

**Audit Report on Consolidated
Financial Statements issued by an
Independent Auditor**

**FOMENTO DE CONSTRUCCIONES Y
CONTRATAS, S.A. AND SUBSIDIARIES**

Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2024



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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of Fomento de Construcciones y Contratas, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Fomento de Construcciones y Contratas, S.A. (the Parent) and its subsidiaries (the Group), which comprise the balance sheet at December 31, 2024, the income statement, the statement of recognised income and expense, the total statement of changes in the equity, the statement of cash flow, and the notes thereto, all of them consolidated, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of equity and the financial position of the Group at December 31, 2024 and of its financial performance and its cash flows, all of them consolidated, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Recoverability of the deferred tax assets of the Spain Tax group

Description As explained in Note 24 to the accompanying consolidated financial statements, at 31 December 2024 the Group recognised deferred tax assets on the consolidated balance sheet for the Spain Tax Group amounting to 449.431 thousand euros.

According to the accounting policy described in Note 3.q to the accompanying consolidated financial statements, the Group recognises deferred tax assets except in cases where there are reasonable doubts about their future recovery.

The assessment made to determine the recoverable amount of these assets requires Group management to make complex judgements regarding the estimates of the future taxable profit of the companies comprising the Spain Tax Group based on financial projections and business plans considering applicable tax laws and accounting standards.

Given the complexity inherent in management's projections of business performance to estimate future taxable profits of the companies comprising the Spain Tax Group and the significance of the amounts involved, we determined this to be a key audit matter.

**Our
response**

Our audit procedures related to this matter included:

- ▶ Understanding the process designed by Group management to assess the recoverability of deferred tax assets.
- ▶ Assessing the reasonableness of the key assumptions used by Group management to estimate the period for recovering deferred tax assets, focusing on the economic, financial and tax assumptions used to estimate the future taxable profits of the Spain Tax Group based on budgets, business performance and historical experience.
- ▶ Assessing, with the involvement of our tax specialists, the key assumptions made by Group management regarding applicable tax laws.
- ▶ Testing how sensitive the results are to reasonably possible changes in the key assumptions made.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Recognition of revenue from long-term contracts in the Construction segment

Description	As explained in Note 3.s to the accompanying consolidated financial statements, performance obligations in the construction activity are satisfied over time, so revenue is recognised using the percentage of completion method. The recognition of revenue from long-term construction contracts requires Group management to make significant estimates regarding, e.g. total contract costs to be incurred, estimated contract revenue and, where appropriate, the amount of contract modifications and claims relating to, e.g. the total costs to be incurred, the estimate of expected revenue and, where appropriate, the amount of contract modifications that will finally be accepted by the customer. Given the significance of the amounts involved since this affects a large portion of total "Revenue" and the measurement of completed work pending certification recognised under "Trade and other receivables", which amounted to 578,789 thousand euros at 31 December 2024, and the complexity required to make these estimates, which requires Group management to make judgements in determining the assumptions used, which means changes in those assumptions could give rise to material differences in the amount of revenue recognised, we determined this to be a key audit matter. Information on the applicable measurement standards and the disclosures for revenue and the aforementioned accounts receivable are provided in Notes 3.s, 16.a and 27.a to the accompanying consolidated financial statements.
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Our response

Our audit procedures related to this matter included:

- ▶ Understanding the process designed by Group management to recognise revenue, assessing the design and implementation of the relevant controls in place in that process, and verifying the operating effectiveness of those controls for the main components of the Group that have this type of contract.
- ▶ Selecting a sample of projects from the Group's main components with this type of contract, for which we obtained the related contracts to read and understand the most important clauses and their implications, and, e.g. budgets, internal assessments of revenue recognition, certifications, follow-up presentations on the execution of projects and amounts received.
- ▶ Assessing for these contracts the reasonableness of Group management's assumptions through meetings with technical staff and project managers, and analysing the reasons for deviations between originally planned and actual costs and their impact on estimated project margins.
- ▶ Assessing the reasonableness of estimates of completed work pending certification recognised as revenue at year-end, checking the status of negotiations of the main customer contracts, and reviewing the reasonableness of documents supporting the probability of recovery.
- ▶ Assessing the reasonableness of Group management's approach for recognising and measuring contract modifications and claims submitted, covering especially the estimate of amounts expected to be recovered and the probability of success.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Spin-off from the FCC Group to create the Inmocemento Group

Description On November 7, 2024, the Parent transferred to its former investee, Inmocemento, S.A., two economic units consisting of the entire shares of FCYC, S.A. owned by the PParent, which represented 80.03% of its share capital, as well as all the shares of Cementos Portland Valderrivas, S.A., likewise owned by the Parent, which represented 99.028% of share capital.

In accordance with accounting policy described in Note 2 to the accompanying consolidated financial statements, the Group derecognized the spin-off assets and liabilities, which had previously been classified as held for sale, and amounted to 4,451,728 and 1,537,027 thousand euros, respectively, with a balancing entry in equity.

As this transaction constitutes the most significant event that occurred during the period, and due to the relevance of the amounts involved, we determined this to be a key audit matter.

Information on the applied measurement standards and the related disclosures are provided in Notes 2, 5 and 18 to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- ▶ Understanding Group management's process for evaluating the impact of the spin-off and how it was recorded for accounting purposes.
- ▶ Analyzing the documentation supporting the related agreements and the amounts recognized for the abovementioned spin-off.
- ▶ Reviewing the accounting impact of the spin-off, verifying that they were correctly recorded in the consolidated financial statements.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the Parent company's directors and is not an integral part of the consolidated financial statements.

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

- a. Checking only that the consolidated non-financial statement and certain information included in the Annual Corporate Governance Report and in the Annual Directors' Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the Parent company's directors and the Audit and Control Committee for the consolidated financial statements

The directors of the Parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Parent company are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Control Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit and Control Committee of the Parent company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Control Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and 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 files of the European single electronic format (ESEF) of Fomento de Construcción y Contratas, S.A. and subsidiaries for the 2024 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of Fomento de Construcción y Contratas, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report have been incorporated by reference in the consolidated management report.

Our responsibility consists of examining the digital files prepared by the directors of the Parent Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the Audit and Control Committee of the Parent company

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit and Control Committee of the Parent company on February 25, 2025.

Term of engagement

The ordinary general shareholders' meeting held on June 14, 2023 appointed us as auditors of the Group for 3 years, commencing on December 31, 2024.

Previously, we were appointed as auditors by the agreement of the ordinary general meeting of shareholders for 3 years, and we have been carrying out the audit of the financial statements continuously since December 31, 2021.

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

(Signature on the original in Spanish)

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

February 26, 2025

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)**

**Consolidated Annual Accounts and
Consolidated Management Report, together
with the Independent Audit Report**

2024



FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)

Financial Statements and Management Report

2024



**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)**

Annual Accounts

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES**
at 31 December 2024 (in thousands of euros)

ASSETS

	Notes	31/12/2024	31/12/2023 (*)
NON-CURRENT ASSETS		8,511,759	10,657,638
Intangible assets	7	2,645,029	2,476,997
Concessions	7 and 11	1,612,872	1,543,161
Goodwill		764,502	760,815
Other intangible fixed and non-current assets		267,655	173,021
Property, plant and equipment	8	3,771,499	3,838,254
Land and buildings		796,235	1,049,810
Plant and other items of property, plant and equipment		2,975,264	2,788,444
Investment property	9	3,885	2,091,328
Investments accounted for using the equity method	12	520,695	1,034,288
Non-current financial assets	14	1,070,765	748,425
Deferred tax assets	24	499,886	468,346
CURRENT ASSETS		5,724,200	6,062,014
Inventory	15	423,728	1,234,338
Trade and other receivables		3,124,006	2,886,531
Trade receivables for sales and services	16.a	2,597,142	2,478,757
Other loans	16.b	399,679	323,325
Current tax assets	24	127,185	84,449
Other current financial assets	14	256,698	260,545
Other current assets	16	70,151	70,897
Cash and cash equivalents	17	1,849,617	1,609,703
TOTAL ASSETS		14,235,959	16,719,652

The accompanying Notes 1 to 33 and Annexes I to V form an integral part of the consolidated financial statements, jointly forming the 2024 consolidated income statements.

(*) The figures as at 31 December 2023 have been restated as indicated in Note 2.a).

CONSOLIDATED BALANCE SHEET

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES**
at 31 December 2024 (in thousands of euros)

LIABILITIES AND EQUITY

	Notes	31/12/2024	31/12/2023 (*)
EQUITY	18	3,736,019	6,142,472
Equity attributable to the Parent Company		2,732,716	4,447,476
Shareholders' equity		2,689,318	4,486,899
<i>Capital</i>		454,878	436,107
<i>Accumulated earnings and other reserves</i>		1,804,852	3,462,142
<i>Shares and equity interests</i>		(277)	(410)
<i>Profit for the year attributable to the Parent company</i>		429,865	589,060
Valuation adjustments		43,398	(39,423)
Non-controlling interests		1,003,303	1,694,996
NON-CURRENT LIABILITIES		6,971,110	6,713,751
Grants		243,439	226,624
Non-current provisions	19	1,085,436	1,230,595
Non-current financial liabilities	20	5,224,583	4,817,034
Debt instruments and other marketable securities		2,721,141	1,860,879
Bank borrowings		1,979,061	2,383,723
Other financial liabilities		524,381	572,432
Deferred tax liabilities	24	256,439	289,611
Other non-current liabilities	21	161,213	149,887
CURRENT LIABILITIES		3,528,830	3,863,429
Current provisions	19	275,017	159,610
Current financial liabilities	20	526,872	926,771
Debt instruments and other marketable securities		114,577	246,221
Bank borrowings		117,709	326,206
Other financial liabilities		294,586	354,344
Trade and other payables	22	2,726,941	2,777,048
Suppliers		1,118,620	1,252,628
Other payables		1,555,451	1,485,166
Current tax liabilities	24	52,870	39,254
TOTAL EQUITY AND LIABILITIES		14,235,959	16,719,652

The accompanying Notes 1 to 33 and Annexes I to V form an integral part of the consolidated financial statements, jointly forming the 2024 consolidated income statements.

(*) The figures as at 31 December 2023 have been restated as indicated in Note 2.a).

CONSOLIDATED INCOME STATEMENT

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. AND SUBSIDIARIES at 31 December 2024 (in thousands of euros)

	Notes	31/12/2024	31/12/2023 (*)
Revenue	27 and 28	9,071,416	8,217,292
Self-constructed assets		68,804	86,408
Other operating income	27	324,295	231,110
Changes in finished goods and work in progress inventories		511	2,766
Procurements	27	(3,735,615)	(3,341,919)
Staff costs	27	(2,703,107)	(2,403,500)
Other operating expenses		(1,591,020)	(1,506,972)
Amortisation of fixed and non-current assets and allocation of grants for non-financial and other assets	7, 8 and 9	(635,409)	(556,103)
Impairment and gains/(losses) on disposal of fixed assets	27	15,036	5,912
Other gains/(losses)	27	(89,500)	(9,140)
OPERATING PROFIT/(LOSS)		725,411	725,854
Financial income	27	82,029	77,757
Financial expenses	27	(264,119)	(196,449)
Other financial profit/(loss)	27	28,068	(17,448)
FINANCIAL GAINS/(LOSSES)		(154,022)	(136,140)
Profit/(loss) of entities valued using the equity method	27	13,242	42,404
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		584,631	632,118
Corporate income tax	24	(153,170)	(154,060)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		431,461	478,058
Profit/(loss) for the business year from interrupted operations after tax	5 and 27	136,123	264,181
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		567,584	742,239
Profit/(loss) attributable to the Parent		429,865	589,060
Profit attributable to non-controlling interests	18	137,719	153,179
EARNINGS PER SHARE (euros)	18		
Basic		0.96	1.31
Diluted		0.96	1.31

The accompanying Notes 1 to 33 and Annexes I to V form an integral part of the consolidated financial statements, jointly forming the 2024 consolidated income statements.

(*) The figures as at 31 December 2023 have been restated as indicated in Note 2.a).

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES
at 31 December 2024 (in thousands of euros)

	31/12/2024	31/12/2023 (**)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	567,584	742,239
Other comprehensive income - Items that are not reclassified to profit/(loss) for the period	3,590	(5,352)
Actuarial profits and losses (*)	4,158	(6,117)
Tax effect	(568)	765
Other comprehensive income - items that can subsequently be reclassified to profit/(loss) for the period	118,156	13,024
Financial assets at fair value with changes in other comprehensive income	4,356	55,565
Valuation gains/(losses)	5,661	55,604
Amounts transferred to the income statement	(1,305)	(39)
Cash flow hedges	5,816	(17,760)
Valuation gains/(losses)	19,142	(4,544)
Amounts transferred to the income statement	(13,326)	(13,216)
Translation differences	103,545	(20,684)
Valuation gains/(losses)	64,853	(20,776)
Amounts transferred to the income statement	38,692	92
Participation in other comprehensive profit recognised by investments in joint ventures and associates	14,332	(9,218)
Valuation gains/(losses)	18,802	(2,351)
Amounts transferred to the income statement	(4,470)	(6,867)
Tax effect	(9,893)	5,121
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	689,330	749,911
Attributable to the Parent	518,601	604,334
Attributable to non-controlling interests	170,729	145,577

The accompanying Notes 1 to 33 and Annexes I to V form an integral part of the consolidated financial statements, jointly forming the 2024 consolidated income statements.

(*) Amounts that under no circumstances will be charged to the statement of profit and loss.

(**) The figures as at 31 December 2023 have been restated as indicated in Note 2.a).

TOTAL STATEMENT OF CHANGES IN THE CONSOLIDATED EQUITY

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES**
at 31 December 2024 (in thousands of euros)

	Share capital	Accumulated earnings and other reserves	Shares and equity interests	Profit/(loss) for the year attributed to the Parent Company	Valuation adjustments	Equity attributable to shareholders of the Parent	Non- controlling interests	Total equity
<i>Notes</i>	<i>18.a</i>	<i>18.b</i>	<i>18.c</i>		<i>18.d</i>	<i>18</i>	<i>18.II</i>	
Equity as at 31 December 2022	438,345	2,689,461	(27,264)	315,182	(27,842)	3,387,882	1,551,111	4,938,993
Total income and expenses for the year	-	(2,773)	-	589,060	18,047	604,334	145,577	749,911
Transactions with shareholders or owners	(2,238)	(316,742)	26,854	-	-	(292,126)	(81,695)	(373,821)
Capital increases/(reductions)	(2,238)	(297,290)	298,588	-	-	(940)	1,874	934
Distribution of dividends	-	(19,452)	-	-	-	(19,452)	(83,569)	(103,021)
Transactions with treasury shares or equity instruments (net)	-	-	(271,734)	-	-	(271,734)	-	(271,734)
Other changes in equity	-	1,092,935	-	(313,254)	(29,704)	749,977	80,867	830,844
Equity as at 31 December 2023	436,107	3,462,881	(410)	590,988	(39,499)	4,450,067	1,695,860	6,145,927
Impact of recalculation of the fair value of net assets acquired (Note 2.a)	-	(739)	-	(1,928)	76	(2,591)	(864)	(3,455)
Equity at 1 January 2024	436,107	3,462,142	(410)	589,060	(39,423)	4,447,476	1,694,996	6,142,472
Total income and expenses for the year	-	3,731	-	429,865	85,005	518,601	170,729	689,330
Transactions with shareholders or owners	18,771	(43,683)	133	-	-	(24,779)	(48,017)	(72,796)
Capital increases/(reductions)	18,771	(18,771)	-	-	-	-	39,904	39,904
Distribution of dividends	-	(24,912)	-	-	-	(24,912)	(87,921)	(112,833)
Transactions with treasury shares or equity instruments (net)	-	-	133	-	-	133	-	133
Other changes in equity	-	(1,617,338)	-	(589,060)	(2,184)	(2,208,582)	(814,405)	(3,022,987)
Equity at 31 December 2024	454,878	1,804,852	(277)	429,865	43,398	2,732,716	1,003,303	3,736,019

The accompanying Notes 1 to 33 and Annexes I to V form an integral part of the consolidated financial statements, jointly forming the 2024 consolidated income statements.

STATEMENT OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD)

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES**
at 31 December 2024 (in thousands of euros)

	Notes	31/12/2024	31/12/2023 (*)
Profit/(loss) before tax from continuing operations		584,631	632,118
Adjustments to profit or loss		776,620	617,819
Amortisation and depreciation	7, 8 and 9	645,567	565,603
Impairment and gains/(losses) on disposal of fixed assets	7, 8 and 27	(15,036)	(5,912)
Other adjustments to profit/(loss) (net)	27	146,089	58,128
Changes in working capital	16	(176,927)	(701,817)
Other cash flows from operating activities		93,623	237,265
Dividend collections		28,894	50,496
Collections/(payment) for corporation tax		(198,747)	(97,348)
Other collections/(payments) from operating activities		263,476	284,117
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		1,277,947	785,385
Payments due to investments		(1,607,959)	(864,793)
Group companies, associates and business units		(751,047)	(46,276)
Property, plant and equipment, intangible assets and real estate investments	7, 8 and 9	(839,981)	(807,631)
Other financial assets		(16,931)	(10,886)
Proceeds from disposals		53,638	35,780
Group companies, associates and business units		5,422	16,449
Property, plant and equipment, intangible assets and real estate investments	7, 8 and 9	21,318	14,105
Other financial assets		26,898	5,226
Other cash flows from investing activities		258,918	(133,423)
Interest received		59,808	52,538
Other collections/(payments) from investing activities		199,110	(185,961)
TOTAL CASH FLOWS FROM INVESTMENT ACTIVITIES		(1,295,403)	(962,436)
Proceeds from and payments for equity instruments	18	(104)	692,806
Issue/(redemption)		(104)	(182)
(Acquisition)/disposal of own shares		-	692,988
Proceeds from (payments on) financial liabilities	20	579,793	(71,737)
Issuance		3,292,937	2,096,278
Repayment and amortisation		(2,713,144)	(2,168,015)
Dividends paid and payments on equity instruments	6	(121,770)	(58,277)
Other flows from financing activities		(223,199)	(352,533)
Interest paid		(205,329)	(149,429)
Other collections/(payments) from financing activities		(17,870)	(203,104)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		234,720	210,259
EFFECT OF VARIATIONS IN EXCHANGE RATES		22,650	957
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		239,914	34,165
Cash and cash equivalents at the start of the period	17	1,609,703	1,575,538
Cash and cash equivalents at the end of the period	17	1,849,617	1,609,703

The accompanying Notes 1 to 33 and Annexes I to V form an integral part of the consolidated financial statements, jointly forming the 2024 consolidated income statements.

(*) The figures as at 31 December 2023 have been restated as indicated in Note 2.a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES
at 31 December 2024

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1. GROUP ACTIVITY

The FCC Group comprises the parent company Fomento de Construcciones y Contratas, S.A. and a group of national and international investee companies.

Company identification data

Name of the reporting entity or other means of identification	Fomento de Construcciones y Contratas, S.A.
Legal form of the entity	Public Limited Company (In Spain: Sociedad Anónima)
Address of the entity's registered office	C. Balmes 36, 08007 Barcelona, Spain
Address of the entity	Avenida Camino de Santiago 40, 28050, Madrid, Spain
Country of incorporation	Spain
Main place of business	Spain
Name of the parent company	Control Empresarial de Capitales, S.A. de C.V.
Name of the controlling parent of the group	Control Empresarial de Capitales, S.A. de C.V.
Changes to the name of the reporting entity	No changes have occurred this year

The Group operates in the following business areas:

- **Environmental Services.** Services related to urban sanitation, industrial waste management, green space conservation, including both construction and operation of treatment plants, and energy recovery from waste. This includes concession agreements related to environmental services.
- **Integrated Water Management.** Services relating to the end-to-end water cycle: collection, purification and distribution of water for human consumption; sewage collection, filtration and purification; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural services etc. Concession agreements related to the integral water cycle are also included.
- **Construction.** Specialised in the construction of infrastructure, buildings and similar facilities: motorways, highways, roads, tunnels, bridges, hydraulic works, ports, airports, urban developments, housing, non-residential building, lighting, industrial climate control installations, environmental restoration, etc.
- **Concessions.** Mainly includes concession agreements related to the operation of motorways, tunnels and other similar infrastructures and urban tramways.

In November 2024, the partial financial spin-off that gave rise to the Inmocemento Group (Note 2.a) was completed, resulting in the removal from the scope of consolidation of the following activities previously carried out by the Group:

- **Real Estate.** Dedicated to the promotion of housing and the rental of offices, commercial premises and residential properties.
- **Cement.** Dedicated to the operation of quarries and mineral deposits, manufacture of cement, lime, gypsum and prefabricated derivatives, and also to the production of concrete and mortar.

International activities account for approximately 51% (49% in 2023) of the FCC Group's turnover, mainly in Europe, Latin America, the Middle East and the United States (note 28).

2. BASIS OF PRESENTATION AND BASIS OF CONSOLIDATION OF THE CONSOLIDATED INCOME STATEMENT

a) Basis of presentation

The accompanying financial statements and the notes thereto that comprise this Report and which make up these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union at the closing date, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and all the implementing provisions and interpretations.

The 2024 consolidated financial statements of the FCC Group have been formulated by the Board of Directors of Fomento de Construcciones y Contratas, S.A. and will be presented for approval by the General Shareholders' Meeting. However, no amendments are expected as a result of the fulfilment of said requirement. The 2023 consolidated financial statements were approved by the General Shareholders' Meeting of Fomento de Construcciones y Contratas, S.A., held on 27 June 2024.

These consolidated financial statements of the FCC Group show the faithful image of the equity and the financial situation as at 31 December 2024 and 2023, as well as the results of the operations, changes in equity and consolidated cash flows that occurred in the Group during those years.

The consolidated financial statements of the FCC Group have been prepared from the accounting records of Fomento de Construcciones y Contratas, S.A. and its investee companies. These records, in accordance with the procedures and operating systems established in the Group, justify and support the consolidated financial statements prepared in accordance with current international accounting regulations.

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the individual financial statements of the companies included in the scope of consolidation. In 2024 and 2023, the reporting date of the financial statements of the companies included in the scope of consolidation was the same as that of the Parent, i.e. 31 December.

On 7 November 2024, the Group completed the partial financial spin-off of the Real Estate and Cement activities to Inmoco, S.A. Inmoco, S.A. was constituted on 10 April 2024 by Fomento de Construcciones y Contratas, S.A. as the sole shareholder, with a view to it receiving, in the form of a partial spin-off, the entirety of the holding it held in both the Real Estate and Cement activities. In May 2024, the Board of Directors at Fomento de Construcciones y Contratas, S.A. approved the draft spin-off, which was subsequently approved by the General Shareholders' Meeting on 27 June. On 7 November, the spin-off was registered in the Companies Register, at which time the operation was considered completed for accounting purposes.

Based on the terms of the transaction, at the time of the spin-off's completion, the shareholders received as many shares in Inmoco, S.A. as they held in Fomento de Construcciones y Contratas, S.A. on that date. As a result, the assets and liabilities subject to the spin-off, before and after the operation, remain under common control and there is no change to the previous shareholding structure. In addition, the directors consider that the Inmoco Group is the result of the reorganisation of the pre-existing FCC Group.

The Group's Management has followed the applicable accounting framework, as well as applying its best professional judgement, when accounting for this transaction. As indicated, it has been considered as the reorganisation of a pre-existing group which, given its nature, has no economic substance, since the shareholders' holding in the net assets spun off is no different after the spin-off and does not affect the position of the non-controlling interests in any way. With this in mind, the FCC Group has written off the assets and liabilities of both activities at their consolidated value against reserves, considering that no transaction has been performed that justifies the recognition of the difference between the aforementioned book value and its fair value, as it has not been performed against third parties. In addition, subject to the provisions of the regulations on the loss of control, the amounts previously recognised in other comprehensive income and the consolidation adjustments for intragroup transactions in relation to both activities have been transferred to profit and loss (Note 18).

As a result of this spin-off, there has been an outflow of assets and liabilities, which had previously been reclassified as held for sale for the sum of 4,451,728 thousand euros and 1,537,027 thousand euros, respectively, in equity (Notes 18 and 27).

The consolidated financial statements are expressed in thousands of euros.

Reclassifications made

The following reclassifications have been made:

- Reclassification of the Real Estate and Cement activities to assets and liabilities held for sale from the date on which the aforementioned partial financial spin-off was approved and the earnings and cash flows generated by both activities until the date of completion and those corresponding to the entirety of 2023 for comparative purposes as established in the regulations (Note 5).
- Restatement of comparative data as at 31 December 2023 as a result of the recalculation of the fair value of net assets acquired as part of certain business combinations performed in previous years, specifically those corresponding to Municipal District Services, Llc. (Note 4) and Houston Waste Solutions, Llc. and Premier Waste Services, Llc. Pursuant to the regulations, the reasonable values of certain tangible and intangible assets have been re-estimated, with the corresponding impact on the goodwill recognised (Note 7.b) and on deferred tax liabilities. The impact of the restatement on the consolidated financial statements in 2023 were as follows:

2023

Non-current assets	1,977
Intangible assets	(6,478)
Concessions	-
Goodwill	(90,295)
Other intangible fixed and non-current assets	83,817
Property, plant and equipment	8,455
Current assets	-
Total assets	1,977
Equity	(3,455)
Non-current liabilities	5,432
Deferred tax liabilities	5,432
Current liabilities	-
Total equity and liabilities	1,977

2023

Operating profit/(loss)	(3,522)
Profit/(loss) before tax from continuing operations	(3,522)
Profit/(loss) for the business year from continuing operations	(2,571)
Profit attributable to the Parent Company	(1,928)

The impact on equity and earnings can be attributed to changes in amortisation expenses resulting from the revaluation of the tangible and intangible assets acquired.

Rules and interpretations issued but not in force

The Group intends to adopt standards, interpretations and amendments to standards issued by the IASB, which are not mandatory in the European Union, when they become effective, if applicable to it. Although the Group is currently analysing its impact, based on its analysis to date, it believes that its initial application will not have a significant impact on the consolidated financial statements, with the exception of the future application of IFRS 18 “Presentation and information to disclose in financial statements”, which has been approved by the IASB but has not yet been adopted by the European Union.

Among other changes, IFRS 18 primarily introduces three new requirements for improving company information about financial performance and provide a better basis for investors for analysing and comparing companies:

- improve comparability between financial performance statements by introducing three new categories: operating, investment and financing, as well as new subtotals: operating profit/(loss) and profit/(loss) before financing and corporation tax,
- provide greater transparency around performance measurements established by Management by introducing new guidelines and breakdowns, and
- provide guidelines to help group information in financial statements in a more useful way.

This standard will apply from 1 January 2027, once it has been approved by the European Union.

Significant rules and interpretations applied in 2024

The standards and interpretations applied in the preparation of these consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2023, as none of the standards, interpretations or amendments that are applicable for the first time in this financial year have had a significant impact on the Group's accounting policies.

b) Basis of consolidation

Subsidiaries

Consolidation performed applying the global integration method for the subsidiaries indicated in Annex I, over which Fomento de Construcciones y Contratas, S.A. exercises control.

The value of the participation of non-controlling shareholders in equity is presented under the heading “Non-controlling interests” of the liability side of the accompanying consolidated balance sheet and the participation in the profit/(loss) is presented under the heading “Profit attributed to non-controlling interests” of the accompanying consolidated income statement.

Where appropriate, goodwill is determined in accordance with the provisions of Note 3.b) of this Report.

Joint agreements

The Group develops joint agreements through participation in joint ventures jointly controlled by one of more of the FCC Group companies with other companies outside the Group (note 12), as well as through participation in joint operations, temporary joint ventures and other similar entities (note 13).

The Group applies its professional judgement to evaluate its rights and obligations over joint agreements taking into account the financial structure and legal form of the agreement, the terms agreed by the parties and other relevant facts and circumstances to evaluate the type of joint agreement.

In accordance with IFRS 11 “Joint agreements”, participations in joint ventures are integrated according to the equity method and are included in the accompanying consolidated balance sheet under the heading “Investments accounted for using the equity method”. These companies' participation in the net income of the business year is included under the heading “Profit/(loss) of entities valued using the equity method” of the accompanying consolidated profit and loss statement.

