% charge variation.

Request for modification of DORA 2017-2021

On 8 March 2021, Aena requested the General Directorate of Civil Aviation of the Ministry of Transport, Mobility and Urban Agenda the modification of DORA 2017-2021, when considering the concurrence of the requirements provided for in article 27 of Act 18/2014, of 15 October, to recognise the economic imbalance provided for in that standard, since the COVID-19 pandemic is an exceptional and unpredictable event and has caused a reduction of more than 10% in air traffic, as established in the aforementioned article.

At this request, the General Directorate of Civil Aviation has agreed in its Resolution of 16 December 2021, not to initiate the procedure, due to not appreciating the concurrence of all exceptional circumstances referred to in article 27 and not having observed elements in the DORA from which the requested compensation could derive.

However, Aena considers that all the requirements provided for in the aforementioned article 27 for the modification of the DORA and the granting of the economic rebalancing provided for in said regulation are present and, therefore, on 21 January 2022, it has raised the appropriate administrative appeal before the General Secretariat of Transportation and Mobility, without prejudice to the exercise of other actions that may correspond in defence of its corporate interest.

This amendment request is also in line with the measures adopted by the regulators of various European countries in which the economic imbalance suffered by airport managers in connection with this health crisis has been recognised.

Airport Regulation Document 2022–2026 (DORA II)

On 28 September, the Council of Ministers approved the regulatory framework applicable to Aena's airport management for the next five years. DORA II establishes an annual 0% variation in the Annual Maximum Revenue per Passenger (IMAP) for 2021.

It also promotes sustainability and guarantees an adequate level of investment to maintain and increase the quality of the airport infrastructures managed by the Company.

Noteworthy aspects of DORA II are mentioned in section 1 (Key highlights).

2022 airport charges

As established by law (Act 18/2014 and Directive 2009/12/EC on airport charges), and in order to update airport charges for 2022, the first meeting of the consultation process was held in the months from January to November 2021, between Aena and the airline company associations that use the airports.

In the course of this consultation process Aena has provided users and the CNMC, which performs the functions of Independent Supervisory Authority, with the information required by the legislation and a proposal of charges which meets the requirements given in the Airport Regulation Document (DORA) and in Act 18/2014.

The users called upon by Aena to take part in the consultative process belong to the following associations and airline companies:

[3] Temporary end data

- IATA: International Air Transport Association
- A4E: Airlines for Europe
- AIRE: Airlines International Representation in Europe
- ALA: Asociación de Líneas Aéreas
- AECA: Asociación Española de Compañías Aéreas (Spanish Airline Association)
- AOC España: Comité de Operadores de Líneas Aéreas (Committee of Airline Operators)
- RACE: Real Aeroclub de España (Royal Aero-Club of Spain)
- RFAE: Real Federación Aeronáutica Española (Spanish Royal Aeronautical Federation)
- AOPA: Aircraft Owners and Pilots Association
- ASEATA (Asociación de Empresas de Servicios de Asistencia en Tierra en Aeropuertos)
- Ryanair
- Norwegian
- Jet2.com
- EasyJet
- Vueling
- IAG
- Condor
- Wamos Air

Likewise, the CNMC, the General Directorate of Civil Aviation (DGAC) and the Spanish Aviation Safety and Security Agency (AESA), attended the meetings as observers to the process.

The last meeting on the consultation process for updating charges for 2022 was held on 25 November 2021. The process ended on 21 December 2021, with the approval by the Board of Directors of Aena of the charges corresponding to the year 2022, which will enter into force on 1 March 2022. These charges are based on the variance of -3.17% of the 2022 IMAAJ with respect to the 2021 IMAAJ, being established at €9.95 per passenger. This act was reported to the CNMC, user associations and the General Directorate of Civil Aviation on 30 December 2021.

The variance of -3.17% of the 2022 IMAAJ compared to 2021 IMAAJ, set at €9.95 per passenger, is a consequence of the adjustments that the DORA establishes in relation to the incentive for the performance of quality levels, the traffic structure corresponding to the end of 2020, the effect of the P index (calculated in accordance with the methodology established in RD 162/2019 of 22 March and established in CNMC Resolution of 30 November 2021) as well as the recovery of the COVID-19 costs incurred by Aena, as established in Act 2/2021 of 29 March, in the period between January 2020 and September 2021.

On 17 February 2022, the CNMC issued its Resolution on the supervision of Aena's airport charges for 2022. According to the aforementioned Resolution, charges approved by Aena´s Board of Directors are applicable, which implies an IMAAJ of €9.95 per passenger and a rate variation of -3.17% compared to 2021 IMAAJ.

On 3 February 2022, the CNMC notified Aena of the initiation of a dispute procedure regarding the modification of the 2022 airport charges, requested by IATA Spain and Ryanair, which does not affect their application as of 1 March. The Company believes that this procedure will not change the charges approved by Aena and already supervised by the Commission.

Aeronautical activity

In terms of the development of aeronautical services at network airports, it should be noted that in order to adapt infrastructures to demand and allow for greater operating capacity, activity was restored at all terminals in July. Along with this reopening, Aena remains committed to continuing to offer a safe airport model that meets all health recommendations and adapts to the needs that arise.

During the last quarter of the year, the eruption of the Cumbre Vieja volcano on the island of La Palma has required specific actions in order to minimise the operational impact of this event and ensure air operation with the appropriate level of operational security. The airport has maintained its operations and connectivity during 90% of the volcano's period of activity.

In the scope of the Strategic Cleaning Plan (PEL [Plan Estratégico de Limpieza]), new tenders have been invited and awarded during 2021 with the purpose of guaranteeing the cleaning and hygiene standards in line with the current exceptional health circumstances. The Plan complies with health authorities' recommendations, reinforcing the trust and safety of passengers and employees.

- In July, the new baggage trolley cleaning and management service for Bilbao Airport, Seve Ballesteros-Santander Airport, Asturias Airport and Zaragoza Airport was awarded to the company SIRSA (Servicios Industriales Reunidos S.A.) for a period of two years with a possible annual extension. The service began in October 2021 and has represented an increase of 36.5% compared to the previous contract.
- In October, the new service was awarded for Palma de Mallorca Airport, Málaga-Costa del Sol Airport, Alicante-Elche Airport, Almería Airport and Jerez Airport for a period of two years with a possible additional annual extension. The total amount of the award is €30.7 million, which represents an increase of 11.2% compared to the previous file, mainly as a result of the inclusion of cleaning and disinfection measures arising from the pandemic caused by COVID-19. The new service began at the end of December at Alicante-Elche Airport, Almería Airport and Jerez Airport.
- In October, the new tender was invited for Tenerife Sur Airport, Tenerife Norte-Ciudad de La Laguna Airport, La Palma Airport, Gran Canaria Airport and César Manrique-Lanzarote Airport for an execution period of two years with a possible additional annual extension. The file is pending award and is expected to begin at the beginning of March 2022. The total amount of the bid is €20.7 million, which represents an increase of 24.8%.

With regard to assistance for persons with reduced mobility (PRM), in 2021, the service has been awarded to 12 airports for a period of four years, extendable for one additional year. The total amount of the award to the temporary joint venture (UTE) formed by the companies Multiservicios Aeroportuarios, S.A. and Sagital, S.A., amounts to €202.7 million.

In the field of ground handling services, the final version of the bidding specifications for the selection of the ramp agents that will provide this service during the period 2022–2029 is being defined as the current licences end between September and December 2022.

In the area of maintenance, and with regard to digitisation, it is relevant to mention the implementation process for the new version of the MAXIMO® tool that allows the use of the specific AMMA application. In 2021, the new version of MAXIMO® has been launched at 23 of the 24 airports in Groups I, II and the Canary Islands, providing 90 maintenance services.

In security, during the fourth quarter, coordination activities have continued with the Secretary of State for Security and the National Police regarding the future deployment of the EU Entry/Exit System that will enter into force in May 2022.

With regard to security equipment, Aena continues to implement Standard 3 EDS (explosives detection systems) equipment to comply with regulatory requirements. During the third quarter of 2021, they were implemented at A Coruña Airport and Zaragoza Airport.

With regard to the provision of airfield traffic services, the provider Saerco has taken over the control service at Sevilla Airport, Vigo Airport, Madrid-Cuatro Vientos Airport, A Coruña Airport and Jerez Airport.

In operational systems, work has continued on integrating network airports into the ‘A-CDM’ (Airport-Collaborative Decision Making) and Advanced Tower programmes, under the auspices of Eurocontrol.

Revenue breakdown

Thousands of euros	2021	2020	Variation	% Variation
Airport charges(1)	**1,232,864**	**899,269**	**333,595**	**37.1%**
Landing/air transit service/meteorological service	340,294	263,139	77,155	29.3%
Parking facilities	61,152	70,504	-9,352	-13.3%
Passengers	512,052	349,985	162,067	46.3%
Boarding airbridges	59,247	45,199	14,048	31.1%
Security	179,346	115,030	64,316	55.9%
Handling charges	59,715	40,555	19,160	47.2%
Fuel	15,842	11,360	4,482	39.5%
Catering	5,216	3,497	1,719	49.2%
Other airport services(2)	**50,531**	**36,491**	**14,040**	**38.5%**
Revenue from airport services	**1,283,395**	**935,760**	**347,635**	**37.2%**

(1) The revenue from passenger charges, landing charges and security fees include commercial incentives: -€58.8 million in 2021 (-€11.5 million in 2020).
(2) Includes: Check-in counters, use of 400 Hz airbridges, fire service, luggage lockers and other revenue.

Airport service revenue shows improved passenger traffic and the airlines’ flight offers as of May.

The commercial incentives have led to a lower revenue of €58.8 million. This includes the accrual of discounts to stimulate airline operational scheduling and the regularisation of provisions from previous years (€0.5 million). In the same period of 2020, the effect of incentives implied a lower revenue of €11.5 million. This amount included the accrual of the commercial incentive for the recovery of operations (€20.4 million), the incentive provisioned in January and February for the winter season (€3.4 million), the regularisation of provisions from previous years (€1.8 million) and the adjustment of the provision for incentives for growth, because, as a result of the drastic decrease in passenger traffic, many airlines no longer meet the necessary requirements to accrue these incentives (€10.5 million).

Rebates for connecting passengers have amounted to €30.4 million, compared with €21.6 million in 2020.

As a result of the health and operational measures implemented by Aena, the Company incurred €113.6 million in expenses (€52.7 million in 2020).

3.1.2 Commercial activity

The following table shows the revenue from the lines of commercial activity:

Thousands of euros	2021	2020	Variation	% Variation
Duty-free shops	255,674	382,888	-127,214	-33.2%
Specialty shops	-5,155	104,340	-109,495	-104.9%
Food and beverage	175,962	224,894	-48,932	-21.8%
Car rental	106,103	100,493	5,610	5.6%
Car parks	76,036	50,684	25,352	50.0%
VIP Services (1)	29,744	20,570	9,174	44.6%
Advertising	21,777	20,975	802	3.8%
Leases	28,067	33,699	-5,632	-16.7%
Other commercial revenue (2)	93,318	91,637	1,681	1.8%
Commercial services revenue	**781,526**	**1,030,180**	**-248,654**	**-24.1%**

(1) Includes commercial operations (banking services, vending machines, telecommunications, baggage wrapping machines, etc.), commercial supplies, use of lounges and filming and recordings.
(2) Includes VIP lounge rental, VIP packages, other lounges, fast-track and fast-lane.

With regards the evolution of commercial revenues, the following key aspects must be taken into account:

Agreements modified by DF7

On 3 October, Act 13/2021 entered into force, which in its DF7 modifies the lease agreements or assignment of business premises for food and beverage or retail trade activities that were in force on 14 March 2020 or previously tendered. This standard states that:

- The minimum annual guaranteed rent (MAG) established in the contracts corresponding to the period between 15 March and 20 June 2020, both inclusive, will be abolished and will not be enforceable by Aena.
- As of 21 June 2020, the MAG established in the contracts will be automatically reduced in direct proportion to the lower volume of passengers at the airport where the premises is located, with respect to the volume of passengers at that same airport in 2019, and Aena will not enforce the payment of a MAG for a higher amount. This reduction of the MAG will be applicable in 2020, as well as in all subsequent years until the annual volume of passengers at the airport is equal to that of 2019.
- The modification will not affect Aena's right to demand the payment of the variable income established in the contracts based on the revenue derived from sales in the various premises.

Based on the standard, the contracts to which it is applicable are the following:

- Those contracts based on MAG concluded between Aena S.M.E., S.A. and private operators. The contracts of the Concession Company of the Región de Murcia International Airport are not included in said standard.
- It applies to duty-free shops, food and beverage activities and specialty shops.
- The contracts that are in force on 14 March 2020 or have been tendered and awarded prior to said date, even if they had not been initiated.

With regard to the accounting treatment of the contracts affected by the DF7 under IFRS:

- The lease agreements for commercial spaces, formalised by Aena as lessor, are within the scope of IFRS 16 (Leases).
- On 3 October 2021, the standard entered into force and, consequently, the MAG established in the contracts was automatically amended.
- The discount or incentive applied to the contracts from 15 March 2020 until 3 October 2021 is recorded for accounting purposes in the Company's balance sheet in the accrual accounts and is allocated linearly to results during the remaining validity period of each agreement, from the effective date of contractual modification, 3 October 2021. See note 5. a.1) in the Annual Accounts of Aena S.M.E., S.A. for fiscal year 2021.

As a result of this standard, the MAG established in the commercial lease agreements for duty-free shops, specialty shops, and food and beverage activities formalised between Aena and its commercial operators, accrued from 15 March 2020 to 3 October 2021, have been modified.

The amount of the reduction corresponding to the MAG modifications affected by DF7 amounts to €727 million.

Agreements modified by contractual novations agreed with commercial operators

As a result of the health crisis caused by COVID-19, Aena has agreed to amendments with the operators of car rental, advertising and other commercial activities not affected by DF7 to reduce the lease income accrued since the beginning of the pandemic

The amount of the incentives granted by Aena to its commercial operators in the lease payments accrued in periods prior to the date of formalisation of the corresponding contractual modifications has been recorded in the statement of financial position in accrual accounts and will be allocated to income, reducing commercial revenue through a linear distribution system, during the remaining term of the agreements and starting from the effective date of the contractual novation. See note 5. a.1) in the Annual Accounts of Aena S.M.E., S.A. for fiscal year 2021.

In this case, there are:

- The exemption from monthly fixed rent and contractual modifications signed with the majority of car rental operators.
- The exemption of rents and discounts to MAG from advertising contracts.
- The discounts included in the contractual modifications formalised with the commercial operators of other activities.

The amount of the reduction of the income accrued by contractual novations agreed with the commercial operators of activities not subject to DF7 amounts to €68 million.

Breakdown of the reductions of the contractual rent

The total amount of the reduction of MAG modifications and accrued rents amounts to €795 million. This amount has been recorded in the statement of financial position in accrual accounts and is applied linearly to profit/loss as reduced commercial revenue during the remaining period of validity of each contract, from the entry into force of DF7 on 3 October 2021 or from the effective date of the contractual modification.

The impact of the reductions in the contractual income is shown in the following table:

	Recognised MAG in commercial revenue				DF7 Discounts			
(millions of euros)	From 15/03/20 to 31/12/20	From 01/01/21 to 03/10/21	From 15/03/20 to 30/09/21	Collected or collectable rents	MAG discount of finalized contracts (to P&L)	MAG discount active contracts	Total MAG discount	Other rent discounts not affected by DF7
Specialty shops	72	33	105	-8	55	42	97	-
Duty free shops	290	213	503	-90	-	413	413	-
Food and beverage	170	113	283	-67	6	210	216	-
Others	1	-	1	-	-	1	1	-
Total business lines affected by DF7	**533**	**359**	**892**	**-165**	**61**	**666**	**727**	**-**
Car rental	55	-	55	-12	-	-	-	43
Advertising	15	11	26	-22	-	-	-	4
Other	35	18	53	-32	-	-	-	21
Total business lines not affected by DF7	**105**	**29**	**134**	**-66**	**-**	**-**	**-**	**68**
TOTAL rent	**638**	**388**	**1,026**	**-231**	**61**	**666**	**727**	**68**

The total amount of the reduction is recorded as lower revenue as follows:

(million of euros)	Total MAG and rent discounts	Allocation to Income Statement in:							
		2021	2022	2023	2024	2025	2026	2027	2028
Specialty shops	97	64	17	10	4	1	1	-	-
Duty free shops	413	49	199	165	-	-	-	-	-
Food and beverage	216	31	74	41	27	24	13	5	1
Others	1	-	-	1	-	-	-	-	-
Total business lines affected by DF7	**727**	**144**	**290**	**217**	**31**	**25**	**14**	**5**	**1**
Car rental	43	23	20	-	-	-	-	-	-
Advertising	4	-	1	1	1	1	-	-	-
Others	21	1	11	6	3	-	-	-	-
Total business lines not affected by DF	**68**	**24**	**32**	**7**	**4**	**1**	**-**	**-**	**-**
TOTAL rent discounts	**795**	**168**	**322**	**224**	**35**	**26**	**14**	**5**	**1**

In the fiscal year 2021, €168 million has been allocated to results as lower commercial revenue. This amount includes €61 million corresponding to discounts in MAG of finalised contracts. The remaining amount corresponds to contracts that remain in force.