The joint operations, mainly in the Construction and Environmental Services activities that mostly take the form of temporary joint ventures and other similar entities, have been integrated in the attached consolidated accounts based on the percentage of participation in assets, liabilities, income and expenses derived from the operations carried out by them, eliminating the reciprocal balances in assets and liabilities, as well as the income and expenses not incurred against third parties.

Annexe II lists the business jointly controlled with third parties outside the Group and Annexe V lists the joint operations carried out with third parties outside the Group, mainly through temporary joint ventures and other entities with similar characteristics.

Associates

The companies listed in Annexe III, in which Fomento de Construcciones y Contratas, S.A. does not exercise control but has significant influence, are included in the accompanying consolidated balance sheet under the heading “Investments accounted for by applying the equity method”, integrated using said method. These companies' contribution to the net income of the business year is included under the heading “Profit of entities accounted for using the equity method” of the accompanying consolidated income statement.

Transactions between Group companies

In transactions between consolidated companies, the profit/(loss) of internal operations are eliminated, being deferred until they are made against third parties outside the Group. This elimination does not apply in the “Concession agreements” since the result is considered to be realised against third parties (note 3.a).

Group work on its own fixed and non-current assets is measured at production cost, eliminating the intra-group profit/(loss).

Reciprocal credits and debits have been eliminated from the consolidated financial statement, as well as internal income and expenses from the collection of the subsidiaries that are consolidated.

Changes in the scope of consolidation

Annex IV shows the changes made in 2024 in all consolidated companies using global integration and the equity method. The profit/(loss) of these companies are included in the consolidated income statement as from the effective acquisition date or until the effective disposal or derecognition date, as appropriate.

The heading “Change in scope” in the corresponding notes to this Report shows the effect of the additions and derecognitions of companies from the scope of consolidation. Additionally, Note 4 of this Report “Changes in the scope of consolidation”, shows the most significant inputs and outputs of said scope.

3. ACCOUNTING POLICIES

The most relevant accounting policies applied to the consolidated financial statements of the FCC Group are detailed below:

a) Service Concession Arrangements

Concession contracts involve agreements between a granting public entity and FCC Group companies to provide public services such as water distribution, filtration and sewage treatment, landfill management, motorways and tunnels, etc. by operating the infrastructure. Meanwhile, revenue from providing the service may be received directly from the users or, sometimes, through the concession grantor itself, which regulates the prices for providing the service.

The Group recognises its concessions pursuant to the provisions of IFRIC 12 “Service Concession Arrangement”.

Intangible assets from concession arrangements classified as intangible assets amortise the resulting asset according to the consumption pattern, understanding as such the performance and best estimation of the production units in each of the different activities. The Group's most important concession businesses are in the water supply and sanitation business, which depreciates its assets based on water consumption, which, in general, remains constant over time due, on the one hand, to a reduction in water consumption as a result of water saving policies and, on the other hand, to an increase in water consumption as a result of population growth; in the environmental services business, mainly waste recycling and energy recovery plants, which are depreciated on the basis of the tonnes treated; and in the concessions business, mainly toll roads and motorways, which are depreciated on the basis of traffic. The amortisation is completed in the concession period, which is generally between 25 and 50 years. In turn, Concession arrangements recognised as financial assets are measured applying the amortised cost method.

b) Business combinations and goodwill

Goodwill is recognised as the positive difference between (a) the sum of the fair value of the consideration transferred as a result of the acquired interest, the amount of the non-controlling interests and the fair value at the date on which control over these interests is acquired when control is obtained in stages, and (b) the fair value of identifiable assets and liabilities.

When the difference obtained according to the previous paragraph is a negative amount, a bargain purchase occurs. In these situations, the Group reviews the identification and assessment of the assets and liabilities acquired and if this difference is confirmed, it is recognised as a positive result in the year under “Impairment and gains/(losses) on disposals of fixed assets”.

In general, non-controlling interests are valued by the proportional part of the fair value in the assets and liabilities of the acquired company.

c) Intangible assets

Except as indicated in the two previous sections of this note regarding the agreements for the concession of services and goodwill, the other intangible assets contained in the accompanying financial statements are initially recognised at their acquisition cost. These intangible assets include the fair value of contracts acquired as part of business combinations, investments related to contracts and operating licences, rights to build and software applications.

Such registered intangible assets have a finite useful life. Amortisation is carried out during its useful life, which is generally between 20 and 35 years, that is, the period during which it is estimated that they will generate income, using the linear method, except when the application of the consumption pattern reflects its depreciation more faithfully. Software applications are generally amortised within a period of 5 to 10 years.

The Group records CO2 emission rights generated by Cement activity as a non-amortisable intangible asset. Rights received free of charge under the corresponding national allocation plans are measured at the market price in force at the time they are received, recognising a subsidy for the same amount. Pursuant to the option provided by the regulations, the intangible asset is reduced by the subsidy received. As a result of the partial financial spin-off (Note 2) that gave rise to the Inmocermento Group, at 31 December 2024, this case law is no longer applicable to the financial statements of the FCC Group.

d) Property, Plant and Equipment

Property, plant and equipment are recorded at their cost price, less accumulated depreciation and any loss due to impairment of recognised value. The cost of those assets includes the estimated present value of their dismantling or the withdrawal of the affected items and, in those cases in which they have been acquired by business combinations, they are initially recognised at their fair value on the acquisition date.

Companies depreciate their fixed and non-current assets following the linear method, distributing the cost thereof between the following years of estimated useful life:

Natural resources and buildings	25-100
Plant, machinery and transport items	5-30
Furniture and tools	7-12
Other fixed and non-current assets	5-10

However, some contracts may have terms shorter than the useful life of the related fixed and non-current assets, in which case they are depreciated over the term of the contract.

The residual value, useful life and depreciation method applied to the Group’s PP&E are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the revenue deriving from operating the property, plant and equipment. This review is carried out through an in

situ evaluation and technical analysis, taking into account their current conditions and estimating the remaining useful life of each asset, based on their ability to continue providing the functionalities for which they were defined. Subsequently, these internal analyses are compared against third parties outside the Group, such as manufacturers, installers, etc. to ratify them.

e) Investment property

Real estate investments, or investment property, is land, buildings and other structures that are held either for rental or for capital appreciation as a result of future increases in their respective market prices.

Investment property is stated at fair value at the reporting date and is not subject to depreciation. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise and are recognised under “Changes in value, impairment and gains/(losses) on disposal of fixed assets” in the accompanying consolidated income statement.

The Group periodically determines the fair value of investment property so that, at year-end, the fair value reflects the market conditions of the investment property items at that date. This fair value is determined half-yearly on the basis of the assessments made by independent experts.

The partial financial spin-off (Note 2) that gave rise to the Inmocemento Group, has resulted in the derecognition of practically all of the Group's real-estate investments as they belonged to the Real Estate activity. Similarly, the earnings arising from changes in the fair value of real-estate investments in the Real Estate activity up to the date of completion of the spin-off in question has been transferred “Profit/(loss) for the business year from interrupted operations after tax” (Note 5).

f) Impairment of the property, plant and equipment and intangible asset value

The Group uses both internal and external sources of information to assess possible signs of impairment. External sources include market value decreases beyond the passage of time or normal use or possible adverse future changes in the legal, economic or technological environment that could reveal a loss of the recoverable value of its assets. The Group internally assesses whether there has been a physical deterioration or obsolescence of the assets, if the future situation itself may produce a change in the expected use of the asset, for example if the asset is expected to be idle for a significant period of time or due to restructuring plans or if it is detected that the return on the asset is worse than expected.

The recognition or reversal of impairment losses on assets are charged or credited to income under “Impairment and results obtained on the disposal of assets” on the accompanying consolidated income statement.

To calculate the recoverable amount of the assets subject to impairment tests, the present value of the net cash flows originating from the Cash Generating Units (CGUs) associated therewith was estimated, except those flows related with payments or collections on lending operations and corporate tax payments, together with those that arise from future improvements or refurbishments envisaged for the assets belonging to such Cash Generating Units. To discount cash flows, a pre-tax discount rate was used, which includes the current market assessments of the time value of money and the risks specific to each Cash Generating Unit.

The estimated cash flows are obtained from the projections made by the Directorate of each of the CGUs that generally use periods of five years, except when the business characteristics advise longer periods and that include growth rates supported by the different approved business plans, whose review is carried out periodically, generally considering zero growth rates for those periods beyond the years projected in the aforementioned plans, except in exceptional cases when the expected future growth of the activities performed by the CGU justify the inclusion of a growth rate. Also, it is necessary to indicate that sensitivity analyses are performed to assess the growth of income, operating margins, and discount rates, in order to foresee the impact of future changes in these variables.

Cash flows from CGUs located abroad are calculated in the functional currency used by those cash generating units and they are updated using discount rates that take into consideration the risk premium relating to each currency. The present value of the net cash flows obtained in this manner are translated at the year-end exchange rate for each currency.

g) Leases

To estimate the duration of the contract, extensions that are reasonably expected to occur and the period in which the lessee does not expect to terminate the contract (when they have the power to do so) are considered, without exclusively taking into account the minimum term established in the contract, as the term during which the lessee expects to continue using the underlying asset, depending on its particular circumstances, is estimated. To determine whether an extension is expected to take place, the economic incentives that the lessee may have to extend the contract are taken into account, considering factors such as the existence of advantageous conditions compared to market conditions in case of an extension, if the lessee has incurred significant costs in adapting the underlying asset to its needs that it must reapply in case of contracting a new lease, any possible costs for the termination of the contract in case it is not extended or the importance of the asset to the lessee, especially if it is a specialised asset that is not readily available on the market. Furthermore, the background in terms of the period of use in the past of certain assets is also taken into account.

Substantially all of the agreements in which the Group acts as lessor, which are mostly carried out in the Real Estate business, are classified as operating leases, as not substantially all the risks and rewards incidental to ownership of the asset are transferred. The revenue generated by the agreement is recognised on a straight-line basis over the term of the agreement and is included as revenue in the profit and loss account to the extent that it is of an operating nature. Direct costs incurred on entering into a lease agreement are incorporated as an increase in the value of the leased asset and amortised over the lease term on the same basis as income. Contingent payments are recognised as income in the period in which they are earned.

As a result of the partial financial spin-off (note 2) that gave rise to the Inmocemento Group, the income received as a lessor for the Real Estate activity until the date of its completion has been recognised under “Profit/(loss) for the business year from interrupted operations after tax” (Note 5).

h) Investments accounted for using the equity method

Investments undergo an impairment test as long as there are indications of impairment that may reveal a decrease in the recoverable value below the carrying amount of the investment, using both internal and external sources.

i) Financial assets

All acquisitions and sales of financial assets are recorded at the date of contracting the operation.

The Group manages its financial assets to obtain its contractual cash flows, which is why it measures them applying the amortised cost method. As an exception to the above, it should be noted that the Group values certain financial assets at fair value in the following cases:

- Financial assets at fair value with changes in profit/(loss): This category includes derivatives that do not meet the conditions to be considered as hedging, financial assets that other standards establish must be valued at fair value charged to profit/(loss), such as contingent considerations in business combinations and financial assets that, if valued differently, would generate an accounting asymmetry.
- Financial assets at fair value with changes in other comprehensive income: The Group values its interests in companies in which it does not have control, joint control or exert significant influence at fair value charged to reserves.

In assets that are valued at amortised cost, an impairment loss is recorded if, on the closing date of the financial statements, it is determined that credit losses will be incurred throughout their entire life. That is, impairment losses are recorded immediately when there is credit risk. Credit risk is understood as the risk of one of the parties to the financial instrument causing a financial loss to the other party if it breaches an obligation.

Collection rights arising from a service concession agreement are measured at their amortised cost.

Trade receivables arising in the Group’s normal business activities are stated at their nominal value, given that they generally mature within twelve months, adjusted by any expected credit losses over the course of their lives. Accounts receivable with maturities greater than twelve months are valued at their current value.

The Group, based on the short-term cash flow needs, transfers credit from customers to financial entities. The amount of these credit assignments is reported in Note 16.a). These operations accrue interest under usual market conditions and the collection management is still carried out by the Group companies, although the costs associated with such management are residual.

To the extent that the risks and rewards inherent to the accounts receivable are substantially transmitted through these sales and assignments of collection rights, as well as the control over them, without there being any repurchase agreements signed between the Group companies and the credit institutions that have acquired the assets and that they can freely dispose of said acquired assets without the Group companies being able to limit the aforementioned right in any way, the aforementioned sales and assignments are posted as “without recourse”. Consequently, in accordance with the criteria established by IFRS, balances receivable from debtors assigned or sold under the conditions indicated are written off in the consolidated balance sheet.

j) Inventory

Inventory is valued at the average acquisition price or the average production cost, applying the necessary value corrections to adapt these values to the net realisable value if it were lower.

The Group's real estate activity includes land and plots, as well as ongoing developments and finished properties that are held for sale or for integration into a real estate development. Land and plots are valued at their acquisition price, plus any urbanisation costs and other expenses related to their purchase (property transfer tax, registration fees etc.) and the financial costs of their financing during execution of the works, or their recoverable amount if this is less.

Ongoing developments are the costs incurred in real estate development, or part thereof, whose construction has not been completed at the end of the business year. The cost of completed real estate developments is classified as finished products.

Impairment of land and plots, ongoing real estate developments and finished products is recorded when their net realisable value is lower than their book value (note 15). To determine the book value, the Group uses the assessments made by independent experts. This is determined mainly on the basis of end-market references, by calculating the residual value of the land on the existing market value in the locality in which they are located and, where appropriate, when purchase offers have been received, the price of such offers has been used for their assessment.

The partial financial spin-off (Note 2) that gave rise to the Inmocemento Group, has resulted in the derecognition of the real-estate inventories that belonged to the Real Estate activity. Similarly, the earnings arising from the allocation or reversal of the impairment of real-estate inventories in the Real Estate activity up to the date of completion of the spin-off in question has been transferred “Profit/(loss) for the business year from interrupted operations after tax” (Note 5).

The goods received through credit collection in exchange for work executed or to be executed are valued at the lowest amount from between the amount that was registered for the credit corresponding to the goods received, or the cost of production or net realisable value.

k) Foreign currency

k.1) Translation differences

Converting the financial statements of foreign companies denominated in currencies other than the euro into euros has generally been carried out at the closing rate, except for:

- Capital and reserves, which were converted at historical exchange rates.
- The income statement items of foreign companies have generally been converted applying the daily exchange rates, or average exchange rates when the daily exchange rate cannot be used.

Translation differences for the foreign companies from the consolidation scope, generated by the application of the year-end exchange rate method, are included in the equity of the accompanying consolidated balance sheet, as shown in the accompanying statement of changes in the equity.

k.2) Exchange differences

The balances of accounts receivable and payable from monetary items in foreign currency are valued in euros by applying the exchange rates in force at the date of the consolidated balance sheet, allocating the differences that are generated to profit/(loss), except as regarding advances, which, when considered non-monetary items, are kept converted at the exchange rate that existed at the time of the transaction.

The differences resulting from fluctuations in exchange rates between the date on which the collection or payment was made and the date on which the transactions took place or their value was discounted are allocated to profit or loss.

Meanwhile, the exchange differences that occur in relation to the financing of investments in foreign companies, with both the investment and the financing being registered in the same currency, are directly recognised in equity as translation differences that offset the effect of the difference in conversion to euros of the foreign company.

l) Equity instruments

Equity or capital instruments are recorded for the amount received, net of direct issuance costs.

The treasury shares acquired by the Parent Company during the year are recognised at the value of the consideration given, as a decrease in equity. Any gains or losses on the purchase, sale, issue or redemption of own equity instruments are recognised directly in equity and never in the profit and loss statement.

m) Grants

Subsidies are accounted for based on their nature as capital subsidies when they involve the acquisition or construction of assets or as operating subsidies when they cover operating deficits.

n) Provisions

These provisions are recognised when the related obligation arises and the amount recognised is the best estimate, at the date of the accompanying financial statements, of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value has an impact on financial profit/(loss).

Provisions for dismantling, removal or restoration are recognised by increasing the value of the related asset by the present value of the expenses that will be incurred when operation of the asset ceases. Profit or loss is affected when the asset concerned is depreciated as described in previous sections of this Note and by the discounted present value as described in the preceding paragraph.

In addition, some Group companies provide provisions for restructuring costs when there is a detailed formal plan for such restructuring that has been communicated to the affected parties. No significant liabilities have been recognised for this concept as at 31 December 2024 or 31 December 2023.

Provisions are classified as current or non-current in the accompanying consolidated balance sheet on the basis of the estimated maturity date of the obligation covered by them, and non-current provisions are considered to be those whose estimated maturity date exceeds the normal operating cycle of the activity giving rise to the provision.

o) Financial liabilities

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

Bank borrowings and other current and non-current financial liabilities maturing within no more than 12 months from the balance sheet date are classified as current liabilities and those maturing within more than 12 months as non-current liabilities.

The Group undertakes reverse factoring operations with suppliers (note 22); in general, as these operations do not entail a release of the payment obligation, the value of the liability is not derecognised.

p) Financial derivatives and hedge accounting

The Group applies the treatment established in the regulations to derivatives that meet the requirements to be considered as hedges, classifying the hedges as cash flow, fair value or net investment hedges of foreign businesses.

IFRS 9 "Financial Instruments" states that an effectiveness test must be performed, consisting of a qualitative assessment of the financial derivative to determine whether it can be considered to be a hedging instrument and, therefore, effective.

A quantitative analysis that will determine how the instruments are recognised takes place after their effectiveness has been assessed. This quantitative analysis consists of a retrospective portion for purely accounting purposes and another prospective portion intended to analyse any possible future deviations relating to the hedge.

The retrospective assessment analysis is adapted to the type of the hedge and the nature of the instruments used, and all of the financial derivatives contracted by the Group consist of cash flow hedges (note 23):

- In the case of interest rate swaps (IRSs) in Cash flow hedges, the Group charges a variable rate equal to that of the hedged borrowings and pays a fixed rate, since the objective is to reduce the variability of the borrowing costs, the effectiveness test determines whether changes in the fair value of the IRS cash flows offset changes in the fair value of the hedged risk.

The hypothetical derivative method is used for accounting purposes when performing the quantitative assessment of effectiveness, which establishes that the company will recognise in equity the lower of the absolute change in the value of the hypothetical derivative (hedged position) and the change in the value of the contracted derivative. The difference between the value of the recognised change in equity and the fair value of the derivative on the date of the effectiveness test will be considered to be the ineffective portion and it will be directly recorded in the income statement.

- Cash flow hedges in which the derivative hedge instrument is an option or a forward and not an IRS are treated in a similar way as described for IRS transactions.

The value is calculated using defined methods and techniques based on observable market inputs, such as:

- The interest rate swaps were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon rate curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon rate curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When there were caps and floors or combinations thereof, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black - Scholes model was used.
- The methodology used in the case of a cash flow hedge derivative associated with inflation is very similar to that used for interest rate swaps. Expected inflation is estimated based on observed inflation and is embedded in the swaps indexed to the ex-tobacco European inflation rate used in the market, and translated to the Spanish rate using a convergence adjustment.

Furthermore, a sensitivity test is carried out on the derivatives and net financial debt in order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's accounts, given different interest rate increase and decrease scenarios at year-end (note 30).

Note 23 to this Report provides details of the financial derivatives that the Group has arranged and other matters related thereto.

q) Income tax

The expense for corporate income tax is calculated on the basis of the consolidated profit before tax, increased or decreased, as appropriate, by the permanent differences between tax loss/taxable profit and accounting profit/(loss). The corresponding tax rate based on the legislation applicable to each country is applied to this adjusted accounting profit. The tax relief and tax credits earned in the year are deducted and the positive or negative differences between the estimated tax charge calculated for the prior year's accounting close and the subsequent tax settlement at the payment date are added to or deducted from the resulting tax charge.

The temporary differences between accounting profit/loss and taxable profit/tax loss for Corporate Income Tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the consolidated balance sheet and their tax bases, give rise to deferred taxes that are recognised as non-current assets and liabilities. These amounts are measured at the tax rates that are expected to apply in the years in which they will foreseeably be reversed, without performing financial discounting at any time.

The Group activates deferred asset taxes corresponding to temporary differences and negative tax bases to be offset, except in cases where there are reasonable doubts about their future recovery.

r) Pension commitments

The Group companies have certain specific cases related to pension plans and similar obligations that are developed in Note 25 of this Report.

s) Operating income and expenses

After analysing its portfolio of contracts, the Group has concluded that, except in very specific cases, there is no more than one performance obligation in the contracts being executed, since either integration services are provided for the different activities carried out, or because they are highly interrelated.

As regards variable consideration, only one income is recognised for the value, and it is highly probable that it will not suffer significant reversion when the uncertainty about it is subsequently resolved. Also, in the case that the contracts include price revision clauses, the income that represents the best estimate of the amount to be charged in the future and under the same probability criteria mentioned for the variable consideration is recorded.

In general, the Group has not identified significant financial components in its contracts with clients. The financial component is only separated from the consideration to be received and the corresponding financial income is recorded in those contracts in which the time between when a service is provided or a good is delivered and when the payment is received is greater than twelve months.

In Construction activity, performance obligations are paid over time, so revenue is recognised using a product-based method, i.e. that is in-line with the degree of progress criterion. Only income that is protected by a main contract signed with the property and in modifications thereto approved by it is recognised. If the modification is approved without the amount being fixed, the income is only estimated as a variable consideration when the criteria of probability and significant non-reversal mentioned above are met. Budgeted losses are recognised as profit/(loss) for the year.

Meanwhile, in this activity the costs are recognised in accounts according to their accrual. The costs for obtaining the contract, mainly related to the study and preparation of the project, are not activated as they cannot be considered as incremental, since they are incurred regardless of whether the contract is finally obtained or not. Two main costs for fulfilling the contract can be distinguished: engineering and study costs and those related to general and specific facilities (mainly accessory facilities such as concrete plants, auxiliary works or building booths necessary to provide the services). The main contracts in which the aforementioned expenses are incurred are of the design and construction type, in which the remuneration to be received for the work to be carried out in engineering and studies and those of the benefit is identified by separate work units of construction services. Therefore, in general, expenses arising from engineering and studies are not capitalised and recognised as they are accrued as the services are provided, unless the agreement includes a clause stipulating that these costs will be reimbursed regardless of whether they the contract is closed or not. Costs related to the general and specific facilities are recorded as expenses according to the degree of progress when a separate works unit with its corresponding remuneration is identified in the contract, and assets are only activated within the heading when the contract does not identify them separately, and profit/(loss) is charged together with the rest of the contract costs using the aforementioned degree of progress.

In the service provision activities, which are mainly carried out in the Environmental Services and End-to-end Water Management and Real Estate segments when the Group acts as lessor under lease agreements (Note 3.g), income and expenses are recognised on an accrual basis, i.e. when the actual flow of the goods and services they represent occurs, regardless of when the resulting monetary or financial flow arises. These are performance obligations that are satisfied over time as the customer receives and consumes the profits at the same time as the service is provided. Consequently, revenue is recognised by measuring the value of the services actually provided to the customer using a product-based method.

Regarding the delivery of goods activities that the Group mainly carries out in the Cement segment and in the Real estate activity, revenues are only recognised when the goods have been delivered and their property has been transferred to the customer, as they are performance obligations that are satisfied at a specific moment of time.

In Real Estate activity, the Group recognises the costs passed on to the lessees of its real estate investments as income (Note 10.b).

The partial financial spin-off (note 2) that gave rise to the Inmocemento Group has resulted in income recognised for the provisions of goods in Real Estate and Cement activity until the date of its completion being transferred to "Profit/(loss) for the business year from interrupted operations after tax" (Note 5).

In the aforementioned activities (other than construction), the costs of obtaining the contract are not incremental, so they are not activated and are recognised based on their accrual. Meanwhile, no relevant contract fulfilment costs are incurred and are therefore recorded as operating expenses in general.

With regard to the service concession agreements, it should be noted that the Group recognises the interest income derived from the collection rights of the financial model as Revenue, since the value of this financial asset includes both construction and maintenance and upkeep services, which from an operational point of view are identical to those represented by the intangible model and, consequently, it is considered that since both models are related to the company's operating activity, the true and fair view is better represented by including the income derived from the financial asset as belonging to operations.

The Group has entered into "Power Purchase Agreements" and supply contracts, mainly in the Cement and End-to-End Water Management Areas, which ensure the supply of certain amounts of renewable energy for a determined period of time at the fixed price in the contract. These contracts are considered to be for own use as they are entered into with the intention of covering the activity's future electricity consumption needs. There is a high correlation between the expected future consumption and the volume of energy arranged. An operating expense is taken to the income statement when the energy in question is effectively consumed.

The partial financial spin-off (note 2) that gave rise to the Inmocemento Group has resulted in operating expenses incurred under the "Power Purchase Agreements" in Cement Activity until the date of its completion being transferred to "Profit/(loss) for the business year from interrupted operations after tax" (Note 5).

Also recognised as operating profit/(loss) are those produced in the disposals of shares in subsidiaries when it implies the loss of control over them.

t) Related party transactions

The Group performs all of its transactions with related parties on an arm's length basis.

Note 31 of this Report details the main transactions with significant shareholders of the Parent Company, with administrators and senior executives, between companies or Group entities and with companies invested in by shareholders of the Group.

u) Consolidated statement of cash flows

The FCC Group prepares its statement of cash flows in accordance with IAS 7 “Statement of cash flows” following the indirect method, using the expressions below in the following ways:

- Cash flows are the inflows and outflows of cash and cash equivalents.
- Operating activities are the activities that constitute the main source of the company's ordinary income, as well as other activities that cannot be classified as investment or financing activities. Among the operating cash flows, it is worth highlighting the heading “Other adjustments to profit/(loss)” which basically includes items that are included in the Profit/(Loss) Before Tax but have no impact on the change in cash, as well as items that are already included in other headings of the Cash Flow Statement according to their nature.
- Investing activities are the acquisition and disposal of long-term assets, as well as other investments not included in cash and cash equivalents.
- Financing activities are activities that produce changes in the size and composition of the Group's own capital and loans taken out.

For the purposes of preparing the consolidated statements of cash flows, the “cash and cash equivalents” have been considered as cash and on-demand bank deposits, as well as those short-term, highly liquid investments, which are easily convertible into specific amounts of cash, subject to an insignificant risk of changes in their value.

v) Use of estimates

In preparing these 2024 and 2023 Group consolidated financial statements, estimates were made to quantify certain assets, liabilities, revenues, expenses and obligations recognised therein. These estimates relate essentially to the following:

- Impairment losses on certain assets (Notes 7, 8, 9, 12 and 14)
- Goodwill measurement (note 7)
- The recoverability of the work executed pending certification (notes 3.s and 16)
- The recoverability of deferred tax assets (note 24)
- The amount of certain provisions and, in particular, those related to claims and litigation and the losses budgeted in construction contracts (note 19)
- The useful life of PP&E and intangible assets (see Notes 7 and 8)
- The determination of the fair value of investment property (Notes 5 and 9)
- The determination of the recoverable amount of inventory (Notes 5 and 15)
- The assumptions used in the actuarial calculation of liabilities and commitments for post-employment compensation (notes 19 and 25)
- The market value of derivatives (note 23)
- Cost of business combinations (note 4)

Although these estimates have been made based on the best information available at the date of preparing these consolidated financial statements on the events analysed, it is possible that events that may take place in the future may require them to be modified (upwards or downwards) in future years, which would be done prospectively, recognising the effects of the change in estimate in the corresponding future financial statements.

IFRS 7 “Financial instruments: information to be disclosed” requires that the fair value valuations of financial instruments, both assets and liabilities, be classified according to the relevance of the variables used in the valuation, establishing the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than prices quoted that are observable for the financial instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: data for the financial instrument that are not based on observable market data.

Almost all of the Group's financial assets and liabilities, which are valued at fair value, are level 2.

4. CHANGES IN THE SCOPE OF CONSOLIDATION

The main changes experienced in the scope of consolidation in 2024 are the following:

a) Business combinations

In January 2024, Environmental Services acquired 55% of Resicorreia Gestao e Serviços de Ambiente, Lda. in Portugal for the sum of €9,819 thousand. As at 31 December 2024, €3,049 thousand have been disbursed, which are recorded in the accompanying statement of cash flows under “Payments for investments”.