Duty-free shops

A continuous improvement in sales and consequently in variable income was observed throughout the year.

In the third quarter, the progressive recovery of activity was accelerated with the opening of practically all duty-free shops. This recovery trend led to a continuous improvement in sales, especially at airports in the Balearic Islands.

In September, 97% of duty-free shops were operating, compared to 47% that were open at the end of June 2021.

In the months of October and November, activity evolved very positively, reaching weekly sales figures that exceeded 70% of those recorded in the same period in 2019, as the latest waves of the COVID-19 health crisis affected the Spanish tourism sector less than the previous ones due to widespread vaccination in Spain and in the main issuing countries.

The positive trend was impacted in the last weeks of the year by the increase in infections and restrictions imposed by governments in countries such as Morocco, the United Kingdom and Germany, which caused flight cancellations and a reduction in the recovery of international traffic. The lower turnover caused by this reduction in activity has especially affected sales at Canary Island airports, as it coincides with what would be their high season.

At the end of the year, the same shops that operated in September were open.

Specialty shops

In the last quarter, 192 airside and 31 landside premises were open, representing 84% and 62% of the total, respectively.

During the last two months of the year, more than 50 tenders have been invited in order to have a large part of the range of shops open at the beginning of the 2022 high season.

Food and beverage

In the first quarter of 2021, as restrictions on commercial premises were increased in order to reduce the effects of the third wave of the COVID-19 health crisis, operators reduced the number of operating premises. Throughout the months of June and July, they were gradually reopened to meet the seasonal summer demand.

In order to maintain the food and beverage offer in the short term, the premises and the installation of vending machines have been tendered.

Car rental

In 2021, they began operating new licences awarded at the Adolfo Suárez Madrid-Barajas Airport, Barcelona-El Prat Josep Tarradellas Airport, Alicante-Elche Miguel Hernández Airport, Málaga-Costa del Sol Airport, Palma de Mallorca Airport, Valencia Airport and La Palma Airport. There are currently 171 licences in force.

Moreover, a tender has been put out for vehicles for hire with a driver (VTC) at Adolfo Suárez Madrid-Barajas Airport, Barcelona-El Prat Josep Tarradellas Airport and Málaga-Costa del Sol Airport. The successful bidder, the company UBER, started its service in December.

Car parks

Parking spaces continue to adapt according to the level of passengers and occupancy.

The car parks at 29 of the 32 airports that offer this activity are operational.

The management service for these facilities is under a temporary partial suspension agreement, signed by its two managers (EMPARK and SABA), and the full resumption of the service has not been set. The agreement includes the extension of the management contracts that expired in May 2020.

It is also important to note that the management of car parks at 34 airports (around 120,000 spaces) has been awarded to the UTE EAS for €77.5 million. This UTE is formed by the companies Estacionamientos y Servicios S.A.U. (Eysa), Ace Parking Management Inc. and Setex Aparqui S.A. The contracts, whose expected start date is 1 March 2022, have a period of three years, with the possibility of two extensions of one year each.

The cost of the new award represents a variation of +€6.6 million (+34%) compared to the previous service for one annuity.

VIP services

The year 2021 has ended with 26 out of the 28 VIP lounges existing in the network in operation. Their opening has been progressive and adapted to the gradual recovery of traffic.

User volume has experienced a year-on-year growth of 52%, although the 2019 penetration levels have not yet recovered.

It is also worth noting that the activity of the ‘Meet and Assist’ service has been resumed at Adolfo Suárez Madrid-Barajas Airport, Barcelona-El Prat Josep Tarradellas Airport, Valencia Airport, Palma de Mallorca Airport, Alicante-Elche Miguel Hernández Airport, Málaga-Costa del Sol Airport and Gran Canaria Airport, as well as the operability of the ‘Fast Lane’ at all airports providing this service.

Advertising

In 2021, the advertising activity was moderate.

Of the four operators, JFT COMUNICACIÓN and PROMEDIOS accepted the commercial proposal offered by Aena to adapt the rents of their agreements to the situation caused by the pandemic. The agreements signed include a two-year extension of the contracts.

Other commercial revenue

This section includes various commercial activities offered at the network’s airports, such as banking services, luggage wrapping machines, other vending machines and regulated services (pharmacies, tobacconists, lottery vendors, etc.).

3.2 Real estate services segment

The activity of the real estate services segment centres around the leasing or transfer of use of land (developed or undeveloped), office buildings, warehouses, hangars and cargo storage facilities to airlines, air cargo operators, handling agents and other airport service providers, which are assigned to support activities and carry out complementary services, including the 24 service stations (15 landside and 9 airside) at 12 airports or the Fixed Base of Operations (FBO) executive aviation terminals at five of the most important airports in the network.

The following table shows revenues per activity:

Thousands of euros	2021	2020	Variation	% Variation
Leases	14,732	15,122	-390	-2.6%
Land	19,590	24,882	-5,292	-21.3%
Warehouses and hangars	7,644	8,742	-1,098	-12.6%
Cargo logistics centres	18,654	19,912	-1,258	-6.3%
Real estate operations	9,432	7,585	1,847	24.4%
Real estate services revenue	**70,052**	**76,243**	**-6,191**	**-8.1%**

With respect to real estate revenue, it is worth noting that despite the economic crisis caused by COVID-19, activity and revenue levels remain reasonably high, with occupancy rates slightly lower than those recorded in the pre-pandemic scenario. These levels have benefited from discounts and exemptions of fixed monthly rents in the first period of the state of emergency, measures aimed at promoting the activity's continuity and the creation of new contracts.

Logistical development

In 2021, Aena put out to tender the first area of logistical development at the Adolfo Suárez Madrid-Barajas Airport City (AREA 1). This tender involves the start of the process for selecting an investment partner and it is estimated that it will be awarded at the end of the first half of 2022.

This first area is framed within the surface areas dedicated to logistical development and associated airport activities. It comprises 28 hectares of land to be developed, 153,000 m² of buildable area and 4 hectares intended for green areas. Other aspects of the project include:

- The business model contemplates a joint venture in which Aena's contribution is equivalent to the surface right and the investor's contribution is equivalent to the capital necessary to undertake the development.
- The project's white paper establishes the guidelines to be followed relating to architecture, urbanisation and landscape with a strong commitment to sustainability, innovation and territory.
- Aena will develop the necessary actions to guarantee the urbanisation and connections of the new logistics centre, located in one of the best areas of Madrid.

The global project of the Adolfo Suárez Madrid-Barajas Airport City includes 323 hectares of surface area and 2.1 million m² of buildable area intended for logistics and aeronautical activities, offices, hotels and services.

As for the Barcelona-El Prat Josep Tarradellas Airport City, the necessary work is being carried out in order to put it out to tender as soon as possible.

In relation to works at other airports where land and assets with high potential for the development of complementary airport activities are available, the works for Málaga-Costa del Sol Airport are planned to be completed during the first quarter of 2022. The works at the other three airports (Palma de Mallorca Airport, Valencia Airport and Sevilla Airport) will conclude sequentially once Málaga-Costa del Sol Airport is complete, with Valencia Airport being the next planned.

Other actions

In the first quarter of 2021, it is worth noting the procurement of two hangars (located at Palma de Mallorca Airport and Sabadell Airport) of 3,200 m^2 and 1,189 m^2, respectively. Additionally, in June, two lease agreements were signed at the Madrid-Cuatro Vientos Airport (the surface area of these hangars is 1,127 m^2 and 1,261 m^2, respectively). It is also worth highlighting the tender in the last part of the year for warehouses and office buildings at Adolfo Suárez Madrid-Barajas Airport and Barcelona-El Prat Josep Tarradellas Airport, of 6,780 m^2 and 1,387 m^2, respectively.

In the executive aviation activity, it is worth highlighting that at Palma de Mallorca Airport after the completion of works to expand the executive terminal, an area was made available to the successful bidder for the incorporation of a multi-brand retail shop, which opened in November. In December, another multi-brand retail point was also launched at the executive terminal in Ibiza Airport.

In spaces dedicated to air cargo, it is worth highlighting the awarding of the construction of a new terminal at Zaragoza Airport. Once the works have been completed, it will be operated by the company SWISSPORT, with whom the relevant lease agreement has already been signed.

In June, the company FEDEX was awarded the lease of a cargo terminal at Barcelona-El Prat Josep Tarradellas Airport. In December, the surface rights of a plot in the south expansion of the Air Cargo Centre at Adolfo Suárez Madrid-Barajas Airport was formalised to build a new cargo terminal at the airport's front line. The maximum built area would be 7,980 m². Moreover, in May, the contracts for surface rights were signed for the construction of two new terminals in the Air Cargo Centre at Adolfo Suárez Madrid-Barajas Airport. The construction of the three terminals will allow the airport's cargo handling capacity to increase by 15%.

4. Income statement

Thousands of euros	2021	2020	Variation	% Variation
Ordinary revenue	2,134,973	2,042,183	92,790	4.5%
Other operating revenue	60,977	63,197	-2,220	-3.5%
Total revenue	**2,195,950**	**2,105,380**	**90,570**	**4.3%**
Supplies	-158,003	-153,830	4,173	2.7%
Staff costs	-410,338	-412,799	-2,461	-0.6%
Other operating expenses	-794,965	-661,676	133,289	20.1%
Depreciation and amortisation of fixed assets	-715,550	-721,370	-5,820	-0.8%
Impairment and net gain or loss on disposals of fixed assets	-125,150	-61,994	63,156	101.9%
Total expenses	**-2,204,006**	**-2,011,669**	**192,337**	**9.6%**
Operating profit/(loss)	**-8,056**	**93,711**	**-101,767**	**-**
Finance income	9,666	5,335	4,331	81.2%
Finance expenses	-79,260	-94,903	-15,643	-16.5%
Exchange differences	-12	-1	11	1,100.0%
Impairment and net gain or loss on disposals of financial instruments	6,806	-16,150	-22,956	-
Financial results	**-62,800**	**-105,719**	**-42,919**	**-40.6%**
Profit/(loss) before tax	**-70,856**	**-12,008**	**-58,848**	**490.1%**
Income tax	50,884	6,718	44,166	-657.4%
Profit/(loss) for the year from continuing operations	**-19,972**	**-5,290**	**-14,682**	**277.5%**
Profit/(loss) for the year	**-19,972**	**-5,290**	**-14,682**	**277.5%**

Total revenue for the period reflect a year-on-year increase of €90.6 million (+4.3%) as a result of the evolution of the different segments of Aena S.M.E., S.A.'s business that is detailed in section 3 (Business lines).

Operating expenses (supplies, staff costs and other operating expenses) amounted to €1,363.3 million and recorded a year-on-year increase of €135.0 million (+11.0%).

This variation reflects the effect of the cost reduction measures that were implemented in 2020, the adapting of services in 2021 to the activity and operational levels of terminals and airport spaces, as well as an increase in the price of electricity at the network's airports.

- Supplies show an increase of €4.2 million (+2.7%). This variation is affected by the increase in the cost of the air navigation service of the supplier ENAIRE. Due to the situation caused by COVID-19, an addendum to the agreement was signed in 2020 which meant a reduction in the contractual amount of €12 million, compared to the addendum signed in 2021 which reduced the cost by €6.2 million.

- The staff costs have been reduced by €2.5 million (-0.6%) mainly due to the lower productivity expenditure that is partially offset by the increase in basic remuneration (salary revision of +0.9%).

- Other operating expenses have increased by €133.3 million (+20.1%). The main variations correspond to the accounts of electricity (+€70.7 million), security (+€22.2 million), maintenance (+€19.1 million), reduced mobility people assistance (+€6.5 million), cleaning (+€4.6 million), professional services (+€3.9 million), and VIP lounge management expenses (+€3.8 million).

The impairment and net gain or loss on disposals of fixed assets have increased by €63.2 million (+101.9%) due to the expenses on sanitary and operating controls that have amounted to €113.6 million, + €60.9 million compared to the expenses in 2020.

The Financial profit/(loss) reflects a decrease of €43.0 million (-40.6%). The note 23.f) of the Annual Accounts of Aena S.M.E., S.A., explain the main variations.

Regarding Income Tax, revenue of €50.9 million has been recognised, mainly as a consequence of the results for the period, as well as the application of deductions due to the capitalised costs of investments in the Canary Islands airports.

As a result of the variations indicated, the result for the fiscal year reflects a loss of €20.0 million, which represents a reduction of €14.7 million compared to the net result of 2020.

5. Investments

Total investments paid in 2021 (property, plant and equipment, intangible assets and real estate investments) came to €653.6 million, reflecting a year-on-year increase of €163.8 million. This amount includes €9.9 million of investments for improving infrastructure and adapting them to the COVID-19 preventative health measures.

The amount of investment executed by certification in the period stands at €773.2 million.

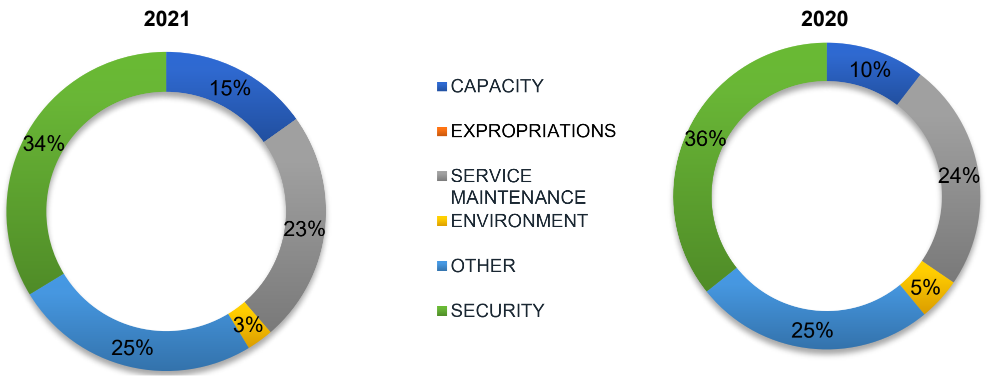
With regard to the actions completed during the period, the following are of note:

- The remodelling and extension of the south dock building at Barcelona-El Prat Josep Tarradellas Airport. This action includes expanding the building onto two floors and installing 6 pre-airbridges and 14 airbridges.
- The Regeneration of runway 06L/24R and the new rapid exit taxiways at Palma de Mallorca Airport.
- The adaptation of the general drainage of the airport system at Alicante-Elche Airport.
- The construction of two rapid exit taxiways and expansion of the commercial apron at Ibiza Airport.
- The renovation of the surface on several taxiways at Adolfo Suárez Madrid-Barajas Airport.
- The installation and start-up of photovoltaic solar plants for self-consumption in the Canary Island airports of Fuerteventura and Tenerife Sur.

With regard to the ongoing investments, which will last for the next few months, it is worth mentioning:

- The functional improvements to the terminal building at Tenerife Sur Airport and the terminal building at Sevilla Airport.
- The construction of a remote aircraft parking apron to provide service to the terminal building T4S at the Adolfo Suárez Madrid-Barajas Airport and of a new power plants in said airport.
- The adaptation to the fire protection regulations of the T2-T3 terminals and P1-P2 car parks of the Málaga-Costa del Sol Airport and the renewal of the air conditioning system of the processor building.
- The installation and commissioning of photovoltaic solar plants for self-consumption at Adolfo Suárez Madrid-Barajas and Lanzarote airports.
- The installation of recharge points in several airports is also noteworthy.

With regard to the operational areas, the distribution of the investment paid in 2021[4], as well as its comparison with the same period of the previous yeasr, is show below:



[4] Temporary end data

6. Balance Sheet

6.1 Net assets and capital structure

Thousands of euros	2021	2020	Variation	% Variation
Asset				
Non-current assets	13,560,841	13,146,764	414,077	3.1%
Current assets	2,300,670	2,000,194	300,476	15.0%
Total assets	**15,861,511**	**15,146,958**	**714,553**	**4.7%**
Equity and liabilities				
Net equity	6,615,475	6,620,711	-5,236	-0.1%
Non-current liabilities	7,350,183	7,280,156	70,027	1.0%
Current liabilities	1,895,853	1,246,091	649,762	52.1%
Total equity and liabilities	**15,861,511**	**15,146,958**	**714,553**	**4.7%**

Non-current assets have increased by €414.1 million as a result of the €295.8 million increase in long-term accruals from the recognition of MAG reductions caused by the entry into force of DF7, as well as the agreements formalised with commercial operators for activities not affected by DF7, as a result of COVID-19.

Property, plant and equipment increased by €52.3 million, due to the investment made in 2021, which is partially offset by depreciation for the financial year.

The ‘Deferred tax assets’ grew by €34.1 million due to an increase of €32.2 million in deductions pending application, mainly €28.8 million for investments in the Canary Islands, and tax loss carryforwards of €21.9 million. On the contrary, deferred coverage derivatives are derecognised in the amount of €13.7 million.