In April 2024, FCC, S.A. acquired 100% of Tranvia de Parla, S.A., for the sum of €18,000 thousand. The amount paid has been recorded in the accompanying cash flow statement under “Payments for investments”. Operating income of €41,178 thousand has been recognised under “Impairment and gains/(losses) on disposal of fixed assets” (note 27.d) as the amount of the consideration paid is lower than the fair value of the assets acquired.

In May 2024, in the United States, FCC Environmental Services, LLC. acquired 100% of Gel Recycling Holdings, one of the biggest waste management companies in central Florida, for €35,477 thousand. As at 31 December 2024, €30,802 thousand have been disbursed, which are recorded in the accompanying statement of cash flows under “Payments for investments”.

In June 2024, the acquisition by Environmental Services of the subsidiary Urbaser's business in the United Kingdom was completed for €265,143 thousand. The business acquired has composting, material-recovery, energy-recovery and final-disposal facilities, as well as domestic recycling centres. It also provides municipal waste collection, recycling centre management and street cleaning services. The amount paid has been recorded in the accompanying cash flow statement under “Payments for investments”.

The companies Beacon Waste Limited, Mercia Waste Management Ltd. and Severn Waste Limited, in which Environmental Services owned a 50% stake (note 12), are now fully consolidated, as Urbaser owned the other 50%. This change of consolidation method has led to income of €17,111 thousand being recognised due to the recognition at fair value of the stake previously owned by the Group before the business combination and a loss of €3,198 thousand due to the allocation to income of

value adjustments contributed by these companies when their consolidation method changed (Notes 12, 18 and 27.h).

In August 2024, the Environmental Services business acquired 100% of Europe Services Groupe in France, which provides municipal waste collection, street cleaning, professional cleaning and maintenance services for public and private customers, for the amount of €107,430 thousand. The amount paid has been recorded in the accompanying cash flow statement under "Payments for investments".

The composition of the balance sheets drawn up by the business combinations at 31 December 2024 is detailed below:

2024	Urbaser Group	Gel Recycling Holdings	Resicorreia	Tranvía de Parla	Europe Services Groupe
Non-current assets	687,906	42,408	8,732	31,430	116,859
Intangible assets	283,104	8,162	6,906	-	112,029
Property, plant and equipment	60,039	34,235	1,826	1	4,623
Non-current financial assets	320,625	11	-	31,429	207
Deferred tax assets	24,138	-	-	-	-
Current assets	152,247	1,480	4,377	48,808	31,966
Inventories	4,748	-	10	933	152
Trade and other receivables	50,791	1,332	2,221	7,419	19,653
Other current financial assets	6,011	-	34	-	1,271
Other current assets	10,454	102	58	6	594
Cash and cash equivalents	80,243	46	2,054	40,450	10,296
Total assets	840,153	43,888	13,109	80,238	148,825
Equity	300,822	35,477	9,819	59,178	107,430
Non-current liabilities	455,711	7,469	367	13,119	16,334
Non-current provisions	42,971	-	-	-	994
Non-current financial liabilities	348,117	-	-	-	1,015
Deferred tax liabilities	64,580	7,469	367	2,528	14,325
Other non-current liabilities	43	-	-	10,591	-
Current liabilities	83,620	942	2,923	7,941	25,061
Current provisions	-	-	97	-	4,510
Current financial liabilities	29,920	-	4	-	-
Trade and other payables	53,700	942	2,822	7,941	20,551
Total equity and liabilities	840,153	43,888	13,109	80,238	148,825

As a result of the aforementioned business combinations, the fair value of the assets acquired was determined. The following table shows the amounts allocated to assets and liabilities to reflect their fair value on the takeover date, which are reflected in the previous table:

2024	Urbaser Group	Gel Recycling Holdings	Resicorreia	Tranvía de Parla	Europe Services Groupe
Intangible assets	98,323	634	1,493	-	57,300
Property, plant and equipment	-	27,030	-	-	-
Non-current financial assets	30,411	-	-	9,365	-
Total assignments to assets	128,734	27,664	1,493	9,365	57,300
Non-current liabilities (deferred tax liabilities)	32,184	7,469	358	2,341	14,325
Total assignments to liabilities	32,184	7,469	358	2,341	14,325
Total net assignments	96,550	20,195	1,135	7,024	42,975

The reconciliation between the consideration transferred for the previous business combinations, the value of non-controlling interests recognised and the fair value of the net assets acquired are provided below:

2024	Urbaser Group	Gel Recycling Holdings	Resicorreia	Tranvía de Parla	Europe Services Groupe
Acquisition value	265,143	35,477	9,819	18,000	107,430
Fair value non-controlling interests acquired	(4)	-	-	-	-
Fair value previous interest	35,683	-	-	-	-
- Fair value of net assets	(237,517)	(28,006)	(2,913)	(59,178)	(52,748)
Goodwill/(Negative consolidation difference)	63,305	7,471	6,906	(41,178)	54,682

The previous business combinations have contributed the following ordinary income and profit/(loss) to the accompanying consolidated statement of profit and loss:

2024	Urbaser Group	Gel Recycling Holdings	Resicorreia	Tranvía de Parla	Europe Services Groupe
Net turnover	123,710	12,233	6,996	5,222	44,082
Other income	8,812	-	-	(563)	557
Operating profit/(loss)	12,077	1,236	1,334	4,097	1,461
Profit/(loss) before tax from continuing operations	11,209	1,174	1,332	4,997	(505)
Profit/(loss) attributable to the Parent	11,066	1,093	435	4,726	(535)
Non-controlling interests	3,685	364	619	-	(178)

Had these activities been consolidated since 1 January 2024, the revenue and profit/(loss) contributed would have been as follows:

2024	Urbaser Group	Gel Recycling Holdings	Resicorreia	Tranvia de Parla	Europe Services Groupe
Net turnover	220,736	14,450	6,996	7,395	114,603
Other income	15,480	1	-	2,038	550
Operating profit/(loss)	23,085	(49)	1,334	6,567	5,710
Profit/(loss) before tax from continuing operations	17,609	(825)	1,332	7,842	3,881
Profit/(loss) attributable to the Parent	16,052	(255)	435	6,787	1,034
Non-controlling interests	5,372	(85)	619	-	345

In turn, in 2023, on 31 December 2023, FCC Aqualia USA Corp. acquired 97% of the shares in Municipal District Services, LLC. in the United States for the sum of €81,433 thousand. This investment was paid out in January 2024, meaning that it appears as an investment in the attached Statement of Cash Flows for year 2024 under "Investment payments". Furthermore, there is a put option in favour of the non-controlling interests and a call option in favour of FCC Aqualia USA Corp. for the 3% stake held by the non-controlling interest, the fair value of which has been recorded as a financial liability (note 20).

The composition of the balance sheet resulting from the aforementioned business combination is as follows:

2023	Municipal District Services, LLC.
Non-current assets	87,085
Intangible assets	83,311
Property, plant and equipment	3,774
Current assets	9,310
Inventories	913
Trade and other receivables	7,040
Cash and cash equivalents	1,357
Total assets	96,395
Equity	81,508
Non-current liabilities	2,443
Non-current financial liabilities	2,443
Current liabilities	12,444
Trade and other payables	12,444
Total equity and liabilities	96,395

As a result of the aforementioned business combination, the fair value of the assets acquired was determined. The following table shows the amounts allocated to assets and liabilities to reflect their fair value on the takeover date:

2023 Financial Year	Municipal District Services, LLC.
Intangible assets	70,347
Property, plant and equipment	1,808
Non-current financial assets	-
Total assignments to assets	72,155
Non-current liabilities (deferred tax liabilities)	-
Total assignments to liabilities	-
Total net assignments	72,155

The reconciliation between the consideration transferred for the above business combination, the value of non-controlling interests recognised and the fair value of the net assets acquired are provided below:

2023 Financial Year	Municipal District Services, LLC.
Acquisition value	81,433
Fair value non-controlling interests acquired	-
Fair value previous interest	-
- Fair value of net assets	(68,544)
Valuation put non-controlling interests	75
Goodwill/Negative consolidation difference	12,964

As Municipal District Services, LLC. was acquired at the end of 2023, it contributed no ordinary income or profit to the accompanying statement of profit and loss. Had the company been consolidated since 1 January 2023, the revenue and profit/(loss) it would have contributed would have been as follows:

2023	Municipal District Services, LLC.
Revenue	66,882
Other income	863
Operating profit/(loss)	2,900
Profit/(loss) before tax from continuing operations	2,953
Profit/(loss) attributable to the Parent	1,461
Non-controlling interests	1,492

The posting of the aforementioned business combination had been estimated provisionally, meaning that the Group had a period of one year from the control date to adjust them in line with subsequent more relevant and complete information. In 2024, the business combinations covering Municipal District Services, LLC., Premier Waste Services, LLC., Houston Waste Services, LLC. and Houston Waste Solutions, LLC. made in previous years were adjusted, restating the figures for 2023 pursuant to the applicable regulations (Note 2).

b) Other changes in scope

In March 2024, FCyC, S.A., acquired an additional interest in Realia Business, S.A., representing 10.26% of its capital stock, from the Polygon fund, for the sum of €92,575 thousand; this transaction was recognised in the accompanying Statement of Cash Flows under “Other collections/(payments) from financing activities”, as the cash flows generated by Real Estate activity have been reclassified as discontinued activities (Note 5). As a result of this acquisition and other additional smaller acquisitions, FCyC, S.A.'s holding in the aforementioned company amounted, at 31 October 2024, the last quarter prior to the partial financial spin-off that gave rise to the Inmoco Group (note 2), directly and indirectly to 77.61%. Given that, before the purchase, the Group already held control over the company, the difference between the purchase price and the book value of the acquired non-controlling interests generated an increase in the FCC Group of consolidation reserves of 23,157 thousand euros, a decrease of in non-controlling interests of 117,312 thousand euros and an increase in valuation adjustments of 65 thousand euros (note 18).

In October 2023, the sale of a 24.99% holding in the Environmental Services subsidiary, FCC Servicios Medio Ambiente Holding, S.A., the parent company of the Environmental Services activity, was completed to the Canadian pension fund, CPP Investments, for the sum of €965,000 thousand. This transaction was recorded under “(Acquisition)/disposal of own shares” in the accompanying Statement of Cash Flows. As control has not been lost, the operation was recorded as an equity operation and led to the increase of €241,310 thousand in non-controlling interests and €693,864 thousand in consolidation reserves, as a result of the difference between the price of sale and the value of the non-controlling interests registered. In addition, the assessment adjustments increased by 18,723 thousand euros due to the attribution of the proportionate share to minority interests of the aforementioned existing adjustments prior to the sale transaction (Note 18).

This agreement includes a contingent price clause in relation to the cash flows generated by specific assets included within the scope of the sale. Given that the value of collections or payments cannot be determined with sufficient reliability and given the uncertainty of the time at which they may occur, the Group has not recognised any assets or liabilities. In addition, it is estimated that the net value of these collections or payments will not be relevant (note 26).

In December 2023, FCyC, S.A., acquired an additional holding in Realia Business, S.A., representing 12.19% of its share capital from Soinmob Inmobiliaria Española, SAU, for the sum of €105,000 thousand, which was recognised in the accompanying Statement of Cash Flows under “Other collections/(payments) from financing activities”, with the cash flows generated by Real Estate activity reclassified as discontinued activities and the statement of cash flows was restated as at 31 December 2023 (note 5). With this acquisition, the FCyC, S.A.'s direct and indirect shareholding in the aforementioned company amounted to 67.05%. Given that, before the purchase, the Group already held control over the company, the difference between the purchase price and the book value of the acquired non-controlling interests generated an increase in the consolidation reserves of €33,412 thousand, a decrease of in non-controlling interests of €139,047 thousand and an increase in valuation adjustments of €635 thousand (note 18).

In December 2023, FCyC, S.A. acquired an additional 3.99% holding for the sum of €49,571 thousand from Control Empresarial de Capitales, S.A. de C.V. and a 1.95% holding for the sum of €24,233 thousand from Soinmob Inmobiliaria Española, S.A.U., in Metrovacesa, S.A. that was recognised in the accompanying Statement of Cash Flows under the item “Other collections/(payments) from investing activities”, with the cash flows generated by Real Estate activity reclassified as discontinued activities and the statement of cash flows was restated as at 31 December 2023 (note 5). As a result of this acquisition, the total holding in Metrovacesa, S.A. came to 21.21%, which until that time was accounted for at fair value against reserves and consolidated under the equity method having achieved significant influence; at the end of the year, the Group was represented on the governing bodies of said company. This transaction resulted in the recognition of income of €142,413 thousand under “Profit/(loss) for the business year from interrupted operations after tax”, with the statement of profit and loss for the Real Estate activity having been reclassified as a discontinued activity and the statement of profit and loss restated as at 31 December 2023 (note 5), by the difference between the fair value of its net assets and the market value of the investment prior to its incorporation into the scope of consolidation (notes 5, 12, 14, 18 and 27).

The accounting policy applied to this transaction consisted of taking the fair value on the date on which significant influence was acquired in Metrovacesa, S.A. as the initial cost of the acquisition. Given that prior to the acquisition of significant influence, the previous holding was recognised at fair value through other comprehensive income, the accumulated appreciation adjustments were reclassified to reserves. The regulations do not specifically address situations such as the one described, meaning that the FCC Group decided to apply the previous treatment as it was considered that this best reflected the economic substance of the transaction, as the holding was previously recorded at its fair value. Regarding the reclassification of valuation adjustments to reserves, the regulations establish that when the option is to record a holding in an equity instrument at its fair value through other comprehensive income, any amount recognised in other comprehensive income cannot be subsequently reclassified to profit and loss, but can be transferred to other equity items.

5. NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In May 2024, as a result of the planned partial financial spin-off of the Cement and Real Estate activities approved by the Board of Directors of Fomento de Construcciones y Contratas, S.A. (Note 2), the assets and liabilities of both activities were reclassified as assets and liabilities held for sale. In addition, it was determined that the Real Estate and Cement activities should be reclassified as discontinued activities, given that both constitute a separate component that is clearly independent from the rest of the entity, both from an operational perspective and for financial reporting purposes, as they are considered an activity segment (note 28). Subsequently, on 7 November, the spin-off was completed and the assets and liabilities corresponding to both activities held for sale were derecognised in equity (notes 18 and 27).

As a result of this reclassification to assets and liabilities held for sale in the FCC Group's balance sheet at 31 May 2024, the following amounts were transferred:

May 2024	Cement	Real Estate	Eliminations	Total
Intangible assets	148,959	72	-	149,031
Property, plant and equipment	473,957	614	-	474,571
Investment property	-	2,089,556	-	2,089,556
Investments accounted for using the equity method	132,296	429,323	-	561,619
Non-current financial assets	4,292	15,193	(132)	19,353
Deferred tax assets	53,450	10,453	-	63,903
Current assets	261,884	849,753	(23,120)	1,088,517
Total Assets	1,074,838	3,394,964	(23,252)	4,446,550
Non-current financial liabilities	111,537	306,079	(4,279)	413,337
Rest of non-current liabilities	93,580	174,415	1	267,996
Current financial liabilities	56,319	692,721	(247,702)	501,338
Rest of current liabilities	88,369	106,809	(26,223)	168,955
Total liabilities	349,805	1,280,024	(278,203)	1,351,626

The Group has applied the criteria established in IFRS 5 "Non-current assets held for sale and discontinued operations". This standard establishes the duty to reclassify assets and liabilities that will not be recovered through continued use as held for sale, stopping the amortisation of these assets from the reclassification date.

In addition, this standard establishes that when assets and liabilities classified as held for sale constitute a component of the entity, in other words, they form part of an individual and coordinated plan for the disposal or holding by another means of a line of business or a geographical operating area that is significant and can be considered separate from the rest, their profit after tax and their operating, investment and financing cash flows must be classified as discontinued activities and presented separately from continuing activities. In addition, this restatement must be performed in the previous business year for the purposes of comparison.

However, this standard does not specifically establish detailed criteria for how to proceed with these reclassifications, in such a way that the Group has considered that the procedure reflected below best represents the economic substance of the transaction and satisfies the requirements of the aforementioned IFRS 5 and other regulations:

- Reclassification of pre-tax profit or loss "Profit/(loss) for the business year from interrupted operations after tax" (income statement): The Group has applied the principles set out in the IASB Interpretations Committee's January 2016 decision, which indicated that intra-Group eliminations between continuing operations and discontinued operations should continue to be performed. Taking this into consideration and with a view to most adequately reflecting the result of continuing operations, intra-Group transactions are not eliminated from the result of continuing operations, rather the elimination is included as part of the result of discontinued operations under the corresponding heading.
- Reclassification of cash flows: In the Group's financial statements, the total operating, investing and financing flows from discontinued operations are recognised respectively under "Other collections/(payments) from operating activities", "Other collections/(payments) from investing activities" and "Other collections/(payments) from financing activities". In addition, "Cash and cash equivalents" at the time that the spin-off was completed corresponding to the discontinued activities is written off under "Other collections/(payments) from investing activities". Similar to the procedure pursued in the income statement, intra-Group eliminations between continuing and discontinued operations are recognised under the same lines indicated for cash flows from discontinued operations.

The following sections provide details of the different natures of the income statement and statement of cash flows corresponding to discontinued operations.

Profit and Loss Account

The breakdown of profit or loss after tax from discontinued activities until 31 October by nature in the accompanying consolidated income statement is as follows:

2024	Cement	Real Estate	Del.	Total
Revenue	541,006	214,672	(53,352)	702,326
Operating expenses	(422,279)	(95,984)	71,901	(446,362)
Operating profit/(loss)	118,727	118,688	18,549	255,964
Financial income/(expense)	(5,471)	(33,449)	(33,992)	(72,912)
Profit/(loss) of entities valued using the equity method	3,524	(8,643)	4,681	(438)
Profit/(loss) before tax from continuing operations	116,780	76,596	(10,762)	182,614
Corporate income tax	(24,064)	(18,856)	(3,571)	(46,491)
Profit/(loss) for the business year from continuing operations	92,716	57,740	(14,333)	136,123
Profit attributable to the parent company	90,077	39,221	(14,660)	114,638
Profit attributable to non-controlling interests	2,639	18,519	327	21,485

2023	Cement	Real Estate	Del.	Total
Revenue	614,313	253,780	(59,369)	808,724
Operating expenses	(485,248)	(197,974)	55,373	(627,849)
Operating profit/(loss)	129,065	55,806	(3,996)	180,875
Financial income/(expense)	(5,720)	(26,489)	-	(32,209)
Profit/(loss) of entities valued using the equity method	(12,536)	144,160	-	131,624
Profit/(loss) before tax from continuing operations	110,809	173,477	(3,996)	280,290
Corporate income tax	(20,412)	4,303	-	(16,109)
Profit/(loss) for the business year from continuing operations	90,397	177,780	(3,996)	264,181
Profit attributable to the parent company	87,648	137,588	(3,996)	221,240
Profit attributable to non-controlling interests	2,749	40,192	-	42,941

Cash flow statement

The statement of cash flows for discontinued activities is as follows:

2024	Cement	Real Estate	Eliminations	Total
Profit before tax from discontinued operations	116,780	76,596	-	193,376
Adjustments to profit/(loss)	34,055	39,675	-	73,730
Changes in working capital	(23,852)	24,840	-	988
Other cash flows from operating activities	(3,426)	(1,192)	-	(4,618)
Cash flow from business activities	123,557	139,919	-	263,476
Investment payments	(33,355)	(7,154)	160,063	119,554
Proceeds from divestments	231	256	-	487
Other cash flows from investment activities	3,910	702	(350,489)	(345,877)
Cash flow from investment activities	(29,214)	(6,196)	(190,426)	(225,836)
Proceeds from and payments for equity instruments	-	105,909	(160,063)	(54,154)
Proceeds from (payments on) financial liabilities	(84,272)	(174,347)	350,489	91,870
Other flows from financing activities	(10,899)	(43,971)	-	(54,870)
Cash flows from financial activities	(95,171)	(112,409)	190,426	(17,154)
Effect of changes in exchange rates and others	207	1	-	208
Total cash flows	(621)	21,315	-	20,694

2023	Cement	Real Estate	Eliminations	Total
Profit before tax from discontinued operations	110,809	173,477	-	284,286
Adjustments to profit/(loss)	39,834	(43,312)	-	(3,478)
Changes in working capital	(15,598)	22,015	3,996	10,413
Other cash flows from operating activities	(10,594)	3,489	-	(7,105)
Cash flow from business activities	124,451	155,669	3,996	284,116
Investment payments	(129,828)	(109,953)	(11)	(239,792)
Proceeds from divestments	141	290	-	431
Other cash flows from investment activities	29,452	27,914	114,001	171,367
Cash flow from investment activities	(100,235)	(81,749)	113,990	(67,994)
Proceeds from and payments for equity instruments	-	(117,539)	(24)	(117,563)
Proceeds from (payments on) financial liabilities	(15,030)	97,160	(128,233)	(46,103)
Other flows from financing activities	(10,939)	(41,483)	10,271	(42,151)
Cash flows from financial activities	(25,969)	(61,862)	(117,986)	(205,817)
Effect of changes in exchange rates and others	(793)	(2)	-	(795)
Total cash flows	(2,546)	12,056	-	9,510

6. DISTRIBUTION OF PROFIT/LOSS

Fomento de Construcciones y Contratas, S.A. distributed a scrip dividend in 2024 and 2023, resulting in a cash outflow of €24,912 thousand (€19,452 thousand in 2023) and the delivery of 18,771,215 shares (22,697,739 shares in 2023) (note 18). Additionally, certain subsidiaries with minority partners have distributed dividends.

The following table shows the dividends paid to its shareholders by the Group companies as at 31 December 2024 and 2023:

	2024	2023
Shareholders of Fomento de Construcciones y Contratas, S.A.	24,912	19,452
Other non-controlling shareholders of other companies	96,858	38,825
	121,770	58,277

“Other non-controlling shareholders of other companies” mainly includes the payment of dividends to the non-controlling shareholders of FCC Aqualia, S.A. for the sum of 36,946 thousand euros at 31 December 2024 (0 thousand euros at 31 December 2023).

7. INTANGIBLE ASSETS

The breakdown of net intangible assets at 31 December 2024 and 2023 is as follows:

	Cost	Accumulated amortisation	Impairment	Net value
2024				
Concessions (note 11)	3,258,688	(1,598,666)	(47,150)	1,612,872
Goodwill	1,264,901	-	(500,399)	764,502
Other intangible assets	460,396	(179,706)	(13,035)	267,655
	4,983,985	(1,778,372)	(560,584)	2,645,029
2023				
Concessions (note 11)	3,068,721	(1,478,640)	(46,920)	1,543,161
Goodwill	1,919,664	-	(1,158,849)	760,815
Other intangible assets	385,365	(199,827)	(12,517)	173,021
	5,373,750	(1,678,467)	(1,218,286)	2,476,997

a) Concessions

The changes in this heading of the consolidated balance sheet in 2024 and 2023 were as follows:

	Concessions	Accumulated Amortisation	Impairment	Net value
Balance sheet as at 31.12.22	2,908,310	(1,343,901)	(51,764)	1,512,645
Additions or allocations	34,558	(130,550)	(1,839)	(97,831)
Derecognitions, disposals or reductions	(1,908)	1,628	6,684	6,404
Translation differences	45,205	(5,917)	(1)	39,287
Change in scope, transfers and other changes	82,556	100	-	82,656
Balance sheet as at 31.12.23	3,068,721	(1,478,640)	(46,920)	1,543,161
Additions or allocations	98,890	(146,533)	(1,034)	(48,677)
Derecognitions, disposals or reductions	(24,875)	24,207	805	137
Conversion differences	(28,020)	3,106	-	(24,914)
Change in scope, transfers and other changes	143,972	(806)	(1)	143,165
Balance at 31.12.24	3,258,688	(1,598,666)	(47,150)	1,612,872

This heading includes the intangible assets corresponding to the service concession arrangements (note 11).

The most significant additions in 2024 correspond, in the Environmental Services segment, to the ongoing projects undertaken by FCC Medio Ambiente, S.A. for the sum of 42,551 thousand euros (7,075 thousand euros in 2023), Ecoparque Mancomunidad del Este, S.A. for the sum of 22,155 thousand euros (1,818 thousand euros in 2023) and by FCC CEE Group companies for the sum of 811 thousand euros (2,155 thousand euros in 2023) and, in the Integrated Water Management segment, Acque di Caltanissetta, S.P.A for the sum of 14,753 thousand euros (14,436 thousand euros in 2023) and FCC Aqualia, S.A. for the sum of 14,878 thousand euros (4,340 thousand euros in 2023). In 2024, "Changes in scope, transfers and other movements" included the impact of the inclusion of the Environmental Services activity at the Urbaser Group and its subsidiaries in the United Kingdom into the scope, for the sum of 148,843 thousand euros (note 4).

Furthermore, this item includes the recognition of future investment commitments included in the tariff as an increase in the value of intangible assets with a balancing entry in provisions (note 11) mainly at companies in the Integrated Water Management segment, with the most noteworthy in 2024 as follows: FCC Aqualia, S.A. for the sum of 11,902 thousand euros (25,276 thousand euros in 2023). In 2023, worth particular mention was Aqualia Riohacha S.A.S. E.S.P. for the sum of 26,661 thousand euros and Aqualia Gestión Los Cabos SACV for the sum of 16,319 thousand euros. The decrease in 2024 compared to 2023 can be attributed to the concession agreements secured in 2024 with a lower volume of investment commitments.

Cash inflows and outflows are recorded in the accompanying cash flow statement as "Payments for investments" and "Proceeds from disposals" of "Property, plant and equipment, intangible assets and investment property" respectively.

No interest was capitalised in 2024 and 2023 and the total interest capitalised at source amounted to 41,668 thousand euros (43,915 thousand euros in 2023).

The concessionaires in which the Group has an interest, to which the “intangible model” is applied, are obliged, in accordance with the concession agreements, to acquire or build assets during the concession period, in the amount of 246,989 thousand euros at 31 December 2024 (336,510 thousand euros at 31 December 2023) (Note 22).

b) Goodwill

The breakdown of goodwill in the accompanying consolidated balance sheet at 31 December 2024 and 2023 was as follows:

	2024	2023
FCC Environment Group (UK)	315,540	301,064
FCC Environment Group (CEE)	136,793	136,793
FCC Aqualia, S.A.	82,764	82,764
Urbaser UK Group	64,563	-
Eur Serv Voire SAS	28,854	-
FCC Ámbito, S.A.	23,311	23,311
FCC Industrial e Infraestructuras Energéticas, S.L.U.	21,499	21,499
Premier Waste Services, LLC.	15,857	14,909
Houston Waste Solutions, LLC.	14,477	13,611
Municipal District Services, LLC.	13,690	12,964
Eur Serv Dechets SAS	11,184	-
Eur SRV Proprete SAS	10,851	-
Gel Recycling Inc.	7,804	-
Resicorreia - Gestão e Serviços de Ambiente, Lda	6,906	-
Cementos Portland Valderrivas, S.A.	-	143,098
Canteras de Aláiz, S.A.	-	4,332
Eur Serv MTCE SAS	3,794	-
Other	6,615	6,470
	764,502	760,815

The movements of goodwill in the attached consolidated balance sheet in 2024 and 2023 were as follows:

Balance sheet as at 31.12.22	754,177
Exchange differences, change in consolidation scope and others:	
Municipal District Services, Llc.	12,964
Other	<u>(6,326)</u>
Balance sheet as at 31.12.23	760,815
Reclassification to non-current assets held for sale (Note 5)	(147,430)
Exchange differences, change in consolidation scope and others:	
Urbaser UK Group	64,563
Eur Serv Voire SAS	28,854
FCC Environment Group (UK)	14,476
Eur Serv Dechets SAS	11,184
Eur SRV Proprete SAS	10,851
Gel Recycling Inc	7,804
Resicorreia - Gestão e Serviços de Ambiente, Lda	6,906
Other	6,479
Balance at 31.12.24	764,502

In 2024, the changes in this item of the consolidated balance sheet mainly corresponded to:

- the reclassification of the goodwill as at May 2024 pertaining to Cementos Portland Valderrivas, S.A. for the sum of €143,098 thousand and Canteras de Aláiz, S.A. for the sum of €4,332 thousand, both in the Cement segment, to “Non-current assets held for sale” (Note 5).
- the goodwill generated on the acquisition of 100% of the shares in Eur Serv Voire SAS for the sum of 28,854 thousand euros, Gel Recycling Inc. for the sum of 7,804 thousand euros, Eur SRV Propete SAS for the sum of 10,851 thousand euros, Eur Serv Dechets SAS for the sum of 11,184 thousand euros, Resicorreia - Gestão e Serviços de Ambiente, Lda. for the sum of 6,906 thousand euros and Eur Serv MYCE SAS for the sum of 3,794 thousand euros, in the Environmental Services segment (note 4).
- the goodwill generated in the acquisition of the Environmental Services business of the Urbaser Group in the United Kingdom for 63,305 thousand euros (note 4).
- conversion differences included in changes to goodwill in 2024, amounting to 23,014 thousand euros.