Finally, intangible fixed assets increased by €30.7 million, driven by the growth of €23.0 million in ‘computer applications’ corresponding to acquisitions, as well as improvements and developments, of new technologies for computer applications related to the airports and central services, including the new innovation portal and the integration of loyalty clubs.

Non-current assets have increased by €300.5 million as a result of the €291.7 million increase in short-term accruals from the recognition of MAG reductions caused by the entry into force of DF7, as well as the agreements formalised with commercial operators for activities not affected by DF7, as a result of COVID-19. On the contrary, ‘commercial debtors and other accounts receivable’ dropped by €234.5 million due to the €187.3 million drop in the customer balance for sales and services, due to the reclassification of the aforementioned income reductions to accrual accounts. Other credits with Public Administrations have decreased by €38.5 million due to the lower VAT and Canary Island General Tax refund in the fiscal year 2021 compared to 2020. This is as a result of the invoicing the MAG corresponding to 2020 in 2021.

Equity fell by €5.2 million as a result of the net result of the period, which was negative €20.0 million, and from the €26.4 million decrease in the ‘grants, donations and legacies received’ item for the allocation to profits from capital grants from official European bodies (see Note 19.d of the Annual Accounts of Aena S.M.E., S.A.) The increase of €41.2 million under the heading ‘adjustments due to changes in value’ is due to the valuation corrections of the derivatives designated as cash flow hedges.

The €70.0 million increase in non-current liabilities is essentially due to the €619.0 million increase in debt with credit entities for the long-term part of the new €700 million financing taken out for the plan deployed to strengthen liquidity. On the contrary, the debts with group and associated companies decreased by €535.3 million due to reclassifying the debt with ENAIRE as short-term debt, according to maturity.

Current liabilities increased by €649.8 million as a result of the €579.5 million increase in the balance of ‘debts with credit institutions’, because the new loan signed with Intesa Sanpaolo implied that loans of similar amount were amortized in the first days of January and, therefore, were reclassified as short-term loans. This is also due to the €161.8 million in ‘other financial debt’ from the increase in the balance of fixed assets suppliers by €131.2 million derived from the higher volume of investment executed in the fiscal year compared to 2020, the year in which the development of the investment programme was affected by the pandemic.

Working capital, calculated as the difference between current assets and current liabilities, which is normally negative in the Company as a result of its operational and financing structure, stood at +€404.8 million at the end of the period (+€754.1 million at 31 December 2020) due to the changes in Current Assets and Liabilities referred to above.

6.2 Evolution of net financial debt

The accounted net financial debt of Aena S.M.E., S.A. stands at €6,931.6 million as of 31 December 2021, compared to €6,540.4 million as of 31 December 2020.

The leverage ratio of Aena S.M.E., S.A. is as follows:

Thousands of euros	2021	2020
Gross financial debt	8,314,636	7,681,676
Cash and cash equivalents	1,383,069	1,141,265
Net financial debt	6,931,567	6,540,411
Net financial debt/EBITDA	**10.0x**	**8.1x**

Aena S.M.E., S.A. has taken out loans for an outstanding amount at 31 December 2021 totalling €5,258.0 million, which include the obligation to meet the following financial ratios:

- Net Financial Debt/EBITDA must be less than or equal to 7.0x.
- EBITDA/Finance Expenses must be higher than or equal to 3.0x.

These covenants are reviewed every year in June and December, taking into account the data on EBITDA and finance expenses for the last 12 months and the net financial debt at the end of the period.

As a result of the exceptional situation caused by COVID-19 and its impact on EBITDA, as of 31 December 2021, the maximum ratio of 7.0x Net Financial Debt/EBITDA has not been met. On 23 December 2021, Aena obtained a temporary waiver of its financial covenant until June 2023 from all banking entities.

On 6 October, the agency Fitch Ratings lowered the long-term credit rating of Aena S.M.E., S.A. to 'A-' from 'A', maintaining the negative outlook. It also lowered the short-term rating from 'F1' to 'F2'. The long-term credit rating from the agency Moody's, updated on 25 March, remained at 'A3' with a negative outlook.

During 2021, Aena amortised long-term debt to the amount of €546.3 million, according to the payment schedule established under the agreement.

During 2021, the Company's policy to strengthen liquidity in response to the effects derived from the spread of COVID-19 has continued. In this regard, medium- and long-term loans have been taken out for the amount of €700.0 million. In addition, in order to reduce the financial cost, an ESG-linked loan of €500.0 million has been taken out with Intesa Sanpaolo to pay off debt for the same amount in January 2022.

At 31 December 2021, Aena has a cash balance of €1,383.1 million (€1,141.3 million at 31 December 2020). However, part of this cash (€500 million) is linked to the cancellation of some loans in January 2022 for the aforementioned amount, as mentioned above.

In addition, the Company has €468.9 million available (undrawn) financing relating to loans with the EIB and ICO (€124.4 million at 31 December 2020) and €800.0 million available in a syndicated and sustainable line of credit (ESG linked RCF), with long-term maturity (€800.0 million at 31 December 2020).

Aena's available cash and credit facilities at 31 December 2021 amounted to a total of €2,651.9 million (€2,065.6 million at 31 December 2020), to which is added the possibility of issuing debt through the Euro Commercial Paper (ECP) programme of up to €900 million, of which, at the end of the year, €900 million were available (€845 million at 31 December 2020). However, part of this cash (€500 million) is linked to the cancellation of some loans in January 2022 for the stated amount.

The average interest rate of Aena's debt was 0.98% in 2021 (1.02% in 2020), with the interest rate of long-term debt being 0.99% and that of short-term debt being -0.25%.

6.3 Average payment period

As of 31 December, the ratios of payments to suppliers of Aena S.M.E., S.A. are as follows:

Days	2021
Average payment period to suppliers	37
Ratio of transactions paid	40
Ratio of outstanding transactions	22

These parameters have been calculated in accordance with the provisions of Article 5 of the Resolution of 29 January 2016 of the Spanish Accounting and Auditing Institute regarding the information to be included in the annual accounts report with regard to the average period of payment to suppliers in commercial transactions, based on the balance of suppliers who, by their nature, are suppliers of goods and services, so that it includes the data pertaining to the items 'Trade creditors' in the statement of financial position (note 16 of the Annual Accounts de Aena S.M.E., S.A.).

Thousands of euros	2021
Total payments made	1,643,151
Total outstanding payments	384,834

In 2021, the average payment periods are adapted to the terms established by Act 15/2010. In those cases where a payment has been made outside of the legally binding period, this is due mainly to reasons not attributable to the Company: invoices not received on time, expired Spanish Tax Agency (AEAT) certificates, lack of documentary evidence of supplier bank accounts, among others.

7. Cash flow

Thousands of euros	2021	2020	Variation	% Variation
Net cash from operating activities	252,170	164,227	87,943	53.5%
Net cash used in investing activities	-649,362	-506,440	-142,922	28.2%
Net cash flows from/(used in) financing activities	638,996	1,334,103	-695,107	-52.1%
Cash and cash equivalents at the beginning of the fiscal year	1,141,265	149,375	991,890	664.0%
Cash and cash equivalents at the end of the fiscal year	**1,383,069**	**1,141,265**	**241,804**	**21.2%**

As a result of the exceptional situation caused by the pandemic, the cash flows of Aena S.M.E., S.A. are still affected by COVID-19, although there has been an improvement with respect to 2020.

To strengthen its liquidity, Aena continues to take the measures deemed necessary, and in April it signed loans with various financial institutions for a total amount of €700 million. These loans have maturities of between 2 and 5 years and drawdown periods until October 2021. In addition, in order to reduce the financial cost, an ESG-linked loan of €500 million has been contracted with Intesa Sanpaolo to pay off debt for the same amount in January 2022.

Net cash from operating activities

Although the net cash generated by the operating activities reflects the impact that the pandemic has had on Aena S.M.E., S.A.'s operations, €252.2 million have been generated in 2021, which represents a year-on-year increase of €87.9 million.

Changes in working capital dropped by €466.9 million, which is explained by the €469.0 million drop in 'debtors and other accounts receivable'mainly due to the transfer to accrual accounts of current and non-current assets, due to the reduction in income.

Net cash used in investing activities

In investing activities, the cash flow was negative €649.4 million, mainly reflecting payments for acquisitions and replacements of non-financial fixed assets relating to airport infrastructure, which amounted to €653.8 million as detailed in section 5 (Investments).

Net cash flows from/(used in) financing activities

The cash generated in the fiscal year 2021 corresponds to the allocation of €700 million of the credit lines signed in April 2021 and to the loan taken out with Intesa Sanpaolo for €500 million intended to pay off debt for the same amount in January 2022.

On the contrary, the repayment of the principal of Aena's debt with ENAIRE (as co-borrower with various financial institutions) in accordance with the established repayment schedule, amounting to €546.3 million.

8. Operational and financial risks

The main risks to which Aena is exposed in its operating and financial activities are described in Note 5. Management of the operational and financial risks of the Annual Accounts of Aena S.M.E., S.A. for fiscal year 2021.

In the field of operational risks, these are mainly derived from the COVID-19 pandemic.

The appearance of COVID-19 in China and its rapid expansion to a large number of countries in the early months of 2020 led to the viral outbreak being classified as a pandemic by the World Health Organisation. The consequences of this health crisis and the containment measures taken in much of the world to contain the spread of infections caused by SARS-CoV-2 have significantly affected the global economy, with a very negative impact on businesses in the tourism and air transport sector as a result of radical restrictions on air operations and the mobility of people during the containment stages of the epidemic, and subsequently with successive waves and variants. Currently, measures that restrict the mobility of people are being relaxed and adapted based on the evolution of the level of infection and the consequent pressure on hospitals.

In this context, the Management of the Company has adopted a series of measures that it considers necessary to deal with the consequences —which to a large extent are unpredictable— of this unprecedented situation in order to cover the most significant risks that have been identified: the operational and business risk, the valuation of assets, and liquidity risk. As a consequence of the exceptional situation caused by the pandemic, the Company's cash flows have been drastically reduced since 2020 without having reached the levels prior to the pandemic during 2021. It also describes the health risk derived from the COVID-19 pandemic, and the legal and regulatory risk related to the uncertainty about the interpretation of legislation in the context of the current crisis and the adaptation to new and ongoing legal requirements.

The operational and business risks include the impact that the health crisis has had on air traffic in Aena S.M.E., S.A.'s airports and the mitigating measures implemented. Levers have also been identified through which Aena will drive the traffic recovery. These include: the progressive restart of the commercial activity and the negotiation process with the commercial operators is explained for agreeing on modifications in the contractual conditions, as well as the impact of the entry into force of Act 13/2021, dated 3 October 2021 and the application of its DF7 (see section 3.1.2 Commercial activity).

The operating scope also includes the regulatory risks associated with the regulated sector in which Aena S.M.E., S.A. operates and future changes or developments in the applicable regulations may have negative impacts on revenue, operating results and the financial position. It also includes the different operational risk factors that may affect the Company's activity, as they are directly related to the levels of passenger traffic and air operations at its airports.

With regard to the risks related to Brexit, on 31 January 2020, the departure of the United Kingdom from the European Union (Brexit) took place by means of the withdrawal agreement reached by both parties. It is considered that the potential consequences on air transport have been diffused in the current context dominated by the impact of COVID-19, so there are no relevant risks related to Brexit, with the exception of the requirement for ownership and control.

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

Aena S.M.E., S.A. 's objectives when managing capital are to safeguard its capacity to continue as a going concern in order to provide shareholder returns and maintain an optimal capital structure in order to lower the cost of capital.

In the area concerning the risks derived from climate change, Aena S.M.E., S.A. is exposed to its effects, with environmental sustainability forming a key strategy for the company. This risk entails economic, operational and reputational impacts arising from the following matters:

- Regulatory changes that may result in an increase in the price of carbon emissions, a reduction in demand or other aspects related to the use of sustainable aviation fuel (SAF).
- Level of implementation of the measures related to climate action and sustainability foreseen in the company's Climate Action Plan, aimed at establishing a decarbonised and sustainable economic model in the Network's airports, in a context of increasing pressure from investors and society as a whole.
- Resilience of airport infrastructure and operations in facing events associated with climate change, natural disasters and extreme weather conditions, and the need to undertake adaptation actions in airports in the medium to long term.
- Partial or total limitations to the operation, capacity and necessary development of airports resulting from environmental reasons or derived from compliance with existing or future environmental regulations.
- Destinations that are no longer attractive to visitors, due to changes in consumer preferences and behaviours, to the stigmatisation of the sector, to policies to discourage and restrict domestic flights on routes where there is an alternative high-speed train, to a possible imposition of a new ecotax on the price of tickets, among others.
- A framework of uncoordinated national and regional climate policies and regulations.

When making traffic forecasts, and in addition to the foreseen macroeconomic environment, Aena S.M.E., S.A. has analysed the main risks, uncertainties and factors affecting air traffic, both globally, as well as those specific to the aviation sector, of these the possible impact of environmental measures is worth noting.

In the models proposed for developing air traffic projections, the impact of the following measures that are already being imposed in some European countries has been considered:

- Application of new taxes on plane tickets.
- Restriction of short-haul flights on routes served by the Spanish high-speed train (AVE): any restriction with a high proportion of connecting passengers would significantly limit medium- and long-haul connectivity and would limit the hub development of the main airports.

The impact that these measures could have on air traffic will depend on the conditions in which they are applied, although as of today there is still not enough detail on the scope and timeframes for their implementation. For this reason, and to limit the uncertainty associated with the application of these measures, instead of the theoretical scenario that the econometric models would produce, the Base Scenario chosen is located in the medium-low range of said econometric models (Note 7.e of Aena S.M.E., S.A.'s Annual Accounts).

Additionally, in recent years, various environmental initiatives that could have a major impact on the aviation sector, if they materialise, have emerged. Worth noting is the EU 'Fit for 55', which includes, among others, the following legislative proposals:

- Review of the EU emission allowances trading scheme.
- Review of the Directive on energy taxation: elimination of air transport exemptions (kerosene taxes)
- ReFuelEU Aviation initiative for sustainable aviation fuels: Will force fuel suppliers and airlines to combine an increasingly higher level of sustainable fuels (SAF) into current fuels.
- Regulation for the deployment of infrastructure for the supply of alternative fuels

In preparing the Group's Financial Statements, management has taken into account the impact of climate change and assessing compliance with the objectives of the Climate Action Plan of Parent Company Aena S.M.E., S.A. These considerations have not had a significant impact on the judgements and estimates applied in preparing the financial information for the fiscal year.

9. Main legal proceedings

With regard to the main litigations at 31 December 2021, it is worth noting first the claim filed by CEMUSA, Corporación Europea de Mobiliario Urbano, S.A. (fully owned by JCDECAUX EUROPE HOLDING) in which the amount of €55 million is claimed based on the clause 'rebus sic stantibus', with this claim not being related to COVID-19. This clause is invoked to support the claim of annulment of the contract, alleging that due to the 2008 crisis there was a fundamental change in the circumstances that motivated the contract and that it therefore prevents its compliance. On 05/10/2021, the preliminary hearing took place, and the trial hearing was set for 22/06/2022. The risk is considered remote.

Secondly, and as a consequence of the health crisis caused by COVID-19, legislators have been adopting temporary measures of an extraordinary nature to prevent and contain the virus and mitigate its health, social and economic impact throughout Spain. These included temporary restrictions to free movement and containment measures in areas of education, employment, business, leisure and places of worship.

Faced with these facts and as a consequence thereof, some lessees filed claims based on the legal doctrine of 'clausula rebus sic stantibus' requesting that the Courts consider the need to adopt an injunction in order for Aena S.M.E., S.A. to refrain from invoicing the rents agreed in the contracts and, at the same time, suspend their right to execute the guarantees available in the event of any non-payment, among other requests. All the foregoing is put forth with the consequent ordinary claim.

From the start date of the judicial dispute to the end of the fiscal year, 70 lawsuits have been notified and 56 rulings pertaining to injunctive relief have been issued, of which 24 are favourable to Aena S.M.E., S.A., 12 entail partial acknowledgement and 20 are unfavourable to Aena S.M.E., S.A..

Five judgements have been issued, all of which have partially acknowledged the demands, which recognise the economic rebalancing of the lease agreements in application of 'clausula rebus sic estantibus', but applying different methods of calculating the MAG under discussion. All judgements have been appealed by Aena S.M.E., S.A..

On 03/10/2021, the DF7 of Law 13/2021, of 1 October, which amends Law 16/1987, of 30 July, pertaining to Land Transport Management in matters of infractions related to the lease of vehicles with drivers and to fight delinquency in the field of road transport (hereinafter, DF7). The standard contains a regulation whereby business premise lease or assignment agreements are automatically and retroactively modified in the airports managed by Aena S.M.E., S.A.in order to rebalance the current agreements.

DF7 is, therefore, a standard applicable to a large part of the lease agreements that are the subject of the different judicial proceedings that are underway, as their purpose is that same modification of the agreements in application of 'clausula rebus sic stantibus'. Therefore, DF7 must necessarily be considered by the different judicial bodies when ruling on the aforementioned judicial dispute. However, Aena S.M.E., S.A., after consulting with renowned Law professionals, believes that DF7 is unconstitutional and should therefore not be applied by judges and courts to resolve legal disputes.