In 2023, the change in this heading mainly included the acquisition of 97% of Municipal District Services, Llc., in the Integrated Water Management segment, for the sum of 85,118 thousand euros (note 4) and the impact of the appreciation of the pound sterling against the euro.

The impairment analysis policies applied by the Group to its goodwill are described in Note 3.f). In accordance with the methods used and in accordance with the estimates, projections and valuations available to the Group's Management, the existence of losses in value is not apparent in 2024.

The Group has not identified any exposure to significant climate risks that could cause impairment and, in applying the regulations, it only takes climate issues into consideration in its cash flow forecasts and not in the discount rate with a view to avoiding duplications in the assumptions considered.

The projections employed include assumptions relating to environmental issues. These include but are not limited to: the impact of the “Power Purchase Agreements” for renewable energy contracted in the Water activity (note 3.s); the cost of investments in less polluting electric, hybrid or natural gas vehicles in agreements mainly involving the Services Area, the impact of renewable energy production facilities at some of its facilities; the impact of road cleaning actions on both costs and income in certain geographical areas where heavy snowfall or frost occurs at certain times of the year; as well as the impact of the adoption of more efficient waste segregation policies at its recycling plants that make it possible to obtain by-products or raw materials that are subsequently incorporated into the production process; or improvements in the use of sludge produced as part of its the water treatment activity. Consideration is also given to rainfall rates when estimating cash outflows related to post-closure actions at landfills, as well as the costs and income related to the control and, where appropriate, the subsequent sale of the gases released. These actions all form part of the Group's commitment to reduce the impact that its activities have on the environment, which is reflected in the R&D+i projects in which it is involved.

The estimates made and the sensitivity analysis of the most significant goodwill impairment tests are discussed below.

It should be noted that in preparing the impairment tests, cash flows have been estimated on the basis of Group management's best estimates and that upward or downward variations in the key assumptions considered, both in the discount rate and operating margins, among other factors, may affect the recoverable amount of the cash-generating unit considered.

FCC Environment Group (UK)

The FCC Group acquired 100% of the stake in the FCC Environment (UK) group in 2006 for an investment cost of 1,693,532 thousand.

From the moment of its acquisition, the Group considers the FCC Environment (UK) subgroup as a single cash generating unit (CGU), with the goodwill recorded in the balance sheet associated exclusively with such CGU.

The cash flows considered in the impairment test take into account the current status of the CGU, making the best estimates of future flows based on the mix of activities expected in the future. The relative weight of the different activities will vary as other waste treatment alternatives are promoted, mainly recycling and recovery, which is currently being carried out by the subgroup, offsetting the progressive abandonment of landfill activity.

The impairment test has been carried out using conservative and continuous projections based on historical performance in recent years and based on the foreseeable performance of the businesses. The main hypotheses used contemplate the historical trend of strengthening waste treatment/recovery and incineration activities in the face of a gradual decrease in landfill management activity. Revenue considered during the period reflect a decline in volume if landfill activity, partly offset by the strengthening of other related activities, while there are stable tonnages in relation to treatment activity, with performance in line with inflation, except for 2026 and 2027, when the Lostock complex is expected to online, where the recycling business has secured supply contracts and revenue increases of 11% are forecast for 2026 and 18.1% for 2027. The pre-tax discount rate used was 10.60% and a time horizon of 10 years has been employed for the estimates given the structural features of its business and the long useful life of its assets. A growth rate of 1% has been considered in the calculation of perpetual income, which represents 46,1% of the total recoverable value. The result of the test renders an excess of the recoverable value over the book value of the cash generating unit of 338,207 thousand euros, supporting an increase of more than 1,100 basis points in the discount rate without incurring impairment. A 10% decrease in the current value of cash flows would reduce the excess to 289,260 thousand euros. If a zero growth rate had been considered, the aforementioned excess would have decreased to 316,907 thousand euros.

As indicated in note 3.f) of these financial statements, the general criterion is not to consider growth rates in perpetual income, but in the case of the FCC Environment (UK) subgroup, given the transformation that is taking place in the mix of activities, it is considered that a growth rate of 1% more accurately reflects the reality of the business in the context of the change that is taking place in the United Kingdom in the waste management activity, with a drastic fall in the disposal of waste in landfills and an increase in alternative waste management activities that is expected to be sustained over a prolonged period of time.

In addition, given the slack shown in the impairment test and the fact that the main assets and liabilities of its business are referenced in the same currency (pound sterling), no impairment should be evident.

FCC Environment Group (CEE)

The FCC Group acquired 100% of the stake in the FCC Environment CEE group in 2006 for an investment cost of 226,829 thousand. From the moment of its acquisition, the Group considers the FCC Environment CEE subgroup as a single cash generating unit (CGU), with the goodwill recorded in the balance sheet associated exclusively with such CGU.

The Group operates in Central and Eastern Europe, with its headquarters located in Himberg (Austria). The countries in which it operates are: Austria, the Czech Republic, Slovakia, Poland, Romania, Serbia and Hungary. Its activity consists of the collection, transport and elimination of all types of waste, as well as auxiliary environmental services.

The cash flows considered in the impairment test take into account the current status of the CGU, making the best estimates of future flows based on growth opportunities in the markets in which it operates.

The forecasts used suggest higher growth in the first years on account of the expectation of new business opportunities, before stabilising as these markets are mostly mature with limited growth expectations. The main hypotheses used suggest higher growth in revenue, of approximately 7% to 12.3% in the first three years on account of the new business opportunities indicated above, before stabilising at around 3% in the years following the test. In turn, the gross operating margin stands at around 17,9% for the entire period under consideration, somewhat beneath this year's margin.

The pre-tax discount rate used was 11.70% and a growth rate of 0% was employed as part of the calculation of perpetual income, which accounts for 75.8% of the total recoverable value. The result of the test shows an excess in the recoverable value over the book value of the cash generating unit of 178,478 thousand euros. The test supports an increase in the discount rate of more than 250 basis points. A 10% decrease in the present value of cash flows would bring this excess down to 121,189 thousand euros.

Given the flexibility shown in the impairment test, the Group does not believe that there will be any impairment.

FCC Aqualia, S.A.

The FCC Group has a 51% holding in FCC Aqualia, S.A. The Group considers FCC Aqualia, S.A and its CGUs as a single cash generating unit (CGU).

Its activity consists of services related to the end-to-end water cycle: collection, purification and distribution of water for human consumption; wastewater collection, filtration and purification; design, construction, operation and maintenance of water infrastructure for municipal, industrial, agricultural services, etc.

The cash flows considered in the impairment test take into account the current status of the CGU, making the best estimates of its future flows.

The projections used estimate an increase in turnover of more than 7% in 2026 and 2028. The projections have considered the consolidation in the calculation of contracts that in 2024 did not contribute for the full year and a transfer of certain rates to rates for the full year as well as the impact of improvements in efficiency and the transfer of operational investments to rates. For the remaining periods, turnover ranges from approximately 0.7% to 3.3%. The gross operating margin ranges between 16.7% and 19%, increasing slightly compared to the margin for the current year, as a result of the foregoing.

The pre-tax discount rate used was 9.02% and a growth rate of 0% was employed as part of the calculation of perpetual income, which accounts for 83.30% of the total recoverable value. The result of the test shows an excess in the recoverable value over the book value of the cash generating unit of 643,092 thousand euros. The test supports an increase in the discount rate of more than 250 basis points. A 10% decrease in the present value of cash flows would bring this excess down to 528,640 thousand euros.

Given the flexibility shown in the impairment test, the Group does not believe that there will be any impairment.

Urbaser UK Group

In 2024, the FCC Group acquired 100% of the shares in the subsidiary of the Urbaser Group in the United Kingdom, for an investment cost of 265,143 thousand euros.

From the moment of its acquisition, the Group considers the Urbaser subgroup as a single cash generating unit (CGU), with the goodwill recorded in the balance sheet associated exclusively with such CGU.

Operations include a wide range of activities including municipal and commercial waste collection, composting facilities, the recovery of materials and maintenance of the Gloucester and Dudley energy recovery plants. It also provides recycling centre management and street cleaning services. The CGU includes the Mercia business group, which mainly consists of an energy recovery plant.

The large part of the subgroup's cash flow is generated by the Gloucester and Mercia plants. Stable cash flows have been forecast, as a significant proportion are generated through long-term contracts. Although slight decreases in revenue are expected given the drop in the sales price of energy produced at the energy recovery facilities, compared to the high prices seen in previous years. Worth note is the 37.7% drop in 2029, when the contract for the Mercia plant mentioned above comes to an end. EBITDA ranges from 22.1% a present to a maximum of 29.2%, as contract optimisation measures are implemented and synergies with the rest of the sector's activity in the United Kingdom are felt.

The pre-tax discount rate used was 10.76% and a growth rate of 1% was employed as part of the calculation of perpetual income, which accounts for 34.1% of the total recoverable value. The result of the test shows an excess in the recoverable value over the book value of the cash generating unit of 163,515 thousand euros. A 10% decrease in the present value of cash flows would bring this excess down to 116,539 thousand euros.

Given the flexibility shown in the impairment test, the Group does not believe that there will be any impairment.

c) Other intangible fixed and non-current assets

The changes in this heading of the consolidated balance sheet in 2024 and 2023 were as follows:

	Other intangible assets	Accumulated Amortisation	Impairment	Net value
Balance sheet as at 31.12.22	268,318	(182,181)	(12,394)	73,743
Additions or allocations	40,671	(19,627)	(83)	20,961
Derecognitions, disposals or reductions	(3,031)	1,972	-	(1,059)
Conversion differences	(164)	70	(40)	(134)
Change in scope, transfers and other changes	79,570	(60)	-	79,510
Balance sheet as at 31.12.23	385,364	(199,826)	(12,517)	173,021
Additions or allocations	25,898	(35,927)	(10,221)	(20,250)
Derecognitions, disposals or reductions	(3,862)	3,126	-	(736)
Conversion differences	3,788	(428)	(6)	3,354
Reclassification to non-current assets held for sale (Note 5)	(62,081)	50,791	9,689	(1,601)
Change in scope, transfers and other changes	111,289	2,558	20	113,867
Balance at 31.12.24	460,396	(179,706)	(13,035)	267,655

In 2024, worth note is the reclassification of other net intangible fixed and non-current assets contributed in May 2024 by the Cement segment for the sum of 1,493 thousand euros and by the Real Estate segment for the sum 74 thousand euros to “Non-current assets held for sale” (Note 5).

“Changes in the scope of consolidation, transfers and other movements” in 2024 mainly correspond to additions to the scope of intangible assets of the Urbaser Group for the sum of 70,956 thousand euros, as a result of the acquisition of the Urbaser Group (note 4).

Also worth noting is the departure of Cemark-Mobiliario urbano e publicidade, S.A. in the Concessions segment from the scope for the amount of 18,655 thousand euros, as a result of the sale of the company in October 2024.

In 2023, “Additions or allocations” included the contract for the installation and operation of advertising on street furniture in the city of Sintra (Portugal) entered into by Cemark - Mobiliario Urbano e Publicidade, S.A., leading to an increase in this heading of 18,650 thousand euros.

This heading mainly includes:

- amounts paid to public or private entities as fees for the award of agreements that are not classified as concessions, within the scope of IFRIC12 “Service Concession Arrangements”, mainly in the Environmental Services Area,
- amounts recognised on initial recognition of certain business combinations representing items such as customer portfolios and agreements in place at the time of purchase,
- software applications.

8. PROPERTY, PLANT AND EQUIPMENT

The net detail of property, plant and equipment at 31 December 2024 and 2023 is as follows:

	Cost	Accumulated amortisation	Impairment	Net value
2024				
Land and buildings	1,245,612	(431,326)	(18,051)	796,235
Land and natural resources	206,704	(24,175)	(13,417)	169,112
Buildings for own use	1,038,908	(407,151)	(4,634)	627,123
Plant and other items of property, plant and equipment	8,375,212	(4,736,838)	(663,110)	2,975,264
Plant	4,408,712	(2,559,064)	(636,710)	1,212,938
Machinery and vehicles	2,899,918	(1,639,604)	(25,343)	1,234,971
Advances and PP&E under construction	176,936	-	-	176,936
Other PP&E	889,646	(538,170)	(1,057)	350,419
	9,620,824	(5,168,164)	(681,161)	3,771,499
2023				
Land and buildings	1,805,668	(658,697)	(97,161)	1,049,810
Land and natural resources	705,600	(182,877)	(82,760)	439,963
Buildings for own use	1,100,068	(475,820)	(14,401)	609,847
Plant and other items of property, plant and equipment	9,472,163	(6,040,033)	(643,686)	2,788,444
Plant	5,487,940	(3,623,297)	(605,966)	1,258,677
Machinery and vehicles	2,833,033	(1,796,169)	(34,555)	1,002,309
Advances and PP&E under construction	211,003	-	-	211,003
Other PP&E	940,187	(620,567)	(3,165)	316,455
	11,277,831	(6,698,730)	(740,847)	3,838,254

The movements in the various fixed and non-current assets headings in 2024 and 2023 were as follows:

	Land and natural resources	Buildings for own use	Land and buildings	Technical Facilities	Machinery and vehicles	Advances and PP&E under construction	Other PP&E	Plant and other items of property, plant and equipment	Accumulated Amortisation	Impairment
Balance sheet as at 31.12.22	691,847	1,039,101	1,730,948	5,340,053	2,563,067	148,228	862,140	8,913,488	(6,420,238)	(724,367)
Additions or allocations	19,203	81,983	101,186	85,786	397,729	151,668	98,898	734,081	(449,373)	(9,006)
Derecognitions, disposals or reductions	(13,726)	(22,239)	(35,965)	(8,478)	(154,808)	(2,177)	(17,181)	(182,644)	176,269	9,045
Conversion differences	815	(2,662)	(1,847)	18,001	(4,006)	(2,001)	2,418	14,412	(17,955)	(12,547)
Change in scope, transfers and other changes	7,461	3,885	11,346	52,578	31,051	(84,715)	(6,088)	(7,174)	12,567	(3,972)
Balance sheet as at 31.12.23	705,600	1,100,068	1,805,668	5,487,940	2,833,033	211,003	940,187	9,472,163	(6,698,730)	(740,847)
Additions or allocations	10,673	87,430	98,103	69,447	386,811	105,694	112,123	674,075	(479,116)	(20,392)
Derecognitions, disposals or reductions	(3,771)	(18,013)	(21,784)	(5,513)	(136,726)	(5,445)	(22,449)	(170,133)	153,519	3,645
Conversion differences	1,931	4,095	6,026	119,024	18,963	1,838	3,111	142,936	(69,104)	(29,501)
Reclassification to non-current assets held for sale (Note 5)	(525,867)	(172,462)	(698,329)	(1,298,456)	(294,346)	(33,153)	(151,586)	(1,777,541)	1,895,354	105,945
Change in scope, transfers and other changes	18,138	37,790	55,928	36,270	92,183	(103,001)	8,260	33,712	29,913	(11)
Balance at 31.12.24	206,704	1,038,908	1,245,612	4,408,712	2,899,918	176,936	889,646	8,375,212	(5,168,164)	(681,161)

Significant “Additions” in 2024 include investments made for the performance of the agreements for the Environmental Services activity, mainly in different companies that carry out their activity in the United States for a total of €136,628 thousand (€59,771 thousand in 2023), in FCC Medioambiente, S.A. (Spain) for a total of 188,269 thousand euros (288,013 thousand euros in 2023), at companies operating in the UK for a total of 55,804 thousand euros (49,825 thousand euros in 2023), and at FCC Environment CEE (Central Europe) for a total of 78,535 thousand euros (80,078 thousand euros in 2023). When it comes to End-to-End Water Management activity, worth particular mention are the investments made mainly in FCC Aqualia, S.A. (Spain) for the sum of 51,624 thousand euros (44,538 thousand euros in 2023), in SmVak (Czech Republic) for the sum of 24,076 thousand euros (29,682 thousand euros in 2023) and in the Georgia Global Utilities Group (Georgia), for the sum of 64,714 thousand euros (72,399 thousand euros in 2023), for as well as in construction activity, mainly in FCC Construcción, S.A. for the sum of 58,559 thousand euros (61,353 thousand euros in 2023).

“Changes in the scope of consolidation, transfers and other movements” in year 2024 mainly reflect the additions to the scope of the property, plant and equipment of the Urbaser Group for the sum of 60,039 thousand euros and of Gel Recycling Holdings, as a result of the acquisition of the Urbaser Group, for the sum of 34,235 thousand euros (note 4).

“Derecognitions, disposals or reductions” include disposals and derecognition of inventories corresponding to assets that, in general, are almost fully amortised due to having exhausted their useful life.

Inflows and outflows that have resulted in cash inflows or outflows are recorded in the accompanying cash flow statement as “Payments for investments” and “Proceeds from divestments” of “Property, plant and equipment, intangible assets and investment property”, respectively.

No interest was capitalised in 2024 and 2023 and the total interest capitalised at source as at 31 December 2024 amounts to 2,720 thousand euros (2,932 thousand euros in 2023).

As at 31 December 2024, in property, plant and equipment, €9,226 thousand (€9,500 thousand as at 31 December 2023) has been charged as income from capital grants.

The Group companies take out the insurance policies they consider necessary to cover the possible risks to which their property, plant and equipment are subject. At year-end, the Parent estimates that there is no hedging deficit related to said risks.

The gross amount of fully depreciated property, plant and equipment used in production due to being in a good state of use totals 1,939,061 thousand euros at 31 December 2024 (3,202,634 thousand euros at 31 December 2023).

The drop in the gross value of fully depreciated fixed and non-current assets in 2024 corresponds mainly to the Cement activity and is attributable to the partial financial spin-off of the Real Estate and Cement activities to Inmocermento, S.A. (Note 2).

The property, plant and equipment net of depreciation on the accompanying consolidated balance sheet located outside the Spanish territory amount to 2,338,302 thousand euros at 31 December 2024 (2,068,360 thousand euros at 31 December 2023).

Restrictions on title to assets

Of the total property, plant and equipment on the consolidated balance sheet, at 31 December 2024, 785,027 thousand euros (775,301 thousand euros at 31 December 2023) are subject to ownership restrictions according to the following detail:

	Cost	Accumulated amortisation	Impairment	Net value
2024				
Buildings, plants and equipment	1,341,547	(633,980)	(5,446)	702,121
Other property, plant and equipment	199,267	(116,361)	-	82,906
	1,540,814	(750,341)	(5,446)	785,027
2023				
Buildings, plants and equipment	1,503,241	(785,880)	(4,274)	713,087
Other property, plant and equipment	172,468	(110,254)	-	62,214
	1,675,709	(896,134)	(4,274)	775,301

The restrictions on ownership of these assets arise from the lease agreements explained in note 10 of these notes to the consolidated financial statements, and also from assets assigned to the operation of certain agreements with characteristics similar to those of concession arrangements, but to which IFRIC 12 "Concession arrangements" (note 3.a) does not apply.

Purchase commitments

As part of the performance of their activities, Group companies have formalised commitments to acquire property, plant and equipment, mainly machinery and vehicles following the renewal Environmental Services activity contracts, which as at 31 December 2024 amounted to 96,981 thousands euros (90,400 thousand euros at 31 December 2023).

	2024	2023
Land and natural resources	-	-
Buildings for own use	680	-
Plant	7,592	2,897
Machinery and vehicles	62,208	70,706
In-progress property, plant and equipment and advances	962	-
Other PP&E	25,539	16,797
	96,981	90,400

9. REAL ESTATE INVESTMENTS

As a result of the partial financial spin-off giving rise to the Inmoco Group (note 2), practically all real estate investments, included in Real Estate activity, were derecognised from the balance sheet as at the date on which the transaction was completed.

As stated in note 3.e), investment property is measured at fair value based on the assessments made by independent experts, calculated on the reporting date of these consolidated financial statements.

Environmental and sustainability aspects are an integral part of the measurement process. "Sustainability" refers to the consideration of issues such as the environment and climate change, health and well-being and corporate responsibility that may have an impact on an asset's value. In the context of the measurement approach, sustainability encompasses a wide range of physical, social, environmental and economic factors that can affect value. These factors include key environmental risks such as floods, droughts or storms, as well as aspects of energy efficiency, carbon footprint, design, configuration, accessibility, legislation, management and fiscal considerations as well as current and historical land use.

Sustainability has an impact on the value of an asset, even though this is not directly acknowledged. When the impact of sustainability on value is recognised, the valuer's understanding of how market participants factor these requirements into their products and services and the impact on market valuations are reflected.

The information required by valuers to determine the value of the assets includes the details of Energy Efficiency Certificates and other certifications related to compliance with sustainability and ESG measurements of portfolio assets. As regards miscellaneous assets, it has been found that it is the lessee, as part of its own management environmental plans, that has adjusted the global operational carbon footprint of its business to convert properties into more sustainable spaces, implementing a variety of initiatives that have allowed for the reduction of energy, paper and water consumption, as well as selective waste collection to allow for its revaluation and recycling.

These features are taken into consideration when determining the income and profitability of properties in the same way that lessees and investors take these conditions into account when making decisions. In this case, the market references indicated in each assessment include a breakdown, insofar as possible, of the degree of compliance with sustainability requirements, making this another aspect to be taken into consideration when comparing properties.

Given the location of the assets, climate change risks have not been considered as significant.

The variables of the techniques employed to assess the fair value of the Group's real estate investments are included in level 3.

At the Realia Group, the value of assets is pegged to a specific date, reflecting the conditions of the real estate market and the asset in particular at that time. Given that the macroeconomic context has an impact on the market, the main real estate variables taken into consideration in the assessment already reflect this macroeconomic situation and its impact on the sector. These variables with an impact on the assessment are analysed and compared with the market on each measurement date, in such a way that they are updated on a six-monthly basis. In relation to projected income and the annual update thereof, the inflation trend estimate is applied to the office segment.

At Jezze, the macroeconomic situation has not resulted in a significant negative adjustment in the measurement of its real estate portfolio, as consideration has been given to the nature of the agreement regulating the lease of its assets, allowing the entire increase in indexation to be captured;

this clearly protects cash flows (income) generated on its assets in inflationary environments, as well as protecting against asset vacancy. In addition, regulatory restrictions on increases in rental price do not affect the appreciation of its assets either.

In the case of the assessments corresponding to the Realia Business Group, the methodology for determining the fair value of the investment property is based on the RICS principles, which basically use discounted cash flows as the valuation method, which consists of capitalising the net rents of each property and discounting the future flows, applying market discount rates, over a ten-year time horizon and a residual value calculated by capitalising the estimated rent at the end of the projected period at an estimated yield. The properties were assessed on an individual basis, taking into account each of the agreements in force at year-end and their duration. For buildings with vacant areas, these have been assessed on the basis of estimated future rents, discounting a marketing period.

The key variables in this method are the determination of the net income, the duration of the lease agreements, the time period over which the leases are discounted, the approximation of value at the end of each period and the target internal rate of return used to discount the cash flows.

The key variables used in the assessments using the discounted cash flow method are:

- Current gross income: contractual income of the agreements outstanding at the date of the assessment, without taking into account bonuses, grace periods and expenses not passed on.
- Current net income: the revenue generated by each property at the date of the assessment, net of allowances and deficiencies and taking into account the non-chargeable expenses in accordance with the agreements and for vacant spaces.
- Estimated revenue for vacant space and/or new leases over the years of the cash flow.
- Exit Yield: required rate of return at the end of the assessment period on the sale of the asset. At the end of the discount period it is necessary to determine an exit value of the property. At that point it is not possible to reapply a discounted cash flow methodology and it is necessary to calculate the sale value according to an exit yield based on the rent being generated by the property at the time of sale, provided that the cash flow projection assumes a stabilised rent that can be capitalised in perpetuity.
- IRR: interest rate or rate of return offered by an investment, the value of the discount rate that makes the NPV equal to zero, for a given investment project.
- ERV: Market return on the asset at the assessment date.

The value of key variables used in the measurement of real estate assets in 2023 was as follows:

2023	Current average gross income	Exit Yield (1)	IRR (1)	ERV
Offices	€22.0/m2/month	4.8%	7.2%	€20.7/m2/month
Shopping centres	€11.9/m2/month	6.6%	8.7%	€11.1/m2/month
Other assets	€2.7/m2/month	6.3%	8.8%	€2.3/m2/month
Residential	€7.3/m2/month	4.4%	6.0%	€9.3/m2/month

(1) Weighted by asset value

In the case of the investment property of Jezzine Uno, S.L.U., given the characteristics of the agreement, which includes a period of assured rental income until 2037, when the lessee has the option to repurchase at fair value, the assessment method used was the discounted cash flow method. Discounted cash flow ("DFC") is a method generally accepted by valuation experts from both a theoretical and practical point of view as the method that best incorporates all factors affecting the value of a business into the valuation result, considering the company as a real investment project.

This methodology considers the results of the operating activity and also the investment and working capital policy to calculate the future cash flow generation capabilities of the assets linked to the business, which are discounted to the assessment date to obtain the present value of the business.

The sum of the following two components has been considered for the determination of the fair value:

- Estimated cash flows over the life of the agreement until its completion in 2037: The calculation is based on the amount of rents expected to be obtained, including the expenses chargeable to the lessee under the agreement (property tax, community charges and other fees), less the operating costs incurred for the management of the properties and the corresponding operating taxes. The cash flows obtained are discounted in line with expected inflation.
- Divestment value: An exit value of the property has been estimated at the end of the lease term. At that point it is not possible to re-apply a discounted cash flow methodology and it is necessary to calculate the sale value according to an exit yield based on the expected market rent that the properties could be generating at the time of sale and which can be capitalised in perpetuity. The market rent in 2037 has been determined on the basis of an analysis of the possible market rent of the premises, assuming that the market rent will vary annually until 2037 in line with expected annual inflation rates in the future. For the purpose of determining the net capitalisable income in perpetuity, the total amount of asset-related expenses expected in 2037 (no longer chargeable in the context of a market sale) has been deducted. It has also been assumed that minor investments will be necessary to adapt the assets for their sale on the market, estimating the marketing costs that would be incurred in their sale. The corresponding tax effect has been deducted from the amount of capital gain thus obtained.

The key variables used in the above assessment are as follows:

- Amount of net rents during the lease agreement calculated as explained above.
- Discount rate: A discount rate determined on the valuation date has been used based on the interest rate of long-term bonds plus a risk premium that reflects the additional increase in profitability required based on the risk inherent to its real estate portfolio, taking into account elements such as the type of business, liquidity, characteristics of the assets, investment volume, etc.
- Exit yield: Required rate of return at the end of the lease agreement on the sale of the assets.

The value of key variables used in the measurement of real estate assets in 2023 was as follows:

2023 Financial Year	Current average gross income	Exit Yield	IRR	ERV
Offices	€26.0/m2/month	8.0%	8.4%	€20.5/m2/month

The following is a sensitivity analysis of the main variables affecting the assessment at fair value of the Realia Business Group's investment property.

The effect of the change in the required rates of return (Exit yield), calculated as income on the market value of the assets, in terms of "Net Asset Value", on the consolidated assets and the consolidated profit and loss account, in respect of the investment property in operation, would be as follows:

	2023	
	Assets	Consolidated profit/(loss) for the year
Increase of 25 basis points	(44,794)	(33,596)
Decrease of 25 basis points	50,574	37,931

In addition, the sensitivity analysis of a 10% change in the ERV (market rent of the asset at the assessment date) would be as follows:

	2023	
	Assets	Consolidated profit/(loss) for the year
10% increase	115,433	86,575
10% decrease	(115,554)	(86,666)

Finally, the sensitivity analysis of a quarter point change in the IRR would be as follows:

	2023	
	Assets	Consolidated profit/(loss) for the year
Increase of 25 basis points	(26,690)	(20,018)
Decrease of 25 basis points	27,710	20,783

In the case of Jezzine Uno, S.L.U.'s investment property, a sensitivity analysis of the main variables affecting its assessment is provided below.

The impact of a quarter of a percent change in the discount rate used to determine the present value of both the contract rents and their divestment value would be as follows:

	2023	
	Assets	Consolidated profit/(loss) for the year
Increase of 25 basis points	(11,298)	(8,474)
Decrease of 25 basis points	11,619	8,714

The impact of a change in the exit yield would be as follows:

	2023	
	Assets	Consolidated profit/(loss) for the year
Increase of 25 basis points	(4,667)	(3,501)
Decrease of 25 basis points	4,969	3,726

Finally, the sensitivity analysis of a 10% change in the ERV (market rent of the asset at the assessment date) would be as follows:

	2023	
	Assets	Consolidated profit/(loss) for the year
10% increase	(16,520)	(12,390)
10% decrease	16,520	12,390

The movements in the various investment property items in 2024 and 2023 were as follows:

Balance 31.12.22	2,122,854
Additions	17,778
Derecognitions, disposals or reductions	(24)
Change in fair value	(49,037)
Translation differences	(120)
Change in scope, transfers and other changes	(123)
Balance 31.12.23	2,091,328
Additions	1,404
Derecognitions, disposals or reductions	(26)
Change in fair value	640
Conversion differences	95
Reclassification to non-current assets held for sale (Note 5)	(2,089,556)
Balance 31.12.24	3,885

During 2024, the reclassification of 2,089,556 thousand euros corresponding to the balance contributed by the Real Estate activity segment in May 2024 to “Non-current assets held for sale” is worth particular mention (note 5).

During 2024, the increase in the fair value of investment property generated income of 640 thousand from the GGU Group (Georgia). In turn, in 2023, the decrease in the fair value of investment property resulted in the recognition of losses of 49,037 thousand euros, which can mainly be attributed to the increase in the “exit yield” and, in some cases, due to changes in the market situation in specific geographical areas in which there has been increase in availability rates and decrease in rents, as well as other factors. The amount corresponding to the change in fair value of Real Estate activity for the entirety of 2023 and the amounts recognised up until the date of completion of the spin-off (note 2) for the negative amount of 49,037 thousand euros and the positive amount of 3,758 thousand euros, respectively, are included under Profit/(loss) for the business year from interrupted operations after tax, as a result of the reclassification of the Real Estate segment to discontinued operations (notes 5 and 27).

Significant “Additions” in 2023 included the capitalisation of constructions in progress for rental housing by the Realia Business, S.A. Group for the sum of 9,383 thousand euros.

Cash inflows and outflows are recorded in the accompanying cash flow statement as “Payments for investments” and “Proceeds from disposals” of “Property, plant and equipment, intangible assets and investment property” respectively.

Both in 2024 and 2023, there were commitments to acquire investment property.

10. LEASES

a) Leases where the Group acts as lessee

As a lessee, the Group has entered into agreements to lease underlying assets of various kinds, mainly machinery in the Construction business and technical installations and buildings for its own use in all the Group's activities.

Among the agreements entered into in previous years, those for the Group's Central Services buildings stand out, on the one hand, the agreement for the lease of the office building located in Las Tablas (Madrid), effective from 23 November 2012 and for 18 years, extendable at the option of the FCC Group in two periods of five years each, with a rent that can be updated annually in accordance with the CPI.

Additionally, the agreement signed in 2011 for the buildings located at Federico Salmón 13, Madrid and Balmes 36, Barcelona, for a minimum committed rental period of 30 years, extendable at the Group's option in two periods of 5 years each with a rent that can be updated annually according to the CPI. These buildings were transferred to their current owners by means of a sale and leaseback agreement. The owners, in turn, have granted a purchase option to Fomento de Construcciones y Contratas, S.A., exercisable only at the end of the rental period, for the fair value or the amount of the sale discounted by the CPI, whichever is higher.

In general, the leases entered into by the Group do not include variable payments, only certain agreements include clauses for the discounting of rent, mainly in line with inflation. In some cases, these agreements contain restrictions on use, the most common restrictions being those limiting the use of the underlying assets to geographical areas or to use as office or production premises. Lease contracts do not include significant residual value guarantee clauses.

The Group determines the duration of the agreements by estimating the length of time the entity expects to continue to use the underlying asset based on its particular circumstances, including extensions that are reasonably expected to be exercised.

The carrying amount of the right-of-use assets amounts to €439,007 thousand at 31 December 2024 (€417,081 thousand at 31 December 2023). The carrying amount, additions and write-downs during the business years 2024 and 2023 are detailed below by underlying asset class:

	Cost	Accumulated amortisation	Impairment	Net value	Additions	Amortisation charge
2024						
Land and buildings	484,013	(170,869)	(5,080)	308,064	38,687	(41,522)
Land and natural resources	51,669	(12,527)	(5,080)	34,062	8,630	(3,226)
Buildings for own use	432,344	(158,342)	-	274,002	30,057	(38,296)
Plant and other items of property, plant and equipment	210,694	(79,384)	(367)	130,943	49,529	(29,249)
Plant	1,037	(552)	-	485	-	(101)
Machinery and vehicles	180,018	(63,279)	(367)	116,372	43,612	(25,332)
Other PP&E	29,639	(15,553)	-	14,086	5,917	(3,816)
	694,707	(250,253)	(5,447)	439,007	88,216	(70,771)
	Cost	Accumulated amortisation	Impairment	Net value	Additions	Amortisation charge
2023						
Land and buildings	470,840	(143,724)	(3,925)	323,192	63,027	(41,541)
Land and natural resources	42,089	(10,620)	(3,925)	27,545	3,639	(4,088)
Buildings for own use	428,751	(133,104)	-	295,647	59,388	(37,453)
Plant and other items of property, plant and equipment	178,374	(84,135)	(350)	93,889	42,563	(34,811)
Plant	18,759	(3,905)	-	14,854	15,496	(2,508)
Machinery and vehicles	132,528	(65,258)	(350)	66,920	25,529	(28,415)
Other PP&E	27,087	(14,972)	-	12,115	1,538	(3,888)
	649,214	(227,859)	(4,275)	417,081	105,590	(76,352)

Lease liabilities recognised amount to €468,831 thousand at 31 December 2024 (€434,850 thousand at 31 December 2023), of which €86,800 thousand (€76,478 thousand at 31 December 2023) are classified as current in the accompanying consolidated balance sheet, as they mature within the next twelve months (note 20). Lease liabilities have generated an interest charge of €14,551 thousand at 31 December 2024 (€13,303 thousand at 31 December 2022).

The change compared to 2023 can be attributed, firstly, to the increase in lease debts under IFRS 16 as a result of the completion of the acquisition of Urbaser's UK subsidiary by Environmental Services (note 4) for the sum of 28,992 thousand euros at 31 December 2024 and, secondly, to the decrease in financial liabilities subject to the partial financial spin-off of the Cement and Real Estate activities, the value of which at 31 December 2023 was 23,365 thousand euros (note 2).

Lease payments made during the year amount to €93,484 thousand at 31 December 2024 (31 December 2023: €93,799 thousand) and are recognised under “Receivables and (payments) on financial liability instruments” and “Interest payments” in the accompanying consolidated cash flow statement. Details of non-current lease liabilities by contract maturity at 31 December 2024 are shown below:

	2026	2027	2028	2029	2030 and beyond	Total
Liabilities for non-current leases	64,954	51,848	46,653	37,788	226,899	428,142

Certain agreements are excluded from the application of IFRS 16, mainly because they are low value assets or because their term is less than twelve months (note 3.g), and are recognised as an expense under “Other operating income” in the accompanying consolidated income statement, the amount of which is as follows for 2024 and 2023:

	2024	2023
Low value assets	8,453	10,100
Leases with term less than 12 months	55,576	46,797
	64,029	56,897

b) Leases in which the Group acts as lessor

All lease agreements in which the Group acts as lessor are classified as operating leases, as substantially all the risks and rewards of ownership of the asset are not transferred.

As a result of the partial financial spin-off giving rise to the Inmocemento Group (note 2), a very significant part of the leases in which the Group acted as the lessor, entered into by the Real Estate segment, were no longer valid at the end of 2024. Thus, rental income from the Real Estate activity is not included as operating income in the accompanying consolidated income statement, rather it is included under “Profit/(loss) for the business year from interrupted operations after tax” for the amount of 117,241 thousand euros (note 5).

The assets leased in the Real Estate segment at the end of 2023 were mainly recognised under Investment property on the accompanying consolidated balance sheet. Their book value and type are broken down below:

	2023
Offices and commercial premises	1,426,337
Banking entities	586,241
Residential	75,600
Plots and other investment property	3,150
	2,091,328

At 31 December 2023, the Real Estate segment has contracted minimum lease payments of 924,750 thousand euros with tenants in the Realia Group and Jezzine Uno, S.L.U., in accordance with the current agreements in force, without considering the repercussion of common expenses, future CPI increases or future updates of contractually agreed rents, with the following maturities:

	2023
Less than a year	111,665
Between two and five years	323,028
After five years	490,057
	924,750

In addition, the Group leases tangible fixed assets, mainly machinery in the Construction Area, the carrying amount of which is not material. These leases have generated operating income amounting to 972 thousand euros as at 31 December 2024 (1,454 thousand euros at 31 December 2023).

11. SERVICE CONCESSION ARRANGEMENTS

This Note presents an overview of all the Group's investments in concession businesses, which are recognised in various headings under "Assets" in the accompanying consolidated balance sheet.

The following table presents the total amount of the assets held under service concession arrangements by the Group companies, which are recognised under "Intangible assets", "Non-current financial assets", "Other current financial assets" and "Investments accounted for using the equity method" (for both joint ventures and associates) in the accompanying consolidated balance sheet at 31 December 2024 and 2023.

	Intangible fixed assets (Note 7)	Financial assets (Note 14)	Joint concessionary businesses	Associated concessionary companies	Total investment
2024					
Water services	1,989,908	233,030	12,064	39,339	2,274,341
Environment	790,650	545,150	4,463	12,813	1,353,076
Transport infrastructure and other	478,129	189,573	9,604	76,036	753,342
TOTAL	3,258,687	967,753	26,131	128,188	4,380,759
Depreciation	(1,598,666)	-	-	-	(1,598,666)
Impairment	(47,149)	-	-	-	(47,149)
	1,612,872	967,753	26,131	128,188	2,734,944
2023					
Water services	1,997,281	247,303	17,343	38,026	2,299,953
Environment	558,823	211,652	6,833	10,457	787,765
Transport infrastructure and other	512,617	149,610	10,434	38,840	711,501
TOTAL	3,068,721	608,565	34,610	87,323	3,799,219
Depreciation	(1,478,640)	-	-	-	(1,478,640)
Impairment	(46,920)	-	-	-	(46,920)
	1,543,161	608,565	34,610	87,323	2,273,659

The main change year on year in the “Environment” segment can mainly be attributed to the acquisition of the Urbaser subsidiary in the United Kingdom by Environmental Services (note 4). As a direct result, intangible fixed and non-current assets and financial assets increased by 137,633 and 330,665 thousand euros, respectively.

Below are details of the main concessions included in the previous categories with their main characteristics:



	Net book value as at 31 December 2024		Granting entity	Collection mechanism
	Intangible assets	Financial assets		
Water services	756,476	233,030		
Caltanissetta (Italy)	75,047	-	Consorzio Ambito Territoriale Ottimale	User based on consumption
Contracts in Colombia	72,542	-	Miscellaneous municipalities	User based on consumption
Jerez de la Frontera (Cádiz - Spain)	56,369	-	City Council of Jerez de la Frontera.	User based on consumption
Jeddah desalination plant (Saudi Arabia)	31,898	-	General Authority of Civil Aviation (Saudi Arabia)	User based on consumption
Lleida (Lleida, Spain)	27,629	-	Lleida City Council	User based on consumption
Acueducto Realito (Mexico)	24,160	54,310	State Water Commission	Mixed model
Llucmajor (Balearic Islands, Spain)	21,862	-	Llucmajor town council	User based on consumption
Santander (Cantabria, Spain)	21,655	-	Santander City Council	User based on consumption
Badajoz (Badajoz, Spain)	20,990	-	Badajoz City Council	User based on consumption
Oviedo (Asturias, Spain)	17,823	-	Oviedo City Council	User based on consumption
Contracts in Île de France (France)	17,412	-	Miscellaneous municipalities in the Île de France region	User based on consumption
Adeje (Tenerife, Spain)	8,154	-	Adeje City Council	User based on consumption
Vigo (Pontevedra, Spain)	7,126	-	Vigo City Council	User based on consumption
Desaladora de Mostaganem (Algeria)	-	145,784	Algerian Energie Company S.p.a.	Cubic meters with guaranteed minimum
Guaymas Desalination Plant (Mexico)	-	27,234	State Water Commission	Cubic meters with guaranteed minimum
Other contracts	353,809	5,702		
Transport infrastructure and other	292,377	189,573		
Coatzacoalcos submerged tunnel (Mexico)	202,450	-	Government of the State of Veracruz	Direct toll paid by the user
Conquense motorway (Spain)	22,865	-	Ministry for Economic Development	Shadow toll
Sociedad Concesionaria Tranvia de Murcia (Spain)	67,062	156,912	Murcia city council	Fixed amount plus the amount paid by the user
Parla Tram (Spain)		31,586	Municipality of Parla	Fixed amount plus the amount paid by the user
FCC Concessions Aragon (Spain)		1,075	Government of Aragón	Fixed amount
Environment	564,019	545,150		
Loeches plant (Alcalá de Henares, Spain)	124,098	-	Commonwealth of the East	According to tons treated
Buckinghamshire plant (United Kingdom)	123,840	9,296	Buckinghamshire County Council	Variable per ton with guaranteed minimum
Mercia plant (United Kingdom)	85,015	96,722	Herefordshire and Worcestershire County Council	Variable per ton with guaranteed minimum
Gloucestershire plant	52,325	235,982	Gloucestershire County Council	Variable per ton with guaranteed minimum
Campello plant (Alicante, Spain)	40,053	-	Plan Zonal XV consortium of the Community of Valencia	According to tons treated
CTR Plant Valladolid (Castile and Leon, Spain)	28,714	-	Valladolid Municipality	According to tons treated
Edinburgh plant (United Kingdom)	20,049	88,234	City of Edinburgh and Midlothian Council	Variable per ton with guaranteed minimum
RE3 plant (United Kingdom)	-	27,264	Councils of Reading, Bracknell Forest and Workingham	Fixed amount plus variable amount per ton
Gipuzkoa II plant	-	26,242	Gipuzkoa Waste Consortium	Variable per ton with guaranteed minimum
Manises Plant (Valencia, Spain)	-	17,112	Metropolitan entity for waste treatment	Fixed amount plus variable amount per ton
Wrexham I plant (United Kingdom)	-	16,787	Wrexham County Borough Council	Fixed amount plus variable amount per ton
Wrexham II plant (United Kingdom)	-	14,156	Wrexham County Borough Council	Fixed amount plus variable amount per ton
Other contracts	89,925	13,355		
FCC Group Total	1,612,872	967,753		

	Net book value as at 31 December 2023		Granting entity	Collection mechanism
	Intangible assets	Financial assets		
Water services	827,682	247,303		
Contracts in Colombia	103,013	-	Miscellaneous municipalities	User based on consumption
Caltanissetta (Italy)	64,453	-	Consorzio Ambito Territoriale Ottimale	User based on consumption
Jerez de la Frontera (Cádiz - Spain)	60,623	-	City Council of Jerez de la Frontera.	User based on consumption
Jeddah desalination plant (Saudi Arabia)	33,937	-	General Authority of Civil Aviation (Saudi Arabia)	User based on consumption
Acueducto Realito (Mexico)	29,647	65,766	State Water Commission	Mixed model
Lleida (Lleida, Spain)	28,681	-	Lleida City Council	User based on consumption
Santander (Cantabria, Spain)	25,120	-	Santander City Council	User based on consumption
Llucmajor (Balearic Islands, Spain)	23,105	-	Llucmajor town council	User based on consumption
Badajoz (Badajoz, Spain)	22,052	-	Badajoz City Council	User based on consumption
Contracts in Île de France (France)	20,055	-	Miscellaneous municipalities in the Île de France region	User based on consumption
Oviedo (Asturias, Spain)	18,539	-	Oviedo City Council	User based on consumption
Adeje (Tenerife, Spain)	14,626	-	Adeje City Council	User based on consumption
Vigo (Pontevedra, Spain)	14,251	-	Vigo City Council	User based on consumption
Desaladora de Mostaganem (Algeria)	-	142,575	Algerian Energie Company S.p.a.	Cubic meters with guaranteed minimum
Guaymas Desalination Plant (Mexico)	-	31,762	State Water Commission	Cubic meters with guaranteed minimum
Other contracts	369,579	7,200		
Transport infrastructure and other	339,543	149,609		
Coatzacoalcos submerged tunnel (Mexico)	236,485	-	Government of the State of Veracruz	Direct toll paid by the user
Conquense motorway (Spain)	33,240	-	Ministry for Economic Development	Shadow toll
Sociedad Concesionaria Tranvia de Murcia (Spain)	69,818	149,609	Murcia city council	Fixed amount plus the amount paid by the user
Environment	375,937	211,652		
Buckinghamshire plant (United Kingdom)	126,764	8,960	Buckinghamshire County Council	Variable per ton with guaranteed minimum
Loeches plant (Alcalá de Henares, Spain)	105,662	-	Commonwealth of the East	According to tons treated
Campello plant (Alicante, Spain)	45,072	-	Plan Zonal XV Consortium of the Community of Valencia	According to tons treated
Granada plant (Granada, Spain)	28,047	-	Provincial Council of Granada	According to tons treated
Edinburgh plant (United Kingdom)	20,118	86,838	City of Edinburgh and Midlothian Council	Variable per ton with guaranteed minimum
Houston recycling plant (United States)	17,165	-	City of Houston	According to tons treated
Gipuzkoa II plant	-	27,506	Gipuzkoa Waste Consortium	Variable per ton with guaranteed minimum
RE3 plant (United Kingdom)	-	26,403	Councils of Reading, Bracknell Forest and Workingham	Fixed amount plus variable amount per ton
Manises plant (Valencia, Spain)	-	17,262	Metropolitan entity for waste treatment	Fixed amount plus variable amount per ton
Wrexham I plant (United Kingdom)	-	16,388	Wrexham County Borough Council	Fixed amount plus variable amount per ton
Wrexham II plant (United Kingdom)	-	14,692	Wrexham County Borough Council	Fixed amount plus variable amount per ton
Other contracts	33,109	13,604		
FCC Group Total	1,543,161	608,565		

The water services activity is characterised by a very high number of agreements, the most significant of which are detailed in the table above. The main activity of the agreements is the end-to-end water cycle, from the collection, transport, treatment and distribution to urban centres through the use of distribution networks and complex water treatment facilities for drinking water purification, to the collection and treatment of wastewater. It includes both construction and maintenance of water and sewerage networks, desalination plants, water treatment plants and wastewater treatment plants. Billing is generally based on subscribers' use of the service, so in most cases cash flows depend on water consumption, which is generally constant over time. However, the agreements usually incorporate periodic tariff review clauses to ensure the recoverability of the investment made by the concessionaire, in which future tariffs are set on the basis of consumption in previous periods and other variables such as inflation. In order to carry out their activities, the concessionaires build or receive the right to use the distribution and sewerage networks, as well as the complex installations necessary for drinking water treatment and purification. The concession periods for this type of concession range from different periods, up to a maximum of 75 years, and the facilities revert to the concession grantor at the end of the concession period, without receiving any compensation.

In most of the fully consolidated agreements, the amount of the collections depends on the use made of the service and is therefore variable, as the concession holder bears the demand risk, which is why they are recorded as intangible assets. However, in exceptional cases, mainly in the case of desalination plants, payment is received on the basis of the cubic metres actually desalinated, with the grantor guaranteeing a minimum insured level irrespective of volume, whereby such guaranteed amounts are classified as financial assets as they cover the fair value of the construction services.

The “Environment and Other” activity mainly includes agreements relating to the construction, operation and maintenance of waste management facilities in Spain, the United Kingdom and the United States. The agreements incorporate price revision clauses based on various variables, such as inflation, energy costs or wage costs. For the classification of concessions as intangible or financial assets, the contracts have been analysed to determine which part of the agreement bears the demand risk. In those agreements in which billing is determined solely on the basis of the fixed charge and a variable amount depending on the tonnes treated, given that the latter is residual and the cost of construction services is substantially covered by the fixed charge, the entire concession has been considered as a financial asset, except in the case of the Buckinghamshire, Edinburgh, Gloucestershire and Mercia plants (both in the UK), in which the intangible component is significant and are therefore recorded as mixed models.

“Transport infrastructure and Other” activity includes, on the one hand, the toll road and tunnel concessions is the management, promotion, development and operation of land transport infrastructures, mainly toll roads and tunnels. It includes both the construction and the subsequent conservation and maintenance of the aforementioned infrastructures over a long concession period, which can range from 25 to 75 years. Invoicing is usually based on traffic intensity, both through direct vehicle tolls and shadow tolls, so cash flows are variable in relation to the aforementioned traffic intensity, and generally show an increasing trend as the concession period progresses, which is why, as the concessionaire bears the demand risk, they are recorded as intangible assets. The agreements generally comprise both the construction or improvement of the infrastructure over which the concessionaire receives a right of use, and the provision of maintenance services, with the infrastructure reverting at the end of its useful life to the grantor, usually without compensation. In certain cases, compensation mechanisms exist, such as an extension of the concession period or an increase in the toll price, so as to ensure a minimum return to the concessionaire. On the other, it also includes the operation of urban trams and other urban transport systems in which revenue is generated through the collection of fixed or determinable amounts that may be in the form of a subsidy or fee and that usually include financial balance clauses to ensure the recovery of the investment by the concession holder. Alternatively, in some contracts, amounts are received directly from passengers through ticket collecting or using advertising media.

It should also be noted that the concession companies in which the Group has holdings are obliged, in accordance with the concession agreements, to acquire or construct, during the concession period, fixed assets for an amount of 287,425 thousand euros at 31 December 2024 (336,510 thousand euros at 31 December 2023) (note 7.a).

Finally, it is worth mentioning that the recoverable value of the main concession assets has been re-estimated in 2024. As a result of the analysis performed, it has been concluded that no impairment should be recorded. In addition, a significant portion of the concessional asset portfolio corresponds to agreements not subject to demand risk, which significantly reduces the risk of impairment.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This heading includes the value of investments in companies accounted for using the equity method, as well as non-current loans granted to these companies which, as indicated in note 2.b), is applied to both joint ventures and associates, the breakdown of which is as follows:

	2024	2023
Joint ventures	79,463	145,819
Investment value	(17,523)	48,724
Loans	96,986	97,095
Associates	441,232	888,469
Investment value	149,559	670,460
Loans	291,673	218,009
	520,695	1,034,288

The main difference year on year can be attributed to the fact that during 2024, the following amounts contributed in May 2024 by the Cement and Real Estate activity segments were reclassified to “Non-current assets held for sale” (note 5):

	31.05.2024
Joint ventures	43,081
Investment value	43,081
Loans	-
Associates	518,538
Investment value	514,570
Loans	3,968
	561,619

The following sections provide a breakdown of the amounts indicated under “Reclassification to non-current assets held for sale “ by the company.

In addition, “Profit/(loss) for the business year from interrupted operations after tax” features the amount contributed by these companies in 2024 and 2023. The results for 2024 reflect the amounts contributed up until the time at which the assets and liabilities held for sale were reclassified, while the results for 2023 are for the entire year.

a) Joint ventures

The breakdown of this caption by company is shown in Annexe II to these annual accounts, which lists the joint ventures.

The transactions for 2024 and 2023 by items are as follows:

		Profit/loss for the business year								
	Balance at 31.12.2023	Profit of companies accounted for by the equity method (Note 27.h)	Profit/(loss) for the business year from interrupted operations after tax (note 5)	Distributed Dividends	Changes in the fair value of financial instruments allocated to reserves	Committee	Conversion differences and other movements	Change in credits granted	Reclassification to non-current assets held for sale (Note 5)	Balance at 31.12.2024
Zabalgardi, S.A.	13,099	(447)	-	(1,800)	187	-	-	-	-	11,039
Ibisan Sociedad Concesionaria, S.A.	10,434	1,608	-	(2,497)	58	-	-	-	-	9,603
Construcciones Olabarri, S.L.	6,127	177	-	-	-	-	-	-	-	6,304
Ecoparc del Besós, S.A.	5,534	3,754	-	(3,410)	-	-	-	-	-	5,878
Orasqualia for the Development of the Waste Treatment Plant S.A.E.	9,471	941	-	(2,587)	-	-	(2,894)	(18)	-	4,913
Atlas Gestión Medioambiental, S.A.	6,558	1,703	-	(2,815)	-	(1,920)	-	-	-	3,526
Aguas de Langreo, S.L.	3,232	86	-	-	(70)	-	(24)	-	-	3,224
Empresa Municipal de Aguas de Benalmádena, S.A.	2,059	136	-	(32)	(94)	-	-	(819)	-	1,250
FCC Environment Group (UK)	18,057	5,034	-	-	-	-	(23,091)	-	-	-
As Cancelas Siglo XXI, S.L.	38,815	-	1,045	-	-	-	-	-	(39,860)	-
Other	32,433	3,523	155	(2,346)	223	(2,522)	4,752	729	(3,221)	33,726
Total joint ventures	145,819	16,515	1,200	(15,487)	304	(4,442)	(21,257)	(108)	(43,081)	79,463

		Profit/loss for the business year							
	Balance at 31.12.2022	Profit of companies accounted for by the equity method (Note 27.h)	Profit/(loss) for the business year from interrupted operations after tax (note 5)	Distributed Dividends	Changes in the fair value of financial instruments allocated to reserves	Committee	Conversion differences and other movements	Change in credits granted	Balance at 31.12.2023
As Cancelas Siglo XXI, S.L.	38,622	-	1,755	(1,562)	-	-	-	-	38,815
FCC Environment Group (UK)	19,131	8,518	-	(10,644)	-	-	1,052	-	18,057
Zabalgardi, S.A.	15,988	711	-	(3,600)	-	-	-	-	13,099
Ibisan Sociedad Concesionaria, S.A.	10,925	1,228	-	(1,688)	(31)	-	-	-	10,434
Orasqualia for the Development of the Waste Treatment Plant S.A.E.	10,880	1,023	-	-	-	-	(2,432)	-	9,471
Atlas Gestión Medioambiental, S.A.	7,547	1,719	-	(2,708)	-	-	-	-	6,558
Construcciones Olabarri, S.L.	5,969	158	-	-	-	-	-	-	6,127
Ecoparc del Besós, S.A.	8,398	3,242	-	(6,106)	-	-	-	-	5,534
Aguas de Langreo, S.L.	3,451	94	-	-	-	-	53	(366)	3,232
Empresa Municipal de Aguas de Benalmádena, S.A.	2,994	138	-	(19)	-	-	(272)	(782)	2,059
Other	34,743	1,117	563	(3,700)	-	-	4,628	(4,918)	32,433
Total joint ventures	158,648	17,948	2,318	(30,027)	(31)	-	3,029	(6,066)	145,819

During 2024, “Conversion differences and other movements” included, for the FCC Environment (UK) Group, the write-off of Beacon Waste Limited, Mercia Waste Management Ltd. and Severn Waste Limited for the sum of 18,378 thousand euros, in which Environmental Services held a 50% stake, as they are now fully consolidated following the June 2024 acquisition of the subsidiary of Urbaser, which held the remaining 50% (note 4).

The following are the key financial statement aggregates of the joint ventures in proportion to the percentage interest held in the joint ventures at 31 December 2024 and 2023.

	2024	2023
Non-current assets	64,367	221,954
Current assets	135,956	169,451
Non-current liabilities	110,310	211,300
Current liabilities	125,167	141,503
Results		
Revenue	226,544	278,110
Operating profit/(loss)	17,477	36,818
Profit before tax	21,718	28,479
Profit attributable to the Parent Company	17,715	20,266

The changes in the balance sheet figures compared to 2023 can mainly be attributed to the reclassification of the assets and liabilities of the joint ventures in the Cement and Real Estate areas to assets held for sale as at May 2024 (note 5) and the aforementioned change in the consolidation method of Beacon Waste Limited, Mercia Waste Management Ltd. and Severn Waste Limited, now fully consolidated, following the acquisition of Urbaser's subsidiary in the United Kingdom by Environmental Services (note 4).