As Aena S.M.E., S.A.has no standing to file an appeal for unconstitutionality against DF7, it may only assert its unconstitutionality through the corresponding questions of unconstitutionality issued within the framework of the judicial proceedings in which its application has been decisive for the ruling. Raising an issue of unconstitutionality is not a right of the party that raises it, but a power of the judge or court. In this case, raising this issue, given the impact of DF7 on ongoing cases, due to the revenues Aena S.M.E., S.A.has failed to receive, would be clearly justified.

As a result of the foregoing and with respect to the litigation in progress, Aena S.M.E., S.A.is requesting that the judicial body, prior to issuing a ruling on the matter under discussion, raise a question of unconstitutionality under Art. 35 Organic Law of the Constitutional Court. Up to 31 December 2021, the question of unconstitutionality has been raised in 26 proceedings.

If the judicial body agreed to what has been requested, it will suspend the ruling on the proceeding and will raise a question of unconstitutionality to the Constitutional Court. Once a question of unconstitutionality has been raised in any of the pending judicial proceedings, it would be reasonable for the rest of the courts and tribunals to raise new issues or for the issues not to be ruled upon until the Constitutional Court has decided on the constitutionality of the law.

Of the five sentences referred to above, the only one issued after the entry into force of DF7 is the Judgement dated 19 November 2021 of the Court of First Instance No. 21 of Palma de Mallorca. This Judgement already applies DF7 as it understands there is no longer a need to issue a ruling as to whether there has been a change of circumstances in the contract that could lead to the demand being accepted in order to rebalance the economic conditions of the contract. Thus, Aen Aena S.M.E., S.A.a must accommodate its actions to the provisions of said DF7 and the lessee may not claim more measures and modifications to the agreement than those agreed by said regulation.

In any case, it should be noted that any judgements accepting the claims filed by the lessees only entail lower revenue for Aena S.M.E., S.A.

10. Stock market performance

Aena's share price fluctuated throughout the period, ranging from a minimum of €126.90 to a maximum of €151.25. It closed the period at €138.80, which represents a fall in share price of 2.4% since 31 December 2020. In the same period, the IBEX 35 had an accumulated revaluation of 7.9%.

The main data on the performance of Aena's share on the continuous market of the Madrid Stock Exchange are summarised in the following table:

31/12/2021	AENA.MC
Total volume traded (No. of shares)	49,713,324
Daily average volume traded for the period (No. of shares)	194,193
Capitalisation (€)	20,820,000,000
Closing price (€)	138.80
No. of shares	150,000,000
Free float (%)	49%
Free float (shares)	73,500,000

As regards the acquisition and disposal of treasury shares, as at 31 December 2021, Aena did not hold any treasury shares, so there was no impact on the yield obtained by the shareholders nor on the value of the shares.

11. Non-financial information statement

The Non-financial information statement is included in the 2021 Consolidated Management Report, in accordance with the provisions of Directive 2014/95/EU of the European Parliament and of the European Council, and those of Act 11/2018, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on Auditing of Accounts, in the field of non-financial information and diversity. This report is available on the Aena website (www.aena.es/en/).

12. Events after the reporting period

From 31 December 2021 to the date the annual accounts of Aena S.M.E., S.A. were prepared, the following relevant facts have occurred:

- Ruling of 13 January 2022 of the Provincial Court of Palma de Mallorca, issued in the case pertaining to injunctive relief requested by a plaintiff which has ruled on our request to raise the question of unconstitutionality of DF7. The Provincial Court considers that an injunctive relief procedure is not the correct procedure for raising this issue, as it may be done in an ordinary procedure.
- Several resolutions of Courts of [First] Instance (26 January 2022, of Court of First Instance No. 4 of Arrecife, and dated 1 February 2022 of Court of First Instance No. 3 of Elche and Decree of 26 January 2022, issued by the Court of First Instance No. 3 of Malaga), agree to the dismissal of the proceedings due to supervening loss of the subject matter in dispute. The plaintiff filed a document declaring its main claim satisfied and lacking the object after the entry into force of DF7. Aena objected and raised the issue of unconstitutionality. By means of these proceedings, the Courts have agreed to dismiss on the understanding that an event subsequent to the litigation has satisfied the plaintiff's claims. Our request to raise the issue of unconstitutionality, considers that, in the face of a supervening loss of the subject matter in dispute, DF7 would not be directly applicable to the case.
- Since 31 December 2021, 11 new requests have been submitted, raising unconstitutionality.
- On February 10, 2022, the Company formalised with its affiliate, Sociedad Concesionaria de la Región de Murcia, S.A.U., an agreement for a credit line for the amount of €12 million and a participation loan for the amount of €3 million.
- In relation to the agreement to formalise the Air Navigation Services contract at Aena Airports, awarded to ENAIRE in the month of December for an amount of €601.2 million and a term of five years, dated 12 January 2022, Aena received notification of the claim filed by SAERCO and FERRONATS before the Central Administrative Court for Contractual Appeals (Tribunal Administrativo Central de Recursos Contractuales, TACRC).

  To 27 January 2022, the TACRC has lifted the suspension of the contracting file and that Court has not issued a ruling on the indicated claims. These claims pertaining to contracting matters are not judicial, but rather administrative, and an administrative litigation appeal may be filed against the resolution before the National Court.
- On 17 February 2022, the CNMC issued its Resolution on the supervision of Aena's airport charges for 2022. According to the aforementioned Resolution, charges approved by Aena´s Board of Directors are applicable, which implies an IMAAJ of €9.95 per passenger and a rate variation of -3.17% compared to 2021 IMAAJ.

  On 3 February 2022, the CNMC notified Aena of the initiation of a dispute procedure regarding the modification of the 2022 airport charges, requested by IATA Spain and Ryanair, which does not affect their application as of 1 March. The Company believes that this procedure will not change the charges approved by Aena and already supervised by the Commission.

13. Alternative Performance Measures (APM)

In addition to the financial information prepared under the International Financial Reporting Standards adopted by the European Union (IFRS-EU), the reported financial information includes certain alternative performance measures (APM) in order to comply with the guidelines on alternative performance measures published by the European Securities and Markets Authority (ESMA) on 5 October 2015, as well as non-IFRS EU measures.

The performance measures included in this section rated as APM and non-IFRS EU measures have been calculated using Aena S.M.E., S.A.'s financial information, but are not defined or detailed in the applicable financial reporting framework.

These APM and non-IFRS EU measures have been used to plan, monitor and assess the evolution of Aena S.M.E., S.A. The Company considers these APM and non-IFRS EU measures are useful for Management and investors, since they allow a comparison of operating performance and the financial situation between periods. Although it does consider that these APM and non-IFRS EU measures allow for a better assessment of the evolution of Aena S.M.E., S.A.'s businesses, this information should only be considered as additional information, and in no case replaces the financial information presented in the Annual Accounts of Aena S.M.E., S.A. In addition, the way in which Aena S.M.E., S.A. defines and calculates these APM and non-IFRS EU measures may differ from the way they are calculated by other companies that use similar measurements and, therefore, may not be comparable.

The APM and non-IFRS measures used in this document can be categorised as follows:

Measures of the financial position

Net Debt

The Net Debt is the main APM used by Management to measure the Company's level of indebtedness.

It is calculated as the total 'Financial Debt' (Non-current Financial Debt+Current Financial Debt) that appears in the Consolidated Statement of Financial Position of Aena S.M.E. S.A. less the 'Cash and cash equivalents' that also appear in said statement of financial position.

The definition of the terms included in the calculation is as follows:

Financial Debt: this means all financial debt with a financial cost as a result of:

a) loans, credits and commercial discounts;

b) any amount due for bonds, obligations, notes, debts and, in general, similar instruments;

c) any amount due for rental or leasing which, according to the applicable accounting regulations, should be treated as financial debt;

d) financial guarantees assumed by Aena that cover part or all of a debt, excluding those guarantees related to debts of consolidated companies; and

e) any amount received by virtue of any other kind of agreement that has the effect of commercial financing and which, according to the applicable accounting regulations, should be treated as financial debt.

Cash and cash equivalents:

Definition contained in p. 7 of IAS 7 'Cash flow statement'.

EBITDA

EBITDA ('Earnings Before Interest, Tax, Depreciation and Amortisation') is an indicator that measures the company's operating margin before deducting financial earnings, income tax and amortisations/depreciations. It is calculated as operating earnings plus amortisations/depreciations. By disregarding the financial and tax figures, as well as amortisation/depreciation accounting expenses that do not entail cash outflow, it is used by Management to assess the operating profit of the company and its business segments over time, allowing them to be compared with other companies in the sector.