The main activities carried out by joint ventures are the exploitation of concessions, such as motorways, concessions related to the integral water cycle and urban sanitation, tunnels and passenger transport activities.

In relation to joint ventures with third parties outside the FCC Group, it should be noted that guarantees have been provided for an amount of 7,032 thousand euros (7,032 thousand euros in 2023), mostly for public bodies and private customers to guarantee the successful execution of the contracts of the different activities of the Group. There are no relevant commitments or other significant contingent liabilities in relation to joint ventures.

In general, the joint ventures consolidated by the Group using the equity method take the legal form of public or private limited companies and, therefore, as joint ventures, the distribution of funds to their respective parent companies requires the agreement of the other jointly controlling shareholders.

b) Associates

The breakdown of this caption by company is shown in Annexe III to these annual accounts, which lists the associated companies.

The transactions for 2024 and 2023 by items are as follows:

	Profit/loss for the business year				Changes in the fair value of financial instruments allocated to reserves	Committee	Conversion differences and other movements	Change in credits granted	Reclassification to non-current assets held for sale (Note 5)	Balance at 31.12.2024
	Balance at 31.12.2023	Profit of companies accounted for by the equity method (Note 27.h)	Profit/(loss) for the business year from interrupted operations after tax (note 5)	Distributed Dividends						
FCC Environment Group (UK)	158,446	13,824	-	-	-	24,599	(48,882)	72,933	-	220,920
Future Valleys Project Co. Limited	62,247	2,606	-	-	6,822	-	1,395	4,226	-	77,296
Metro de Lima Línea 2, S.A.	38,840	3,085	-	-	-	-	2,601	-	-	44,526
Suministro de Agua de Querétaro, S.A. de C.V.	13,322	2,341	-	(1,518)	-	-	(1,835)	-	-	12,310
World Trade Center Barcelona, S.A. de S.M.E.	11,521	813	-	(240)	-	-	-	-	-	12,094
Tirme Group	9,817	6,961	-	(4,856)	-	-	-	-	-	11,922
Aguas del Puerto Empresa Municipal, S.A.	9,918	(96)	-	-	442	-	-	(81)	-	10,183
FCC Environment Group (CEE)	7,759	2,954	-	(1,560)	(19)	-	(332)	-	-	8,802
Aigües del Segarra Garrigues, S.A.	7,562	1,129	-	(864)	-	(484)	875	-	-	8,218
Gestión Integral de Residuos Sólidos, S.A.	5,526	445	-	-	-	-	-	-	-	5,971
Codeur, S.A.	3,965	(184)	-	(78)	1,413	-	115	-	-	5,231
Aigües del Vendrell	4,670	264	-	-	257	-	-	(146)	-	5,045
Cafig Constructores, S.A. de C.V.	919	95	-	-	-	-	(132)	-	-	882
Hormigones y Áridos del Pirineo Aragonés, S.A.	6,318	-	163	-	-	-	-	-	(6,480)	-
Lázaro Echevarría, S.A.	7,828	-	53	-	19	-	-	-	(7,900)	-
Metrovacesa, S.A.	402,120	-	(2,728)	(11,589)	-	-	594	-	(388,397)	-
Giant Cement Holding	106,901	-	(2,234)	-	-	-	1,874	(189)	(106,353)	-
Other	30,790	(589)	55	(5,061)	1,090	523	(456)	888	(9,408)	17,832
Total associates	888,469	33,648	(4,691)	(25,766)	10,024	24,638	(44,183)	77,631	(518,538)	441,232

	Profit/loss for the business year			Distributed Dividends	Changes in the fair value of financial instruments allocated to reserves	Committee	Conversion differences and other movements	Change in credits granted	Balance at 31.12.2023
	Balance at 31.12.2022	Profit of companies accounted for by the equity method (Note 27.h)	Profit/(loss) for the business year from interrupted operations after tax (note 5)						
Metrovacesa, S.A.	-	-	-	-	-	-	402,120	-	402,120
FCC Environment Group (UK)	-	(1,635)	-	-	-	-	41,820	118,261	158,446
Giant Cement Holding	18,202	-	(13,782)	-	1,418	101,810	(152)	(595)	106,901
Future Valleys Project Co. Limited	59,723	1,742	-	-	(439)	-	(1,982)	3,203	62,247
Metro de Lima Línea 2, S.A.	37,310	2,888	-	-	-	-	(1,358)	-	38,840
Suministro de Agua de Querétaro, S.A. de C.V.	11,728	2,214	-	(1,889)	-	-	1,269	-	13,322
World Trade Center Barcelona, S.A. de S.M.E.	10,399	1,122	-	-	-	-	-	-	11,521
Aguas del Puerto Empresa Municipal, S.A.	11,469	(442)	-	-	-	-	395	(1,504)	9,918
Tirme Group	9,714	4,812	-	(4,709)	-	-	-	-	9,817
Lázaro Echevarría, S.A.	8,011	(54)	-	-	-	-	(129)	-	7,828
FCC Environment Group (CEE)	7,004	2,266	-	(1,745)	10	-	224	-	7,759
Aigües del Segarra Garrigues, S.A.	7,036	1,572	-	(864)	-	-	(182)	-	7,562
Hormigones y Áridos del Pirineo Aragonés, S.A.	6,112	281	-	(75)	-	-	-	-	6,318
Gestión Integral de Residuos Sólidos, S.A.	5,342	184	-	-	-	-	-	-	5,526
Aigües del Vendrell	4,862	(257)	-	-	-	-	186	(121)	4,670
Codeur, S.A.	6,024	(139)	-	(93)	-	-	(1,827)	-	3,965
Cafig Constructores, S.A. de C.V.	3,560	(584)	-	(2,365)	-	-	308	-	919
FCC Group PFI Holdings	109,872	(346)	-	-	-	-	(32,341)	(77,185)	-
Other	27,611	(6,364)	675	(1,265)	-	-	12,396	(2,263)	30,790
Total associates	343,979	7,260	(13,107)	(13,005)	989	101,810	420,747	39,796	888,469

In 2024, “Conversion differences and other movements” included, for the FCC Environment Group (UK), impairment attributable to the delay and increase in the costs of the investment in the Lostock plant for the sum of 48,134 thousand euros (note 27.h)

In 2023, the column “Conversion differences and other movements” included increases relating to a significant influence being obtained over the company Metrovacesa, S.A. (notes 4, 14 and 27) and the capital increase in Giant Cement Holding Inc. for the sum of 101,810 thousand euros. It also includes the impact of the transfer of CI III Lostock EFW Limited, Lostock Sustainable Energy and Lostock Power Limited from the FCC PFI Holding Group to the FCC Environment (UK) group for the sum of 33,035 thousand euros.

This transfer is the main effect that included in the “Variation in loans” column for the FCC PFI Holding group for the sum of 78,773 thousand euros.

The assets, liabilities, turnover and profit/(loss) for 2024 and 2023 are presented below, in proportion to the shareholding in the capital of each associate.

	2024	2023
Non-current assets	720,619	890,757
Current assets	229,221	778,091
Non-current liabilities	608,743	679,754
Current liabilities	169,576	307,254
Results		
Revenue	392,443	479,187
Operating profit/(loss)	49,507	13,461
Profit before tax	40,693	(3,241)
Profit attributable to the Parent Company	28,957	(5,847)

The changes compared to the previous year can be attributed to the reclassification of the assets and liabilities of the associates of the Cement and Real Estate areas to assets held for sale (note 5).

Below, due to its relevance, the summarised financial information of company Metrovacesa, S.A. can be consulted at 31 December 2023, having recognised its net assets at their fair value to which the equity method was applied:

	Balance Sheet
	2023
Non-current assets	395,567
Current assets	2,417,297
Inventory	2,106,161
Cash and equivalents	196,298
Other current assets	114,838
TOTAL ASSETS	2,812,864
Equity	1,895,455
Equity Parent Company	1,895,455
Capital	1,092,070
Reserves	803,842
Own Shares	(1,668)
Other equity instruments	1,211
Profit/(Loss) Parent Company	-
Valuation adjustments	-
Non-controlling interests	-
Non-current liabilities	362,006
Non-current financial liabilities	269,168
Other non-current liabilities	92,838
Current liabilities	555,403
Current financial liabilities	204,758
Other current liabilities	350,645
TOTAL LIABILITIES	2,812,864

13. JOINT AGREEMENTS. JOINT OPERATIONS

As indicated in note 2.b), section “Joint arrangements”, the Group companies carry out part of their activity through participation in contracts that are operated jointly with other non-Group partners, mainly through joint ventures and other entities with similar characteristics, contracts that have been proportionately included in the accompanying financial statements.

Below are the key figures of the jointly operated contracts that are included in the different headings of the accompanying balance sheet and consolidated income statement, in proportion to their participation, as at 31 December 2024 and 2023.

	2024	2023
Non-current assets	248,023	210,215
Current assets	1,647,870	1,646,408
Non-current liabilities	63,852	51,413
Current liabilities	1,695,403	1,724,716
Results		
Revenue	1,773,119	1,508,275
Gross operating profit/(loss)	189,041	146,585
Net operating profit/(loss)	148,189	110,130

Contracts managed through temporary joint ventures, joint ventures and other entities with similar characteristics imply that shareholders must share the joint responsibility for the activity carried out.

In relation to contracts managed jointly with third parties outside the Group, guarantees totalling €1,771,979 thousand (€2,024,073 thousand in 2023) were provided, mostly to public bodies and private customers, to guarantee the successful completion of urban sanitation works and contracts.

The joint ventures have no relevant property, plant and equipment acquisition commitments.

14. NON-CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS

There are no significant “Non-current financial assets” or “Other non-current financial assets” in default, with the exception of those contributed by Tranvía de Parla, S.A. acquired in April 2024 (note 4), for the amount at 31 December 2024 of 14,549 thousand euros. There is no risk of default, as the debtor is a public entity and has the right to claim the corresponding delay payment surcharges.

The most significant items in the accompanying consolidated balance sheet under the aforementioned headings break down as follows:

a) Non-current financial assets

Non-current financial assets at 31 December 2024 and 2023 are distributed as shown below:

	Financial assets at amortised cost	Financial assets at fair value charged to reserves	Hedging derivatives	Total
2024				
Equity instruments	-	32,649	-	32,649
Derivatives	-	-	34,216	34,216
Collection rights concession agreements (Note 11)	883,110	-	-	883,110
Deposits and guarantees	45,719	-	-	45,719
Other financial assets	67,306	7,765	-	75,071
	996,135	40,414	34,216	1,070,765
2023				
Equity instruments	-	30,244	-	30,244
Derivatives	-	-	25,193	25,193
Collection rights concession agreements (Note 11)	547,318	-	-	547,318
Deposits and guarantees	76,420	-	-	76,420
Other financial assets	65,461	3,789	-	69,250
	689,199	34,033	25,193	748,425

In 2024, the following amounts contributed at 31 May 2024 to “Non-current financial assets” on the balance sheet (note 5) by the Cement and Real Estate activity segments were reclassified to “Non-current assets held for sale”:

	Financial assets at amortised cost	Financial assets at fair value charged to reserves	Total
31.05.2024			
Equity instruments	-	1,242	1,242
Deposits and guarantees	17,651	-	17,651
Other financial assets	460	-	460
	18,111	1,242	19,353

During 2024, as a result of the acquisition of Urbaser's subsidiary in the United Kingdom (notes 4, 12 and 27) in June, “Non-current financial assets” were added to the perimeter for the sum of 320,625 thousand euros (mainly “Collection rights under concession agreements”). Likewise, during 2024, as a result of the acquisition of 100% of Tranvía de Parla, S.A. in April, the sum of 31,429 thousand euros was incorporated into the perimeter under “Collection rights under concession agreements” (note 4).

In turn, the increase in hedging derivatives mainly reflects the increase in the fair value of variable interest rate to fixed rate swaps given the expectation of interest rate hikes in the coming years (note 18).

The breakdown of the “Equity instruments” heading at 31 December 2024 and 2023 is detailed below:

	% Effective ownership	Fair value
2024		
Participations equal to or greater than 5%:		
Vertederos de Residuos, S.A.	16.03%	11,923
Shariket Miyeh Djinet, S.p.a	13.01%	10,676
Consorcio Traza, S.A.	16.60%	3,919
Cafasso N.V.	15.00%	2,744
Other		2,272
Participations below 5%:		
Other		1,115
		32,649
2023		
Participations equal to or greater than 5%:		
Vertederos de Residuos, S.A.	16.03%	9,187
Shariket Miyeh Djinet, S.p.a	13.01%	8,996
Consorcio Traza, S.A.	16.60%	3,919
Cafasso N.V.	15.00%	2,744
Other		4,112
Participations below 5%:		
Other		1,286
		30,244

The expected maturities of “Deposits and guarantees”, “Receivables under concession agreements” and “Other financial assets” are as follows:

	2026	2027	2028	2029	2030 and beyond	Total
Deposits and guarantees	3,029	1,191	74	1,183	40,242	45,719
Collection rights concession agreement (notes 3.a) and 11)	74,207	91,767	75,052	159,523	482,561	883,110
Non-commercial loans and other financial assets	11,225	14,722	13,207	4,596	23,556	67,306
	88,461	107,680	88,333	165,302	546,359	996,135

Non-commercial loans mainly include the amounts granted to public entities for debt refinancing in the water services activity, that accrue interest in accordance with market conditions. There were no events during the year that suggests uncertainty regarding the recovery of these loans.

The deposits and guarantees basically correspond to those made by legal or contractual obligations in the development of the activities of the Group companies, such as deposits for electrical connections, for the guarantee in the execution of works, for rental of real estate, etc.

b) Other current financial assets

This heading of the accompanying consolidated balance sheet includes the financial deposits constituted by contractual guarantees, the collection rights derived from concessionary financial assets (note 11) maturing within less than twelve months, current financial investments made for more than three months to meet certain specific treasury situations, credits granted to companies accounted for using the equity method and loans to current third parties.

The details of “Other Current Financial Assets” at 31 December 2024 and 2023 is as follows:

	Financial assets at amortised cost	Financial assets at fair value charged to profit and loss	Hedging derivatives	Total
2024				
Derivatives	-	-	-	-
Collection rights concession arrangements	84,643	-	-	84,643
Deposits and guarantees	90,001	-	-	90,001
Other financial assets	77,823	4,231	-	82,054
	252,467	4,231	-	256,698
2023				
Derivatives	-	-	5,252	5,252
Collection rights concession arrangements	61,247	-	-	61,247
Deposits and guarantees	90,754	-	-	90,754
Other financial assets	103,292	-	-	103,292
	255,293	-	5,252	260,545

During the first half of 2024, the following amounts contributed at 31 May 2024 to “Non-current financial assets” on the balance sheet (note 5) by the Cement and Real Estate activity segments were reclassified to “Current assets held for sale”:

	Financial assets at amortised cost
31.05.2024	
Deposits and guarantees	1,022
Other financial assets	11,127
	12,149

Other financial assets mainly include current loans granted and other accounts receivable from joint ventures and associates for the sum of 21,814 thousand euros (34,993 thousand euros in 2023), current loans to third parties for the sum of 46,788 thousand euros (38,504 thousand euros in 2023) and deposits in credit institutions for the sum of 3,374 thousand euros (20,507 thousand euros in 2023).

The average rate of return obtained by these items is in market returns according to the term of each investment.

15. INVENTORIES

The breakdown of “Inventory net of impairment” at 31 December 2024 and 2023 was as follows:

	2024	2023
Real estate	8,262	719,718
Raw materials and other supplies	289,112	354,799
Construction	170,393	156,312
Environmental Services	79,564	78,764
Integrated Water Management	38,171	30,007
Concessions	984	1,178
Cement	-	88,526
Real Estate	-	12
Finished goods	7,939	23,267
Advances	118,415	136,554
	423,728	1,234,338

As a result of the partial financial spin-off giving rise to the Inmocermento Group (note 2), practically all real estate assets, included in Real Estate activity, were derecognised from the balance sheet as at the date on which the transaction was completed. This heading includes plots intended for property development, mostly for residential use and real estate developments in the process of production or already completed, for which there were sales commitments for a final value as regards delivery to customers of 135,750 thousand euros in 2023. The advances paid by some customers of this “Real Estate” are guaranteed by insurance contracts or bank guarantees, pursuant to the provisions of the regulations in force.

The Group classifies property developments as current on the basis of their production cycle, distinguishing between property developments in progress and completed developments. Property developments in progress are classified as short-cycle when the period to completion is estimated to be less than twelve months, and as long-cycle otherwise. After the development is completed, it is classified as a completed property development.

The composition of the balance of the item “Real estate” at 31 December 2024 and 2023 is as follows:

	Cost	Impairment	Net value
2024			
Land and plots	17,078	(16,250)	828
Short-cycle property developments in progress	-	-	-
Long-cycle property developments in progress	14,178	(6,744)	7,434
Finished property developments	-	-	-
Total	31,256	(22,994)	8,262
2023			
Land and plots	651,917	(138,376)	513,541
Short-cycle property developments in progress	67,683	(528)	67,155
Long-cycle property developments in progress	155,385	(59,011)	96,374
Finished property developments	49,192	(6,544)	42,648
Total	924,177	(204,459)	719,718

The movements in the various items under the heading “Real estate” in the business years 2024 and 2023 were as follows:

	Land and plots	Short-cycle property developments in progress	Long-cycle property developments in progress	Finished property developments	Impairment
Balance sheet as at 31.12.22	675,770	58,086	142,027	67,435	(179,451)
Additions or allocations	12,736	60,532	12,611	1,859	(38,345)
Derecognitions, disposals or reductions	(5,884)	-	-	(101,220)	13,284
Translation differences	(38)	-	(4)	-	45
Change in scope, transfers and other changes	(30,667)	(50,935)	751	81,118	8
Balance sheet as at 31.12.23	651,917	67,683	155,385	49,192	(204,459)
Additions or allocations	1,057	19,407	18,899	25,658	(333)
Derecognitions, disposals or reductions	(15,296)	(18,889)	-	(28,686)	1,396
Conversion differences	70	-	-	-	2
Reclassification to non-current assets held for sale (Note 5)	(608,002)	(70,471)	(170,596)	(46,165)	180,492
Change in scope, transfers and other changes	(12,668)	2,270	10,490	1	(92)
Balance at 31.12.24	17,078	-	14,178	-	(22,994)

In 2024, the following amounts contributed at 31 May 2024 to “Non-current financial assets” on the balance sheet (note 5) by the Cement and Real Estate activity segments were reclassified to “Inventories”:

	Cost	Impairment	Net value
31.05.2024			
Real estate:			
Land and plots	608,002	(120,777)	487,225
Short-cycle property developments in progress	70,471	(858)	69,613
Long-cycle property developments in progress	170,596	(52,542)	118,054
Finished property developments	46,165	(6,315)	39,850
Raw materials and other supplies	14,790	(1,262)	13,528
Finished goods	111,802	(5,181)	106,621
Advances	3,965	-	3,965
Total	1,025,791	(186,935)	838,856

A breakdown of the main real estate products is shown below:

	2024	2023
Estates and promotions Tres Cantos (Madrid)	-	201,550
Estates and Promotions El Molar (Madrid)	-	58,060
Estates and promotions Badalona (Barcelona)	-	54,357
Estates and promotions Sant Joan Despí (Barcelona)	-	43,622
Estates and promotions Arroyo Fresno (Madrid)	-	38,449
Estates and Promotions Valdebebas (Madrid)	-	14,130
Estates and Developments Alcorcón	-	13,860
Estates and Promotions San Gregorio (Zaragoza)	-	12,750
Estates and Promotions Esencia Sabadell (Barcelona)	-	12,460
Estates and Promotions Marítimo (Valencia)	-	11,100
Estates and Promotions Ensanche Vallecas (Madrid)	-	10,610
Estates and Promotions Nueva Condomina Golf (Murcia)	-	10,430
Estates and Developments Torres del Mar (Las Palmas)	-	9,380
Estates and Promotions Las Glorias (Barcelona)	-	4,370
Other properties and developments	8,262	224,590
	8,262	719,718

Property inventories are valued at the lower of acquisition or production cost adjusted, where appropriate, to market value.

To determine whether there is any impairment, the Group estimated the fair value of the main assets that make up its real estate portfolio of the Real Estate Area, which, as previously mentioned, have been spun off (note 2), through independent third parties (TINSA, SAVILLS and GESVALT). The appraisals were performed following the criteria of RICS (Royal Institution of Chartered Surveyors) measured at the closing date of these consolidated financial statements. The Dynamic Residual, comparison and cash flow discount methods were applied as the best approximation of the value. The Dynamic Residual Method is the basic, essential and fundamental method used in the assessment of land and property, and is the most widely accepted method by real estate market participants. However, as it uses different variables in its operating scheme, the data to be used as variables must be extracted directly from the market, through the instrumental use of the benchmarking method.

Through the application of the comparison method, the necessary comparable data are obtained by means of an analysis of the real estate market based on concrete information, which can be used as variables in the dynamic residual method. In the aforementioned selection, the values of those variables that are abnormal were previously checked in order to identify and eliminate those from transactions and offers that do not meet the conditions required in the definition of fair value, as well as those that could include speculative elements or those that include particular conditions specific to a specific agent and which are far removed from the reality of the market. After defining, determining and specifying the variables to be used in the dynamic residual method, the value of the land, is calculated considering the future flows associated with the development and promotion of this land, both collections and payments, based on market price assumptions (basically sale and construction prices) and development, construction and marketing periods in accordance with the circumstances of each specific case.

For the assessments carried out by the independent expert for completed properties, the assessment method used was that of direct comparison with market transactions.

The total value of real estate inventories in the Real Estate Area determined by independent experts amounted to 750,584 thousand euros as at 31 December 2023.

The key assumptions considered in making the assessments were:

- Temporary deadlines affecting the obtaining of licences and the commencement of urbanisation and/or construction works.
- Sales range: which affect both a range of sales prices, and the percentage and timing of marketing, and the actual and effective sale of the different properties.
- Discounted rates of cash flows generated that reflect risk and time value of money.

In 2024, the total accumulated balance of impairment of property inventories amounts to 22,994 thousand euros (204,459 thousand euros in 2023).

There are no significant commitments to purchase real estate assets at year-end.

The “Raw materials and other supplies” include facilities necessary for the execution of works pending incorporation, building materials and storage elements, spare parts, fuel and other materials necessary in the development of activities.

16. COMMERCIAL DEBTORS, OTHER ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

a) Trade receivables for sales and services

This heading of the accompanying consolidated balance sheet includes the value of the production and services rendered pending collection, valued as indicated in Note 3.s), which provide the various Group activities and which are the basis of the operating profit.

The following is the breakdown of “Receivables external to the Group” at 31 December 2024 and 2023:

	2024	2023
Progress billings receivable and trade receivables for sales	1,277,439	1,292,894
Completed output pending certification	1,136,437	1,036,769
Warranty retainers	65,517	58,254
Production billed to associated and jointly controlled companies	117,749	90,840
Trade receivables for sales and services	2,597,142	2,478,757
Advances received for orders (Note 22)	(638,660)	(646,686)
Total trade receivables for sales and services	1,958,482	1,832,071

The total amount corresponds to the net balance of receivables having considered the corrections for insolvency risk amounting to 231,651 thousand euros (260,364 thousand euros as of 31 December 2023) and deducting the item of advances received for orders listed under the heading “Trade payables and other accounts payable” of the liability side of the accompanying consolidated balance sheet. This item also includes the certified amounts of advances for various items, regardless of whether or not they have been paid.

In 2024, the following amounts contributed at 31 May 2024 to “Non-current financial assets” on the balance sheet (note 5) by the Cement and Real Estate activity segments were reclassified to “Trade receivables for sales and services”:

	31.05.2024
Progress billings receivable and trade receivables for sales	117,149
Completed output pending certification	5,239
Warranty retainers	-
Production billed to associated and jointly controlled companies	8,587
Trade receivables for sales and services	130,975
Advances received for orders	(40,203)
Total trade receivables for sales and services	90,772

Below is the breakdown by age of the balance of “Trade receivables for sales and services” at 31 December 2024:

	less than 1 year	between 1 and 2 years	more than 3 years	Total
Trade receivables for sales and services	2,470,779	63,578	62,785	2,597,142

The loans for commercial operations in default are as follows:

	2024	2023
Construction	34,370	33,430
Environmental Services	205,604	247,268
Water	153,919	165,342
Concessions	5,909	45
TOTAL	399,802	446,085

Balances are considered to be in default when their due date has passed and they have not been paid by the counterpart. However, it must be taken into account that given the different characteristics of the different sectors in which the FCC Group operates, although certain assets are in default, there is no risk of default, since most of its clients are public clients, in which only delays in collections can occur, as it is entitled to claim the corresponding delay payment surcharges.

“Certified production pending collection and trade receivables” mainly includes the amount of the certifications issued to customers for works executed in the Construction segment in the amount of 308,478 thousand euros (295,593 thousand euros at 31 December 2023) and services provided by other segments in the amount of 982,900 thousand euros (997,300 thousand euros as of 31 December 2023), pending collection at the date of the consolidated balance sheet. In general, there are no disputes in relation to the above.

The difference between the amount of production recorded at inception for each of the works and contracts in progress, assessed according to the criteria set out in note 3.s), and the amount certified up to the date of the consolidated financial statements is recorded as “Production executed pending certification”. This heading is broken down by activity segments as follows:

	2024	2023
Construction	545,482	536,464
Environmental Services	401,850	342,076
Water	188,800	151,514
Real Estate	-	6,212
Other	305	503
TOTAL	1,136,437	1,036,769

The previous table mainly includes two concepts: On the one hand, completed work pending certification corresponding to the construction agreements carried out by the Group, mainly in the Construction segment, amounting to 578,789 thousand euros (554,475 thousand euros at 31 December 2023). The aforementioned balance mainly includes the differences between the production executed, valued at selling price, and the certification carried out to date in accordance with the contract in force, amounting to 542,804 thousand euros (527,440 thousand euros at 31 December 2023), i.e. production recognised according to the degree of progress arising from differences between the time at which the production of the work, covered by the contract signed with the customer and approved by the latter, is executed and the time at which the latter proceeds to its certification.

It also includes services rendered mainly in the Environment and Water activities which are invoiced more frequently than monthly, basically corresponding to work carried out in the normal course of business amounting to 460,151 thousand euros (377,866 thousand euros at 31 December 2023).

The amount of customer receivables assigned to financial institutions without recourse against Group companies in the event of default amounted to 5,267 thousand euros at year-end (at 31 December 2023: 6,793 thousand euros). The impact on cash flows of loan assignments is reflected in the “Changes in working capital” heading of the Statement of Cash Flows. This amount has been reduced from the “Progress billings receivable and trade receivables for sales”.

b) Other receivables

The breakdown of the “Other receivables” at 31 December 2024 and 2023 was as follows:

	2024	2023
Public Administrations - VAT receivable (Note 24)	123,445	143,260
Public administrations - Other taxes payable (Note 24)	148,309	79,683
Other loans	123,832	97,176
Advances and credits to staff	4,093	3,206
Total other receivables	399,679	323,325

In 2024, the following amounts contributed at 31 May 2024 to “Non-current financial assets” on the balance sheet by the Cement and Real Estate activity segments were reclassified to “Other receivables” (note 5):

	31.05.2024
Public Administrations - VAT receivable	8,796
Public Administrations - Other taxes payable	700
Other loans	2,047
Advances and credits to staff	219
Total other receivables	11,762

c) Other current assets

This heading mainly includes amounts paid by the Group in relation to certain agreements for the provision of services, which have not yet been recognised as expenses in the accompanying income statement as they had not yet been accrued at the end of these consolidated financial statements.

17. CASH AND CASH EQUIVALENTS

This heading includes the Group's cash flow, as well as bank deposits and taxes with an initial due date of three months or earlier. These balances were remunerated at market interest rates in both 2024 and 2023.

The breakdown by currency of the cash and cash equivalents position for 2024 and 2023 is as follows:

	2024	2023
Euro	772,129	732,399
United States dollar	342,292	290,251
Pound sterling	256,478	216,975
Saudi riyal	139,984	111,465
Latin America (various currencies)	108,626	52,298
Georgian lari	13,046	659
Canadian dollar	68,286	45,395
Romanian leu	56,245	61,559
Other European currencies	33,697	39,241
Czech koruna	21,705	14,582
Algerian dinar	12,955	24,915
Other	24,174	19,964
Total	1,849,617	1,609,703

In 2024, 80,295 thousand euros contributed by the Cement and Real Estate activity segments at 31 May 2024 under "Cash and cash equivalents" on the balance sheet were reclassified under "Non-current assets held for sale" (note 5).

Under certain financing agreements, especially project finance, there is an obligation to hold minimum amounts as security for obligations under such agreements amounting to 274,9 million euros (231,1 million euros in 2023).

18. EQUITY

The accompanying Statement of Changes in Total Equity at 31 December 2024 and 2023 shows the evolution of equity attributed to the shareholders of the Parent and non-controlling interests in the respective years.

On 7 November 2024, the Group completed the partial financial spin-off of the Real Estate and Cement activities to Inmocoemto, S.A. (note 2). As a result of this spin-off, there was an outflow of assets and liabilities, amounting to 4,451,728 thousand euros and 1,537,027 thousand euros respectively, with charged to equity, which decreased by 2,914,701 thousand euros, as per the following breakdown:

Reserves of the Parent	(1,596,641)
Consolidation reserves	(625,780)
Profit attributable to the parent company	(29,892)
Valuation adjustments	33,992
Non-controlling interests	(696,380)
	(2,914,701)

The impact on "Profit attributable to the parent company" is on account of the allocation to profit/(loss) of adjustments due to changes in value of the Cement and Real Estate activities on the date on which the spin-off was completed for the sum of 33,992 thousand euros (note 27) and the reversal of consolidation adjustments for intra-Group transactions related to both activities, which were eliminated in previous years as they had not been made to third parties for the sum of 4,100 thousand euros (note 2).

At the Ordinary General Shareholders' Meeting held on 27 June 2024, the Parent Company of the Group approved the distribution of a flexible dividend (scrip dividend) for a maximum value of €283,469 thousand. Shareholders received the corresponding allocation rights and were able to choose between three options: the sale of rights to FCC for EUR 0.65, transfer of the rights on the market or to refrain from transferring them and receiving new shares released. The exchange ratio was set at one new share for every 23 old shares, resulting in the issuance of a maximum number of 18,961,170 newly released shares, meaning that the option to transfer the rights to FCC and the option to receive new shares were economically equivalent for the shareholder; this remuneration mechanism was set up for shareholders who chose to receive new shares with a compensatory dividend in cash.

On 17 July 2024, the negotiation period for the allocation rights ended, with the holders of 98.99% of rights opting to receive new shares. Thus, 18,771,215 new shares have been issued, corresponding to 4.30% of the share capital prior to the increase. In turn, the compensation mechanism set out above entailed the disbursement of 22,073 thousand euros by the Group. The remaining 1.00% chose to receive the payment in cash, representing an additional outflow of cash for the Group of 2,839 thousand euros, the payment date of which was 18 July 2024.

In March 2024, FCyC, S.A., acquired an additional holding in Realia Business, S.A., representing 10.26% of its share capital, from the Polygon fund, worth 92,575 thousand euros (note 4). As a result of this acquisition and other additional smaller acquisitions, FCyC, S.A.'s holding in the aforementioned company amounted, prior to the partial financial spin-off that gave rise to the Inmoco Group (note 2), directly and indirectly to 77.61%. Given that, before the purchase, the Group already held control over the company, the difference between the purchase price and the book value of the acquired non-controlling interests generated an increase in the consolidation reserves of 23,157 thousand euros, a decrease of in non-controlling interests of 117,312 thousand euros and an increase in valuation adjustments of 65 thousand euros at the FCC Group.

With regard to 2023, it was agreed to reduce the share capital of Fomento de Construcciones y Contratas, S.A. for a maximum nominal amount of 3,725,383 euros at the Ordinary General Shareholders' Meeting held on 14 June 2023, through the repayment of up to 3,725,383 own shares with a nominal value of one euro each.

The Board of Directors, at its meeting on 14 June 2023 after the General Shareholders' Meeting, decided to proceed with the agreement for the distribution of the reduction of share capital through the redemption of treasury stock for the definitive amount established of 3,521,417 shares, bringing the share capital to 434,823,566 shares with a nominal value of one euro. On June 27, 2023, the public deed of the aforementioned capital reduction was registered in the Barcelona Mercantile Registry.

The capital reduction for the sum of 3,521 thousand euros meant a decrease in the balance of treasury stock in the amount of 34,304 thousand euros, taking the difference for the sum of 30,783 thousand euros to voluntary reserves as well as making the mandatory provision of a restricted reserve for amortised capital for the sum of 3,521 thousand euros, equal to the nominal value of the amortised shares, charged to voluntary reserves.

Furthermore, the aforementioned Ordinary General Shareholders Meeting held on 14 June 2023, agreed to the distribution of a flexible dividend (scrip dividend), and the Board of Directors, at its meeting on 28 June 2023, agreed to execute the agreement, for the maximum value of 219,172,491.50 euros. Shareholders received the corresponding allocation rights and were able to choose between three options: the sale of rights to FCC for EUR 0.50, transfer of the rights on the market or to refrain from transferring them and receiving new shares released. The exchange ratio was set at one new share for every 19 old shares, with a remuneration mechanism set up for shareholders who chose to receive new shares with a compensatory dividend in cash.

On 17 July 2023, the negotiation period for the allocation rights ended, with the holders of 99.18% of rights opting to receive new shares. Thus, 22,697,739 new shares were issued, corresponding to 5.22% of the share capital prior to the increase. In turn, the compensation mechanism set out above entailed the disbursement of 17,669 thousand euros by the Group. The remaining 0.82% chose to receive the sum in cash, resulting in an additional cash outflow for the Group of 1,783 thousand euros.

Furthermore, the Extraordinary General Shareholders Meeting held on 19 July 2023 adopted resolutions including but not limited to the following:

- Reduction of the share capital by a nominal amount of 854,234.00 euros through the redemption of a maximum of 854,234 treasury shares with a nominal value of one euro.

The Board of Directors, at its meeting on 19 July 2023 after the Extraordinary General Shareholders' Meeting, decided to proceed with the agreement for the distribution of the reduction of share capital through the redemption of treasury stock for the nominal amount established of 854,234 shares, bringing the share capital to 456,667,071 shares with a nominal value of one euro. On 25 July 2023, the public deed for the aforementioned reduction in capital was registered in the Mercantile Registry of Barcelona.

The capital reduction for the sum of 854 thousand euros meant a decrease in the balance of treasury stock in the amount of 7,282 thousand euros, taking the difference for the sum of 6,428 thousand euros to voluntary reserves as well as making the mandatory provision of a restricted reserve for amortised capital for the sum of 854 thousand euros, equal to the nominal value of the amortised shares, charged to voluntary reserves.

- The reduction in share capital through the acquisition of treasury stock for subsequent amortisation through a takeover bid formulated by the Company and addressed to its shareholders for a maximum of 32,067,600 treasury shares, with a nominal value of one euro each, representing 7.01% of the company's share capital, at a price of 12.50 euros per share.

The Board of Directors, at its meeting on 19 July 2023 after the Extraordinary General Shareholders' Meeting, decided to proceed with the agreement for the distribution of the reduction of share capital through the redemption of treasury stock for the nominal maximum amount of 30,027,600.00 euros, under the terms agreed thereby. Specifically, the Board of Directors determined that the formulation of the takeover bid would be made after the end of the opposition period of the creditors of the capital reduction, which ended on 21 August 2023, without any of the Company's creditors having opposed this reduction.

On 25 October 2023, the National Securities Market Commission (CNMV) authorised the takeover bid. The acceptance period was extended from 30 October 2023 to 30 November 2023, both inclusive.

On 6 December 2023, the result of the takeover bid was announced, accepted by 20,560,154 shares, accounting for 64.20% of the shares to which the bid was aimed and 4.50% of the share capital in the Company. The disbursement made amounted to 257,002 thousand euros. On December 19, 2023, the public deed of the aforementioned capital reduction was registered in the Barcelona Mercantile Registry.

The capital reduction of 20,560 thousand euros led to a decrease in the balance of treasury stock for the sum of 257,002 thousand euros, taking the difference of 237,271 thousand euros to voluntary reserves, net of costs inherent to the operation.

In October 2023, the sale of 24.99% of the capital in FCC Servicios Medio Ambiente Holding, S.A. to Canadian pension fund, CPP Investments was completed for the sum of 965,000 thousand euros (note 4). This sale was considered an equity transaction and as a result, had no impact on the accompanying consolidated statement of profit and loss. This transaction resulted in an increase in consolidation reserves of 693,864 thousand euros, an increase in valuation adjustments of 18,723 thousand euros and an increase in non-controlling interests of 241,310 thousand euros.

In December 2023, FCyC, S.A. acquired an additional stake in Realia Business, S.A., for the sum of 105,000 thousand euros (note 4). Given that, before the purchase, the Group already held control over the company, the difference between the purchase price and the book value of the acquired non-controlling interests generated an increase in the consolidation reserves of 33,412 thousand euros, a decrease of in non-controlling interests of 139,047 thousand euros and an increase in valuation adjustments of 635 thousand euros.

Since December 2023, Metrovacesa, S.A., which has previously been considered a financial asset at fair value charged to reserves, is now consolidated under the equity method having achieved significant influence over the company (notes 4, 12 and 27). During 2023, given the change in the fair value of the financial asset, there was an increase in revaluation reserves, which, when consolidated under the equity method, have been transferred to consolidation reserves along with the amount accumulated from 2022, resulting in an increase in consolidation reserves in the FCC Group for the sum of 46,663 thousand euros.

The rest of the “Other changes in equity” in the attached Statement of Total Changes in Equity basically includes the distribution of the results obtained by the Group in the previous year.

I. Equity attributable to the Parent

a) Capital

The share capital of Fomento de Construcciones y Contratas, S.A. comprises 454,878,132 ordinary shares represented through book entries with a nominal value of 1 euro each.

All shares are fully subscribed and paid and carry the same rights.

The securities representing the capital stock of Fomento de Construcciones y Contratas, S.A. are admitted to official listing on the four Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) via Spain’s Continuous Market.

In relation to the part of the capital held by other companies, directly or through their subsidiaries, when it exceeds 10%, on the reporting date, Control Empresarial de Capitales, S.A. de C.V., owned by the Slim family, holds directly and indirectly, at the date of preparation of these accounts, 69.61%. Furthermore, Finver Inversiones 2020, S.L.U., 100% owned by Inmobiliaria AEG, S.A. de C.V., which in turn is controlled by Carlos Slim Helú, has a 11.92% holding. Finally, the company Nueva Samede Inversiones 2016, S.L.U. has a direct holding of 3.18% of the capital. Esther Koplowitz Romero de Juseu also holds 157,671 direct shares in Fomento de Construcciones y Contratas, S.A.

b) Accumulated earnings and other reserves

The composition of this heading of the accompanying consolidated balance sheet as at 31 December 2024 and 2023 was as follows:

	2024	2023
Reserves of the Parent	1,071,317	1,628,926
Consolidation reserves	733,535	1,833,216
	1,804,852	3,462,142

b.1) Reserves of the Parent Company

This corresponds to the series of reserves set up by Fomento de Construcciones y Contratas, S.A., parent of the Group, mainly based on retained profits and capital gains and, where appropriate, in compliance with the different applicable legal provisions.

The breakdown at 31 December 2024 and 2023 is as follows:

	2024	2023
Share premium	1,673,477	1,673,477
Legal reserve	87,669	87,669
Reserve for redeemed capital	12,110	12,110
Voluntary reserves and losses from previous years	(701,939)	(144,330)
	1,071,317	1,628,926

The change in voluntary reserves and previous years' losses in 2024 included the impact of the partial financial spin-off of Real Estate and Cement activities to Inmoco, S.A. (note 2), resulting in a decrease of 1,596,641 thousand euros.

Share premium

The Spanish Corporate Enterprises Act, as amended, expressly permits the use of the issue premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

Legal reserve

In accordance with the Spanish Corporate Enterprises Act, as amended, 10% of the net profit for each business year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve cannot be distributed to shareholders except in the event of liquidation.

The legal reserve may be used to increase capital provided that the remaining reserve balance is greater than 10% of the increased capital.

Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

The Board of Directors of Fomento de Construcciones y Contratas, S.A. has decided to propose, as part of the distribution of profits for 2024, the constitution of the legal reserve up to 20% of the capital of the Parent Company for an additional amount of 3,307 thousand euros.

Reserve for redeemed capital

This reserve includes the nominal value of the amortised treasury shares in 2002, 2008, 2022 and 2023 charged to available reserves, in accordance with the provisions of article 335.c of the Spanish Corporate Enterprises Act. The reserve for amortised capital is unavailable, other than with the same requirements as for capital reduction.

Voluntary reserves

Reserves for which there is no type of limitation or restriction on their availability, freely constituted through profits and capital gains of the Parent Company once the distribution of dividends has been applied and the provision to legal reserve or other unavailable reserves in accordance with the current legislation.

b.2) Consolidation reserves

This heading of the accompanying consolidated balance sheet includes the consolidated reserves generated in each of the areas of activity. Also, in accordance with IFRS 10 "Consolidated financial statements", those derived from changes in the shareholding of Group companies are included as long as control is maintained, for the difference between the amount of the purchase or additional sale and the book amount of the interest. Meanwhile, in accordance with IAS 19 "Employee benefits", this section includes the actuarial profit and loss of pension plans and other social security benefits. The breakdown of this item as at 31 December 2024 and 2023 is as follows:

	2024	2023
Environment	601,547	420,742
Water	300,430	270,729
Construction	42,042	49,765
Cement	-	37,591
Real Estate	-	363,236
Concessions	(41,860)	269
Corporation	(168,624)	690,884
	733,535	1,833,216

The decrease in the consolidation reserves of the Cement, Real Estate and Corporation activities includes the sum of 625,780 thousand euros as a result of the aforementioned partial financial spin-off (note 2).

c) Shares and equity interests

This heading includes the Parent Company shares owned by this or other Group companies valued at the cost of acquisition.

The Board of Directors and the subsidiaries are authorised by the General Shareholders' Meeting of Fomento de Construcciones y Contratas, S.A. to buy back treasury shares within the limits and pursuant to the requirements set out in Article 144 et seq. of the Capital Companies Law.

The movement and balance of treasury shares at 31 December are set out below:

Balance at 31 December 2022	(27,264)
Acquisitions	(271,734)
Depreciation	298,588
Balance at 31 December 2023	(410)
Acquisitions	133
Depreciation	-
Balance at 31 December 2024	(277)

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
Fomento de Construcciones y Contratas, S.A.	46,910	(277)	44,957	(410)
TOTAL	46,910	(277)	44,957	(410)

As at 31 December 2024, the shares of the Parent Company, owned by it or by subsidiaries, represent 0.01% of the capital stock (0.01% as at 31 December 2023).

d) Valuation adjustments

The breakdown of this accompanying consolidated heading at 31 December 2024 and 2023 was as follows:

	2024	2023
Changes in the fair value of financial instruments	55,338	44,630
Conversion differences	(11,940)	(84,053)
	43,398	(39,423)

d.1) Changes in the fair value of financial instruments:

Changes in the fair value of taxes of financial assets at fair value with changes in other comprehensive income (Note 14) and of cash flow hedging derivatives (Note 23) are included in this heading.

The breakdown of the adjustments due to a change in the fair value of the financial instruments as at 31 December 2024 and 2023 is as follows:

	2024	2023
Financial assets at fair value with changes in other comprehensive income	8,686	6,060
Vertederos de Residuos, S.A.	8,113	6,060
Other	573	-
Financial derivatives	46,652	38,570
Future Valleys Project Co. Limited	36,566	29,744
Green Recovery Group	7,246	5,777
FCC Environment Group (UK)	2,839	(661)
Grupo Realía Business	-	2,457
Other	1	1,253
	55,338	44,630

The increase in financial derivatives mainly reflects the increase in the fair value of variable interest rate to fixed rate swaps given the expectation of interest rate hikes in the coming years (note 14).

The partial financial spin-off giving rise to the Inmocemento Group (note 2) resulted in the derecognition of the Cement and Real Estate activities, which at the date of the aforementioned spin-off contributed a positive amount of 28 thousand euros and 259 thousand euros respectively to this heading, charged to profit and loss pursuant to the provisions of the regulations, as there was a loss control over these activities.

d.2) Translation differences

The detail of the amounts included under this heading for each of the most significant companies at 31 December 2024 and 2023 is as follows:

	2024		2023	
Pound sterling				
FCC Environment Group (UK)	(8,208)		(32,183)	
Green Recovery Group	(53,757)		(44,415)	
Dragon Alfa Cement Limited	-		(3,482)	
Other	2,099	(59,866)	(1,724)	(81,804)
US dollar				
FCC Environmental Services (USA) Llc.	17,135		4,549	
FCC Group Construcción de América	5,977		5,522	
Giant Cement Holding, Inc.	-		(5,492)	
Other	13,154	36,266	5,236	9,815
Georgian lari				
Georgia Global Utilities Group	17,296	17,296	14,282	14,282
Egyptian pound				
Orasqualia Devel. Waste T.P. S.A.E.	(11,193)		(9,717)	
Egypt Environmental Services, S.A.E.	(4,077)		(4,069)	
Other	(1,331)	(16,601)	(1,149)	(14,935)
Tunisian dinar				
Société des Ciments d'Enfidha	-		(27,625)	
Other	-	-	(44)	(27,669)
Other Currencies				
Other	10,965	10,965	16,258	16,258
		(11,940)		(84,053)

The changes seen in the year can mainly be attributed to the appreciation of the pound sterling and the dollar against the euro, as well as the derecognition of the Cement and Real Estate activities following their partial financial spin-off, which on the date of the aforementioned spin-off contributed losses of 34,415 thousand euros and gains of 136 thousand euros respectively, charged to profit and loss pursuant to the provisions of the regulations due to the loss of control of the aforementioned activities (note 2).

The net investment before deducting non-controlling interests in currencies other than the euro (converted to euros in accordance with note 3.k), grouped by geographic markets is as follows:

	2024	2023
United Kingdom	328,823	459,027
United States of America	291,421	364,872
Georgia	238,999	245,333
Algeria	172,871	165,769
Mexico	160,748	162,554
Czech Republic	122,324	107,286
Other	391,910	367,723
	1,707,096	1,872,564

e) Earnings per share

Basic earnings per share are obtained by dividing the profit attributable to the parent company by the weighted average number of ordinary shares outstanding during the year, with earnings per share of €0.96 in 2024 (€1.31 in 2023).

	2024	2023
Profit/(loss)		
Profit/(loss) attributed to the Parent	429,865	589,060
Outstanding shares		
Weighted average shares	445,498,858	447,956,883
Earnings per share (in euros)	0.96	1.31

As at 31 December 2024 the Group has not issued any kind of instruments that can be converted to shares, so the diluted earnings per share coincide with the basic earnings per share.

II. Non-controlling interests

The balance of this heading in the accompanying consolidated balance sheet reflects the proportional part of the equity and the profit or loss for the year after tax of those companies in which the Group's non-controlling shareholders have ownership interests.

The breakdown of the balance of non-controlling interests of the main companies at the close of 2024 and 2023 is as follows:

	Equity			
	Capital	Reserves	Results	Total
<u>2024</u>				
FCyC Group	-	(18,558)	18,558	-
FCC Aqualia Group	71,050	475,584	80,690	627,324
FCC Servicios MA Holding Group	2,499	346,316	35,867	384,682
Cementos Portland Valderrivas Group	-	(2,928)	2,928	-
Other	6,870	(15,249)	(324)	(8,703)
	80,419	785,165	137,719	1,003,303
	Equity			
	Capital	Reserves	Results	Total
<u>2023</u>				
FCyC Group	11,132	699,005	40,192	750,329
FCC Aqualia Group	71,050	438,211	72,811	582,072
FCC Servicios MA Holding Group	2,499	317,733	36,520	356,752
Cementos Portland Valderrivas Group	1,139	11,266	2,748	15,153
Other	6,870	(17,088)	908	(9,310)
	92,690	1,449,127	153,179	1,694,996

The main change in this heading is due to the derecognition of non-controlling interests, contributed by the Cement and Real Estate Areas following the partial financial spin-off, which at the date of the aforementioned spin-off contributed the sums of 16,996 thousand euros and 679,384 thousand euros respectively (note 2).

19. NON-CURRENT AND CURRENT PROVISIONS

The detail of the provisions at 31 December 2024 and 2023 is as follows:

	2024	2023
Non-current	1,085,436	1,230,595
Liabilities for long-term employee benefits	17,372	15,559
Dismantling, removal and restoration of fixed and non-current assets	111,031	111,330
Environmental actions	328,023	316,677
Litigation	40,602	40,203
Contractual and legal guarantees and obligations	87,077	91,874
Actions to improve or expand the capacity of concessions	274,717	318,436
Other provisions for risks and expenses	226,614	336,516
Current	275,017	159,610
Close-outs and losses on construction contracts	159,538	135,402
Other provisions	115,479	24,208

The changes in the provisions heading in 2024 and 2023 were as follows:

	Non-current provisions	Current provisions
Balance at 31/12/2022	1,141,750	148,074
Asset withdrawal or dismantling expenses	11,259	-
Change of obligations for employee benefits for actuarial profits and losses	5,423	-
Actions to improve or expand the capacity of concessions	84,127	-
Endowments/(Reversals)	107,263	19,438
Applications (payments)	(138,617)	(9,822)
Change of scope, conversion differences and other movements	19,390	1,920
Balance at 31/12/2023	1,230,595	159,610
Asset withdrawal or dismantling expenses	11,658	-
Change of obligations for employee benefits for actuarial profits and losses	(2,272)	-
Actions to improve or expand the capacity of concessions	15,254	-
Endowments/(Reversals)	16,989	141,162
Applications (payments)	(157,165)	(20,129)
Change of scope, conversion differences and other movements	(29,623)	(5,626)
Balance at 31/12/2024	1,085,436	275,017

In 2024, the following amounts contributed at 31 May 2024 to “Non-current provisions” and “Current provisions” on the balance sheet (note 5) by the Cement and Real Estate activity segments were reclassified to “Non-current liabilities related to assets held for sale”:

	31.05.2024
Non-current	54,760
Environmental actions	17,888
Contractual and legal guarantees and obligations	4,648
Other provisions for risks and expenses	32,224
Current	5,559
Close-outs and losses on construction contracts	3,437
Other provisions	2,122

Within the “allocations (reversals)” item, the allocations for environmental actions for 32,714 thousand euros (29,101 thousand euros as at 31 December 2023) are noteworthy, as well as provisions for contractual or legal guarantees or bonds for 28,155 thousand euros (16,541 thousand euros as at December 2023), mainly in relation to Environment activity in the United Kingdom. This also includes provisions for improvements, replacements, capacity expansions or major repairs at concessions for the sum of 18,180 thousand euros (18,891 thousand euros as at December 2023), as well as reversals of 38,533 thousand euros (provision of 20,231 thousand euros at December 2023) for risks in works related to Construction activity, mainly internationally.

“Applications (payments)” includes 40,762 thousand euros (2,939 thousand euros at December 2023) as provisions for guarantees and contractual or legal obligations, mainly in relation to Environment activity in the United Kingdom. Furthermore, they include payments of 14,839 thousand euros (3,413 thousand euros as at 31 December 2023) for the application of provisions for risks and expenses related to works in the Construction Area, 31,096 thousand euros (29,049 thousand euros as at 31 December 2023) and 11,643 thousand euros (10,190 thousand euros as at 31 December 2022) for environmental actions and replacement work and major repairs at concessions, respectively. The above movements have an impact on the heading “Other adjustments to profit/(loss) (net) in the consolidated cash flow statement. Additionally, €44,242 thousand (€58,114 thousand at 31 December 2023) and €12,762 thousand (€12,220 thousand at 31 December 2023) are included for actions to improve or expand capabilities in concessions, and provisions for decommissioning and retirement of fixed assets, respectively. These amounts have an impact on the consolidated statement of cash flows under “Payments for investment in property, plant and equipment, intangible assets and investment property”.

The change in current provisions can mainly be attributed to losses at works in the Construction business and obligations arising from waste classification as part of Environment activity in the United Kingdom.

The provisions shown in the accompanying consolidated balance sheet are considered to cover the liabilities that may arise in the course of the Group's various activities.

The schedule of expected payments at 31 December 2024, as a result of the obligations covered by non-current provisions, is as follows:

	Up to 5 years	More than 5 years	Total
Liabilities for long-term employee benefits	6,852	10,520	17,372
Dismantling, removal and restoration of fixed and non-current assets	58,996	52,035	111,031
Environmental actions	64,944	263,079	328,023
Litigation	33,211	7,391	40,602
Contractual and legal guarantees and obligations	76,893	10,184	87,077
Actions to improve or expand the capacity of concessions	200,922	73,795	274,717
Other provisions for risks and expenses	142,433	84,181	226,614
	584,251	501,185	1,085,436

Liabilities for long-term employee benefits

The non-current provisions of the accompanying consolidated balance sheet include those that cover the commitments of the Group companies in matters of pensions and similar obligations, such as medical and life insurance, as indicated in note 25.

Dismantling, removal and restoration of fixed assets

The “Expenses for the withdrawal or dismantling of assets” item includes the counterpart of the highest asset value corresponding to the updated value of the expenses that will be incurred at the time the asset stops being used.

Actions to improve or expand the capacity in concessions

The “Actions to improve or expand the capacity of concessions” item includes both the counterpart of the highest value of fixed and non-current assets corresponding to the updated value of the actions on the infrastructure that the concessionaire will carry out during the concession period for improvements and capacity expansion, as well as the cost of future replacement actions or major repairs in concessions of the intangible model.

Environmental actions

The FCC Group develops an environmental policy based not only on strict compliance with current legislation on the improvement and protection of the environment, but also through the establishment of preventive planning and analysis and minimisation of the environmental impact of the activities the Group carries out.

The Management of the FCC Group considers that the contingencies relating to the protection and improvement of the environment at 31 December 2024, would not have a significant impact on the accompanying consolidated financial statements, which include provisions to cover the probable environmental risks that may arise.

Note 29 to these notes to the consolidated financial statements, which is devoted to information on the environment, complements the foregoing in relation to environmental provisions.

Provisions for lawsuits

Provisions for litigation cover the contingencies of the FCC Group companies acting as defendants in certain proceedings in relation to the liability inherent to the business activities carried on by them. Any litigation, which may be significant in number according to estimates made on its final outcome, is not expected to have an impact on the Group's equity.

Contractual and legal guarantees and obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature.

Provision for settlement and loss of works

This corresponds to budgeted construction losses in accordance with the assessment principles set out in note 3.v), and also to the expenses incurred on construction work after completion until final settlement, systematically determined on the basis of a percentage of the production value throughout the execution of the work in accordance with experience in the construction activity.

Other provisions for risks and expenses

This heading includes the concepts not included in the previous accounts.

The value of Other provisions for risks and expenses include various risks associated with the Group's activity, which, in the normal course of its business, is exposed to claims that mainly entail construction defects or disputes in relation to the services provided for the sum of 118,992 thousand euros (158,328 thousand euros at December 2023). Part of these risks are covered by insurance contracts and the corresponding provision is provided for uninsured amounts.

This item also includes provisions related to Alpine for the sum of €345 thousand.

It also includes provisions resulting from recognising additional losses above the initial value of the investment in associates after incurring legal or constructive obligations in relation to the investment in the associate, amounting to €46,501 thousand (December 2023: €49,215 thousand), the remaining provisions being of lesser significance and related to the normal operation of the Group.

In relation to the close out of the Alpine Group, 2024 started with two favourable rulings for FCC in the two outstanding bankruptcy proceedings facing the Alpine Group with costs imposed on the bankruptcy administrators (in total about €8 million); these rulings that were appealed by the plaintiffs.