Net Financial Debt Ratio/EBITDA

It is calculated as the quotient of the Net Financial Debt divided by the EBITDA for each calculation period. In the event that the calculation period is less than the annual period, the EBITDA of the last 12 months will be taken.

The Group monitors capital structure based on this debt ratio.

The numerical reconciliation between the most directly reconcilable line item, total or subtotal, presented in the financial statements and the APM used is presented below:

Alternative performance measures: Aena S.M.E., S.A. (Thousands of euros)	31/12/2021	31/12/2020	31/12/2019
NET DEBT	**6,931,567**	**6,540,411**	**6,200,437**
Non-current financial debt	7,076,122	6,986,468	5,121,196
Current financial debt	1,238,514	695,208	1,228,616
Cash and cash equivalents	-1,383,069	-1,141,265	-149,375
EBITDA last 12 months	**695,719**	**809,326**	**2,671,927**
Operating profit/(loss)	-23,407	84,385	1,951,371
Depreciation and Amortisation	719,126	724,941	720,556
Net Financial Debt Ratio/EBITDA	**10.0 x**	**8.1x**	**2.3 x**
Net Financial Debt	6,931,567	6,540,411	6,200,437
EBITDA last 12 months	695,719	809,326	2,671,927

APPENDIX I: Summary of communications with the National Securities Market Commission (CNMV)

REGISTER	DATE	TYPE OF COMMUNICATION		DESCRIPTION
6825	28/01/2021	ORI	On corporate governance	Communication on corporate governance
7130	17/02/2021	ORI	Other relevant information	A conference call being convened to present the results for the 2020 fiscal year
740	24/02/2021	II	On results	Press release Presentation of results 2020
738	24/02/2021	II	On results	Presentation of results 2020
7261	24/02/2021	ORI	Annual report on remuneration of directors	Annual report on remuneration of directors 2020
7861	09/03/2021	ORI	On business and financial situation	Final proposal of the Airport Regulation Document for 2022-2026 (DORA II)
8087	22/03/2021	ORI	Regulations of the Board	Regulations of the Board of Directors
8120	23/03/2021	ORI	The Board or General Shareholders' Meeting being convened	Agreement to convene the General Shareholders' Meeting
8160	25/03/2021	ORI	Other relevant information	Aena's Climate Action Plan 2021-2030
8159	25/03/2021	ORI	The Board or General Shareholders' Meeting being convened	The Ordinary General Shareholders' Meeting of Aena, S.M.E., S.A. being convened
8156	25/03/2021	ORI	On credit ratings	Fitch Ratings confirms the long-term and short-term credit rating
8508	12/04/2021	ORI	On financial instruments - On business and financial situation	Aena continues to adopt the measures deemed necessary to reinforce its liquidity
8768	21/04/2021	ORI	Other relevant information	A conference call being convened to present the results for the first quarter of 2021
8862	27/04/2021	ORI	Other relevant information	Approval on a consultative basis of the Climate Action Plan 2021-2030
8861	27/04/2021	ORI	On corporate governance	Ratification of appointment of a Director
8860	27/04/2021	ORI	The Board or General Shareholders' Meeting being convened	Approval of General Shareholders Meeting Agreements
8926	28/04/2021	ORI	On corporate governance	Composition of the Sustainability and Climate Action Committee
8956	29/04/2021	ORI	On business and financial situation	Press release of results Q1 2021
9330	10/05/2021	ORI	Other relevant information	Validity of the Aena Commercial Model
924	07/06/2021	II	On business and financial situation	Resolution on precautionary measures
10176	24/06/2021	ORI	Regulations of the Board	Regulations of the General Shareholders' Meeting
10177	24/06/2021	ORI	Regulations of the Board	Regulations of the Board of Directors
10629	14/07/2021	ORI	Other relevant information	Press Release Adolfo Suárez Madrid-Barajas Airport City
10729	21/07/2021	ORI	Other relevant information	A conference call being convened to present the results for the first half of 2021
10918	28/07/2021	ORI	Notification of related-party transactions	Notification of Related-Party Transactions
10892	28/07/2021	ORI	On business and financial situation	Presentation of results H1 2021
10893	28/07/2021	ORI	On business and financial situation	Press release of results H1 2021
1067	23/09/2021	II	On business and financial situation	New regulation of commercial food & Beverage and retail leases at the airports in the Aena network
11890	28/09/2021	ORI	On business and financial situation	Approval of the Airport Regulation Document for the fiscal years 2022-2026 (DORA II)
11879	28/09/2021	ORI	On corporate governance	Communication on the composition of the Board of Directors
12075	05/10/2021	ORI	On business and financial situation	On the Airport Regulation Document (DORA II)
1087	06/10/2021	II	On credit ratings	Fitch Ratings lowers the credit rating of Aena S.M.E., S.A.
12123	08/10/2021	ORI	Other relevant information	Publication of the specifications Adolfo Suárez Madrid-Barajas Airport City Area 1
12287	21/10/2021	ORI	Other relevant information	Aena announces the presentation of the results corresponding to the first nine months of 2021
12436	28/10/2021	ORI	On corporate governance	Communication on the composition of the Board of Directors
12642	29/10/2021	ORI	On business and financial situation	Presentation [of results] and management report 9M 2021
12643	29/10/2021	ORI	On business and financial situation	Press release on results 9M 2021
12845	22/11/2021	ORI	Other relevant information	London Luton airport concession agreement
13303	21/12/2021	ORI	Notification of related-party transactions	Notification of related-party transactions
13394	29/12/2021	ORI	Other relevant information	TACRC Resolutions

II-Inside information

ORI-Other relevant information

APPENDIX II: Corporate Governance Report

Aena's Annual Corporate Governance Report for the year 2021 is part of this management report and is presented in the Consolidated Management Report, which is available since the date of publication of the consolidated Annual Accounts on the website of the Spanish National Securities Market Commission and on Aena's website (www.aena.es).

APPENDIX III: Annual remuneration report

Aena's Annual Remuneration Report for the year 2021 is part of this management report and is presented in the Consolidated Management Report, which is available since the date of publication of the consolidated Annual Accounts on the website of the Spanish National Securities Market Commission and on Aena's website (www.aena.es).

Preparation of the individual financial statements and the individual directors' report for the financial year 2021

On 22 February 2022, in accordance with the normative requirements, the Board of Directors of the company Aena, S.M.E., S.A. has prepared the individual Financial Statements and the Individual Director's Report, which include Non-Financial Information Statement, for the year ended on 31 December 2021 with the requirements established on the Commission Regulation UE 2019/815, which comprise the file with the following hash code: 0ec3125a2f673151693ae5e416c6e694602408eeb679326fac85cead5d1fe773

The members of the Board of Directors with the signature of this diligence declare signed the aforementioned Individual Financial Statements and the Individual Director's Report for the year ended on 31 December 2021, for its audit verification and approval by the General Meeting of Shareholders.

Cargo	Nombre	Firma
Chairman	Mr. Maurici Lucena Betriu	
Director	Mrs. Pilar Arranz Notario	
Director	Mr. Ángel Luis Arias Serrano[1]	
Director	Mrs. Irene Cano Piquero	
Director	Mr. Manuel Delacampagne Crespo	
Director	Mr. Juan Ignacio Díaz Bidart	
Director	Mr. Josep Antoni Durán i Lleida	
Director	Mrs. Leticia Iglesias Herraiz	
Director	Mr. Amancio López Seijas	

[1] Due to the impossibility of attending the meeting of the Board of Directors, Mr. Ángel Luis Arias Serrano delegates his vote to formulate the annual accounts, as well as the signature of the them, to Mr. Raúl Míguez Bailo.

Director	Mr. Francisco Javier Marín San Andrés	
Director	Mrs. Angélica Martínez Ortega	
Director	Mr. Raúl Míguez Bailo	
Director	Mr. Juan Río Cortés[2]	
Director	TCI Advisory Services LLP (Mr. Christopher Anthony Hohn)[3]	
Director	Mr. Jaime Terceiro Lomba	

Mr. Juan Carlos Alfonso Rubio
Secretario del Consejo de Administración
Aena, S.M.E., S.A.

[2] Mr. Juan Río Cortés has formulated these annual accounts attending the meeting by videoconference. Because of Mr. Juan Río Cortés is not present at the time of signature of the accounts he delegates the signature to Mr. Jaime Terceiro Lomba.

[3] Mr. Christopher Anthony Hohn has formulated these annual accounts attending the meeting by videoconference call. Because of Mr. Christopher Anthony Hohn is not present at the time of signature of the accounts he delegates the signature to Mr. Jaime Terceiro Lomba.