In 2006, the FCC Group acquired an absolute majority in Alpine Holding GmbH, hereinafter AH, and thereby, indirectly in its operating subsidiary company, Alpine Bau GmbH, hereinafter AB. Seven years later, on 19 June 2013, AB filed for insolvency before the Commercial Court of Vienna, but after the unfeasibility of the reorganisation proposal was established, the insolvency administrator filed for, and the court decreed, the bankruptcy, closure and liquidation of the company. On 25 June 2013, the liquidation of the company was commenced. As a consequence of the bankruptcy of AB, its parent company, AH filed for bankruptcy before the Commercial Court on 2 July 2013, which declared the bankruptcy and liquidation of AH.

As a result of both bankruptcies, FCC Construcción, S.A. loses control over the Alpine Group, interrupting its consolidation.

As of the date of these consolidated financial statements, the insolvency administrators have reported recognised liabilities of approximately €1,669 million at AB and €550 million at AH in the respective liquidation proceedings. The share of the bankrupt estate in AB currently amounts to 15% whereas for AH's bankruptcy, the bankruptcy administrator has not been able to estimate and determine the share.

Eleven years after the bankruptcy of both companies, and with the criminal proceedings definitively closed and with FCC having triumphed in the proceedings brought by bondholders and having also settled a backdating action, two further proceedings brought by the insolvency administrators against FCC Construcción S.A. and Asesoría Financiera y de Gestión, S.A. are still pending, as is a further set of proceedings against former directors.

During the refinancing of the Alpine Group between October 2012 and June 2013, FCC Construcción, S.A. provided corporate guarantees to enable AB and a selection of its operating subsidiary companies to bid for and/or be awarded construction work. At 31 December 2024, the amount set aside for these concepts came to 345 thousand euros (31 December 2023: 11,010 thousand euros).

Between the bankruptcy of AH and AB and the date on which these financial statements were issued, a number of proceedings were instigated against the Group and directors of AH and AB. At 31 December 2024, and as far as FCC could be directly or indirectly affected, two commercial proceedings and one labour proceeding are still in progress:

In April 2015, the bankruptcy administrator of Alpine Holding GmbH filed a claim for 186 million euros against FCC Construcción, S.A. and other ex-executive of AB, considering that these parties should compensate Alpine Holding GmbH for the amounts collected through two bond issues in 2011 and 2012 that were presumably provided by this company for its subsidiary, Alpine Bau GmbH, without the necessary guarantees and complying with a "mandate-order" from FCC Construcción S.A. On 31 July 2018, the ruling dismissing the claim was handed down and the claimant ordered to pay the costs. Having filed appeals and cassation appeals for procedural infringement, in April 2020, the Austrian Supreme Court declared the need to return the Orders to the Court of Instance so that the testimonial evidence could be practiced in person before the Judge of First Instance. These witness statements took place in June 2021. On 31 January 2024, the "second round" ruling was handed down, under which the claim was fully dismissed and the bankruptcy administrator ordered to pay FCC Construcción, S.A. the sum of 7,033 thousand euros within a period of 14 days. The bankruptcy administrator then filed an appeal within the legal deadline, which FCC Construcción, S.A. contested in due course and following proper procedure on 4 April 2024. On appeal, the proceedings were returned to the first instance court for a new testimony to be given by an executive and, as the case may be, to request expert testimony, which will prolong the matter longer than expected.

In April 2017, a Group company, Asesoría Financiera y de Gestión S.A. was notified of a suit in which an AB bankruptcy administrator made a joint and several claim against the former finance director of Alpine Bau GmbH and against Asesoría Financiera y de Gestión S.A. for the payment of €19 million for the alleged violation of corporate and bankruptcy law, considering that Alpine Bau GmbH, on making a deposit at Asesoría Financiera y de Gestión S.A., allegedly made payments charged against equity, considered to be a capital refund, and therefore prohibited by law. On 9 February 2024, the ruling was handed down rejecting the bankruptcy administrator's request for an expert opinion to be issued on whether ALPINE Bau was in crisis at the end of 2011. The court rejected the plaintiff's claim for joint and several liability for payment of 19,000 thousand euros plus 8% interest calculated against the sum of 46,000 thousand euros from 9 January 2012 to 8 February 2012, for the sum of 27,648 thousand euros from 9 February 2012 to 10 April 2012 and for the sum of 19,000 thousand euros from 11 April 2012, less 116 thousand euros paid in interest, and moreover the plaintiff was ordered to pay costs of 501 thousand euros to Asesoría Financiera y de Gestión, S.A. This judgment was appealed by the bankruptcy administrator and the appeal was contested by Asesoría Financiera

y de Gestión, S.A. on 4 April 2024. This lawsuit was won on appeal, but has since been appealed by the bankruptcy administrator to the Supreme Court.

Also in April 2017, a former FCC employee and former executive at AH and AB was notified of a claim filed by the insolvency administrator of Alpine Bau GmbH in the Social Claims Court for 72 million euros. The claimant argues that this amount represents the damage to the bankruptcy estate caused by the alleged delay in initiating insolvency proceedings. In the event that the insolvency administrator's claim is successful and a final judgement is handed down, the subsidiary liability of the FCC Group could be raised in a remote case due to the explanation contained in note 26 on contingent liabilities.

In terms of these disputes, the FCC Group and its legal advisors do not consider it very probable there will be any future outflows of cash prior to the issuance of these financial statements; therefore, no additional provisions have been set aside, as the Group believes that they represent contingent liabilities (note 26).

20. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The general policy of the FCC Group is to provide all companies with the most adequate financing for the normal development of their activity.

Whenever the financial operation so requires, and following a hedging criterion for economic and accounting purposes, the Group contracts interest rate risk hedging operations according to the type and structuring of each operation (Note 23).

In certain financings, and especially in structured financing without recourse, the funder includes a contractual clause stating that there must be some type of interest rate coverage, studying the best hedging instrument according to the profile of the cash flows presented by the project, as well as the debt repayment schedule.

a) Non-current and current obligations and loans

The breakdown of the issues of current obligations and loans is as follows:

	Non-current	Current	Total
2024			
FCC Servicios Medio Ambiente Holding, S.A.U.	1,694,442	86,172	1,780,614
FCC Aqualia, S.A.	650,010	9,738	659,748
Georgia Global Utilities JSC	264,210	10,242	274,452
Green Recovery Group	112,479	8,425	120,904
	2,721,141	114,577	2,835,718
2023			
FCC Servicios Medio Ambiente Holding, S.A.	1,096,115	229,044	1,325,159
FCC Aqualia, S.A.	650,009	9,691	659,700
Green Recovery Group	114,755	7,486	122,241
	1,860,879	246,221	2,107,100

The details of the non-current and current obligations and loans formalised by the Group are detailed below:

- FCC Servicios Medioambiente Holding S.A.U. currently has three bonds, issued in different financial years:

- on 4 June 2019, two simple bond issues were completed successfully. One for the nominal amount of 600 million euros paying annual interest of 0.815% and maturing in 2023; and the second for the nominal amount of 500 million euros, paying annual interest of 1.661% and maturing in 2026. The latter has the personal guarantee of FCC Medio Ambiente, S.A.U. and FCC Ámbito, S.A.U.

At 31 December 2024, the 500 million euro bond was listed at 97.62%

The 600 million euro bond maturing on 4 December 2023 was repaid on that date, using the proceeds from the issue of another new bond, also for the nominal amount of 600 million euros, paying annual interest of 5.25% and maturing in October 2029. At 31 December 2024, this bond was listed at 107.68%

- on 8 October 2024, a new bond was issued for a nominal amount of 600 million euros, paying annual interest of 3.715% and maturing in 2031. The funds raised as part of this issue were used to repay bilateral financing drawn down on that date, as we will expand on in section b) 2. of this note.

At 31 December 2024, this bond was listed at 100.18%

Since their issuance, the three bonds have been admitted to trading in the unregulated market (Global Exchange Market) of the Irish Stock Exchange, with an investment grade rating from the Fitch rating agency. This rating was ratified on September 27, 2024, with a stable outlook (BBB), along with that of its issuer, the parent FCC Servicios Medio Ambiente Holding.

In addition, the bonds have been issued under the classification of Green Bonds in accordance with the GBP principles (Green Bonds Principles) which are reviewed and certified annually by independent entities (SPOs).

The accounting balance at 31 December 2024 shown for this item amounts to 1,705,714 thousand euros (1,102,309 thousand euros in 2023), including 11,272 thousand euros for accrued and unpaid interest (6,194 thousand euros in 2023).

Likewise, in July 2020 and renewed annually, FCC Servicios Medioambiente Holding SAU registered a promissory note programme - Euro Commercial Paper Programme (ECP) - on the Irish stock market (Euronext Dublin) in the nominal amount of 400 million euros, which allows issuance with maturities of between 1 and 364 days from the date of issue, in order to meet the financial needs of the area.

At 31 December 2024 the outstanding nominal amount was €74,900 thousand distributed with an average maturity of 3.2 months (€222,850 thousand at 31 December 2023).

- On 8 June 2017, FCC Aqualia, S.A. successfully completed two simple bond issues. one for the nominal amount of 700 million euros, annual remuneration of 1.413% and maturing in 2022, repaid in advance on 19 April 2022. The second for the nominal amount of 650 million euros paying annual interest of 2.629% and maturing in 2027.

The outstanding issue is subject to the following guarantees:

- Pledge on 100% of the shares of Tratamiento Industrial de Aguas, S.A., Conservación y Sistemas, S.A., Sociedad Española de Aguas Filtradas, S.A., Depurplan 11, S.A. and Aigues de Vallirana, S.A. Unipersonal, and 97% of the shares of Entemanser, SA.
- Pledge on 100% of the shareholdings of Infraestructura y Distribución General del Agua, S.L., Empresa Gestora de Aguas Linenses, S.L., Aguas de las Galeras, S.L., Hidrotec Tecnología del Agua, S.L. and on 51% of Aqualia Czech, S.L.
- Pledge on 99.56% of the shares of Acque di Caltanissetta S.p.A. and on 100% of the shares of Aqualia Mexico, S.A. de C.V.
- Pledge on the collection rights over certain accounts.

The issuance and circulation of both bonds took place on 8 June 2017, being admitted to trading in the unregulated market (Global Exchange Market) of the Irish Stock Exchange, and with an investment grade rating from the Fitch and S&P rating agencies. The rating of the outstanding bond was ratified by Fitch on 8 July 2024 as BBB⁻ and by S&P on 27 June 2024 as BBB⁻.

At 31 December 2024, the 650 million euro bond was listed at 99.343%.

The balance at 31 December 2024 shown for this item amounts to €659,748 thousand (€659,700 thousand in 2023), including €9,738 thousand for accrued and unpaid interest (€9,691 thousand in 2023).

- Last July, FCC Aqualia, S.A.'s subsidiary, Georgia Global Utilities JSC (GGU), issued a bond for the nominal value of 300 million dollars, paying annual interest of 8.875% and maturing in 2029. This bond was admitted to trading on the unregulated market (Global Exchange Market) of the Irish Stock Exchange and rated by the rating agencies S&P and Fitch. Both the bonds and the issuer obtained a BB⁻ rating by both agencies.

Since the transaction end date, the company has held an amount equivalent to 24 million dollars corresponding to securities of the issue itself in its own treasury.

GGU's payment obligation in relation to the bonds is guaranteed by its, Georgian Water & Power, LLC.

At 31 December 2024, this bond was listed at 100.962%

The balance at 31 December 2024 covered by this item amounts to 274,452 thousand euros, which includes 10,242 thousand euros for accrued and unpaid interest.

- Since November 2018, Fomento de Construcciones y Contratas, S.A. has had a Euro Commercial Paper Programme (ECP) registered on the Irish stock exchange (Euronext Dublin) for an amount of 600 million euros, which allows it to issue notes with maturities of between 1 and 364 days from the issue date, in order to meet the financial needs of the Group's parent company.

At 31 December 2024, there was no outstanding balance for this concept, as was the case at 31 December 2023.

- In June 2018, the Green Recovery Group issued debt for the nominal amount of 145,000 thousand pounds sterling was issued in the UK, in two institutional tranches, both structured through the issuance of Private Placement bonds.

One of the tranches for 135,000 thousand pounds with a fixed rate of 3.98% and the other tranche for 10,000 thousand pounds with a fixed rate of 4.145%, both due on 17 June 2038. 6,210 thousand pounds were repaid in 2024.

The guarantees of this issue are detailed in section b).3. of this note.

The accounting balance at 31 December 2024 shown for this item amounted to 120,904 thousand euros (122,241 thousand euros in 2023). At 31 December 2024 and 2023, no accrued interest was recognised as it was paid on those dates.

b) Non-current and current bank borrowings

The breakdown at 31 December 2024 and 2023 is as follows:

	Non-current	Current	Total
2024			
Credits and loans	-	10	10
Debts without recourse to the parent	1,433,726	77,182	1,510,908
Debts with limited recourse for project financing:	545,335	40,517	585,852
FCC Medio Ambiente Reino Unido, S.A.U.	458,124	23,859	481,983
Aquajerez, S.L.	34,510	5,479	39,989
Other	52,701	11,179	63,880
	1,979,061	117,709	2,096,770
2023			
Credits and loans	-	73	73
Debts without recourse to the parent	2,023,732	292,999	2,316,731
Debts with limited recourse for project financing:	359,991	33,134	393,125
FCC Medio Ambiente Reino Unido, S.A.U.	154,822	12,267	167,089
Sociedad Concesionaria Tranvía de Murcia, S.A.	97,604	4,073	101,677
Aquajerez, S.L.	39,401	5,341	44,742
Other	68,164	11,453	79,617
	2,383,723	326,206	2,709,929

During 2024, 369,894 thousand euros contributed by the Cement and Real Estate segments at 31 May 2024 to “Non-current bank borrowings” and 485,827 thousand euros to “Current debts with credit institutions” were reclassified to “Liabilities related to non-working assets held for sale” (note 5).

The previous table shows three different Debt groups:

1. Credits and loans.

At 31 December 2024, this section mainly included the financing facilities of Fomento de Construcciones y Contratas, S.A. in the form of credit facilities and bilateral loans signed for a nominal amount of 175,000 thousand euros (215,000 thousand euros at 31 December 2023) with various financial institutions.

At 31 December 2024, no balance was drawn down on these loans (no balance drawn down at 31 December 2023).

2. Debts without recourse to the parent.

At 31 December 2024, this concept included the financing corresponding to the Water and Environmental Services areas.

- In the Water Area, the total book value of debt in this section came to 1,102,076 thousand euros. Worth particular note is the syndicated loan taken out on 22 June 2022 by FCC Aqualia S.A. as part of the refinancing process undertaken.

The nominal value of the syndicated loan comes to 1,100,000 thousand euros, originally maturing in three and having been extended for one further year in 2023, as permitted in the loan agreement.

At 31 December 2024, the loan was fully drawn down and the balance shown for this item amounts to 1,097,721 thousand euros (1,097,458 euros thousand in 2023), including 882 thousand euros for accrued and unpaid interest (1,346 thousand euros in 2023).

FCC Aqualia, S.A. also has 60,000 thousand euros in signed credit policies, with no amount drawn down as at 31 December 2024.

In 2024, using part of the funds from the issuance of the Georgia Global Utilities JSC bond, the bilateral financing taken out in 2023 by FCC Aqualia USA Corp. for a nominal amount of 95,000 thousand US dollars for the acquisition of a controlling interest in Municipal District Services, LLC. was repaid in advance.

This financing was fully drawn down and its balance at 31 December 2023 amounted to 86,034 thousand euros, of which 61 thousand euros for accrued and unpaid interest.

- In 2024, the Environmental Services Area, through FCC Servicios Medio Ambiente Holding, S.A., the parent company of this area, signed two long-term loans for a total nominal amount of 250,000 thousand euros, the funds from which were used to purchase the Urbaser Group's business in the United Kingdom (note 4).

Part of the funds from the bond issue performed in October 2024 were assigned to the voluntary early repayment of the nominal value of 100,000 thousand euros, leaving an outstanding nominal balance at the end of 2024 of 150,000 thousand euros.

At 31 December 2024, the balance covered by this item amounted to 149,987 thousand euros, which includes 400 thousand euros for accrued and unpaid interest.

FCC Medio Ambiente SAU, a subsidiary of the Environmental Services Area, took out two long-term bilateral loans in 2023 for the total nominal amount of 150,000 euros, which had not been drawn down at 31 December 2023. During 2024, they were fully drawn down to finance the purchase of companies in the United Kingdom and in October, the nominal amount of 50,000 thousand euros was repaid early and voluntarily using a portion of the funds from the bond issue.

The outstanding nominal balance of this financing amounted to 100,000 thousand euros at 31 December 2024.

In addition, FCC Medio Ambiente S.A.U. had arranged credit facilities at 31 December 2024 for a nominal amount of 310,000 thousand euros, of which 50,920 thousand euros had been drawn

down at 31 December 2024 (a nominal amount of 270,000 thousand euros, 132,363 thousand euros drawn down at 31 December 2023).

At 31 December 2024, FCC Medio Ambiente S.A.U. recognised 560 thousand euros of unpaid accrued interest (562 thousand euros at 31 December 2023).

The US subsidiary FCC Environmental Services LLC, to finance the expansion of its activity in America (note 4), has two bilateral loans taken out for a total nominal amount of 96,250 thousand dollars (75,000 thousand dollars at 31 December 2023). These loans have partial repayments and a long-term final maturity between 2027 and 2029.

The balance at 31 December 2024 shown for this item amounts to 92,646 thousand euros (67,874 thousand euros in 2023).

The FCC Environment CEE Group has arranged 17,678 thousand euros in credit facilities, of which 1,863 thousand euros had been drawn as at 31 December 2024 (1,840 thousand euros drawn from the 18,399 thousand euros arranged at 31 December 2023).

The FCC Environment (UK) Group currently has a revolving credit facility for a nominal amount of 30,000 thousand pounds sterling undrawn at 31 December 2024 and maturing in October 2025.

The rest of the debt in this section corresponds to debt at the FCC Environment CEE subgroup and other mainly national investees.

At 31 December 2023, the financing corresponding to the activities of Cement and Real Estate Areas was also included in "Debts with the parent company", for total amounts of 139,263 thousand euros and 772,841 thousand euros respectively, as indicated previously, in 2024, these were reclassified to "Liabilities related to non-current assets held for sale" (notes 2 and 5). The breakdown of the debt contributed at 31 December 2023 by these activities was as follows:

- The Real Estate area included the debt of the Realia group and Jezzine Uno S.L.U. for the sums of 475,082 and 297,759 thousand euros respectively.

The Realia Group's debt comprised a syndicated loan signed by Realia Patrimonio S.L.U. and several bilateral financings signed by Hermanos Revilla, S.A.

The syndicated loan was signed by Realia Patrimonio on 27 April 2017, for a total amount of 582,000 thousand euros, with partial maturities and final maturity in April 2024.

On 27 April 2020, it entered into a non-extinguishing modifying novation of the aforementioned loan, extending the maturity until 27 April 2025 and renegotiating a reduction in the margin applicable to the reference rate for the calculation of interest and ratifying the current guarantees. As a consequence of this novation, the applicable interest rate is Euribor plus a variable margin based on the Loan to Value ratio.

In addition, the aforementioned company entered into an interest rate swap agreement (IRS) for 70% of the outstanding balance of the loan to reduce the risk of interest rate fluctuations and their impact on cash flows associated with the hedged financing (note 22).

This financing required compliance with a series of financial ratios until maturity. At 31 December 2023, the Company was in compliance with the covenants.

At 31 December 2023, the outstanding balance of this loan was 440,494 thousand euros, with the accrued interest amounting to 4,156 thousand euros.

In turn, Planiges, S.A. was consolidated within the Realia group (which absorbed Hermanos Revilla, S.A. in 2023), which had granted credit and loan policies with a limit of 60,000 thousand euros at 31 December 2023, of which the loans were fully drawn down for the amount of 36,000 thousand euros.

Jezzine Uno S.L.U. had a loan agreement, entered into on 19 October 2021, amounting to 335,000 thousand euros, with partial maturities and final maturity on 19 October 2026. The interest rate applicable to this loan was a fixed market rate.

At 31 December 2023, the outstanding balance of this loan was 298,000 thousand euros, with the accrued interest amounting to 722 thousand euros.

- In the Cement area, the total value of debts with credit institutions came to 139,263 thousand euros at 31 December 2023.

This balance mainly corresponded to a subordinated financing agreement involving Cementos Portland Valderrivas, S.A. for the original amount of 80,000 thousand euros. This loan was partially repaid, renewed and amended in July 2020, July 2021, as well as in October 2022 and September 2023.

On 20 October 2022, a new agreement was entered into extending the maturity of the loan to 20 October 2025 and changing the interest rate from a fixed rate to a variable Euribor 6M rate plus a market spread.

Between January and September 2023, repayments were made for the sum of 35,000 thousand euros.

On 21 September 2023, a new agreement was entered into increasing the principal by 35,000 thousand euros.

In the final quarter of 2023, 20,000 thousand euros were repaid. At 31 December 2023, the outstanding balance of this loan was 50,405 thousand euros.

Cementos Portland Valderrivas, S.A. had also arranged two bilateral financing transactions for the sum of €25,000 thousand and €50,000 thousand, maturing in June 2026 and July 2024 respectively, bearing interest at the Euribor rate plus a market spread.

In 2023, a partial voluntary repayment of 5,000 thousand euros was made in relation to the 50,000-thousand euro financing, and on 3 October 2023, the extension of its maturity to July 2025 was formally arranged.

At 31 December 2023, the outstanding balance of these loans amounted to 25,000 and 45,000 thousand euros (25,000 and 50,000 thousand euros at 31 December 2022).

Also in 2022, two credit facilities were taken out for a total amount of 25,000 thousand euros, the term of which was extended by one year during 2023. At 31 December 2023, they had been drawn down for the amount of 11,031 thousand euros.

3. Debts with limited recourse for project financing.

These include all financing secured solely by the project itself and its cash-generating capabilities, which will support the entire debt service payment, and which, under no circumstances, will be guaranteed by the parent company Fomento de Construcciones y Contratas, S.A. or any other FCC Group company.

- FCC Medio Ambiente Reino Unido.

In 2018, FCC Energy Ltd, whose assets are the Eastcroft and Allington incinerators, issued the nominal amount of 207,361 thousand pounds sterling of debt. This debt has a 20-year term (final maturity on 17 June 2038) and three different tranches, two institutional for an initial total nominal amount of 145,000 thousand pounds sterling described in section a) of this note, and a commercial tranche for the nominal amount of 62,361 thousand pounds sterling. The interest rate of the commercial tranche is a variable rate hedged with an exchange of interest that makes it fixed plus an upward margin of up to 2.75% during the life of the project.

In total, the nominal amount of 2,667 thousand pounds were repaid from commercial tranche in 2024. At the end of 2024, the outstanding nominal debt of the commercial tranche to be repaid was 44,384 thousand pounds sterling.

The FCC Energy Ltd financing, being project finance, includes the standard guarantees for this type of financing, such as the pledge of the company's shares and the rest of its assets, which include the companies that operate the two waste incineration plants.

In October 2016, FCC (E&M) Ltd signed a 142 million pound contract to design, finance, build and operate the Millerhill Recycling and Energy Recovery Centre (RERC) in Midlothian, located on the outskirts of Edinburgh. The plant initially had two syndicated loans, a nominal 75,713 thousand pounds sterling loan maturing in August 2042 and a nominal 36,900 thousand pound loan maturing in May 2020. The margins on the loan maturing in 2042 range from 3% to 3.5%. Write-downs during 2024 amounting to a nominal 2,557 thousand pounds have been made. At the end of 2024 the outstanding nominal debt to be repaid is 62,447 thousand pounds sterling.

In June 2024, the FCC Servicios Medio Ambiente Group completed the purchase of the Urbaser business in the United Kingdom. The acquisition brought structured financing of Gloucestershire and the consolidation of Mercia, with FCC Medio Ambiente Reino Unido already holding 50% of the shares in the company that owns the plant (note 4).

The Gloucestershire project involves the construction, operation and maintenance of a EfW plant in the county of Gloucestershire. This plant is now online and the outstanding nominal value of the debt used to finance its construction at 31 December 2024 stood at 147,000 thousand pounds.

This syndicated financing is structured into several tranches. The variable interest rate applicable to this financing is covered by an interest rate swap that converts it into a fixed rate plus a margin of between 2.4% and 4.0%. (Note 23).

This debt has a term of 22 years, with a final maturity in March 2042. Repayments were made during 2024 for a nominal amount of 4,300 thousand pounds.

The Mercia project includes the construction and operation of more than 25 facilities, including a EfW plant, a material separation plant, four transfer stations and 17 recycling depots. The debt is divided into two tranches, the final maturity of both being in 2029 and subject to a fixed rate of 6.31%.

At the end of 2024, the nominal debt yet to be amortised was 115,630 thousand pounds and during 2024, repayments were made for a nominal amount of 5,847 thousand pounds.

As a result of the foregoing, at 31 December 2024, of the total book value of the bank borrowings of FCC Medio Ambiente Reino Unido, S.L.U., relate to UBB Waste (Gloucester) Ltd. 178,552 thousand euros, Mercia Waste Management, Ltd. 139,452 thousand euros, FCC Energy Ltd. 52,107 thousand euros (52,679 thousand at 31 December 2023) and FCC E&M (Edinburgh), a subsidiary of FCC Environment Developments Ltd., 74,516 thousand euros (73,944 thousand at 31 December 2023); the remainder of the limited recourse debt for project financing, up to the total book value of 481,983 thousand euros, corresponds to the debt of other companies that make up the FCC Group in the United Kingdom.

- The financing of Aquajerez, S.L. was signed in 2016 and came to a nominal amount of 40,000 thousand euros, for a term of 15 years with half-yearly repayments from January 2017. During 2019, FCC Aqualia, S.A., which already held 51% of this company, acquired the remaining 49% and proceeded to extend the initial loan to a nominal amount of 65,000 thousand euros.

At 31 December 2024, the book value of this debt came to 39,989 thousand euros (44,742 thousand euros in 2023).

- Sociedad Concesionaria Tranvía de Murcia, S.A. During 2022, the FCC Group assumed control of this company, incorporating a book value of 104,898 thousand euros of debt with credit institutions as at 31 December 2022.

This financing corresponds to a syndicated loan arranged in February 2018, with six-monthly repayments maturing on 30 June 2037. At 31 December 2023, the book value of this debt came to 101,677 thousand euros.

During 2024, all financing was repaid in advance charged to own funds.

- “Rest of Debts with limited recourse for project financing” includes companies with project financing from the Water areas: Aquos El Realito, S.A. de C.V. with a book value of 31,007 thousand and Servicios Medioambientales, Gipuzkoa Ingurumena Bi, S.A. with a book value of 19,868 thousand euros.

As at 31 December 2024 there have been no breaches of financial ratios associated with project financing debts, and they are not expected to be defaulted during 2025.

The guarantees granted on these loans are real and are based on the financed assets that repay the debt with own flows, without additional guarantees granted by the Parent to pledge the shares in the vehicle companies that own the aforementioned financial assets that may have been granted.

The breakdown of the debts with credit institutions by currency and amounts available at 31 December 2024 and 2023 is as follows:

	Euros	US dollars	Pounds Sterling	Other	Total
2024					
Credits and loans	10	-	-	-	10
Debt without recourse to the parent	1,413,628	93,306	-	3,974	1,510,908
Debts with limited recourse for project financing	68,791	-	481,983	35,078	585,852
	1,482,429	93,306	481,983	39,052	2,096,770
2023					
Credits and loans	73	-	-	-	73
Debt without recourse to the parent	2,150,117	154,629	-	11,985	2,316,731
Debts with limited recourse for project financing	177,388	-	167,089	48,648	393,125
	2,327,578	154,629	167,089	60,633	2,709,929

The credits and loans in US dollars mainly finance assets in the Environmental Services segment in the USA; those contracted in pounds sterling correspond to the financing of assets of FCC Environment UK; and those in Other currencies, in 2024, correspond to the financing of Aquos El Realito, S.A. de C.V. in Mexican pesos amounting to 31,007 thousand euros and Qatarat Saquia Desalination in Saudi riyals for the sum of 4,071 thousand euros.

c) Other non-current financial liabilities

	2024	2023
Non-current		
Lease debt (Note 10)	382,031	358,372
Third party financial debts outside the group	54,179	100,328
Financial liabilities from derivatives (Note 23)	1,418	1,700
Deposits and guarantees received	52,979	71,918
Other concepts	33,774	40,114
	524,381	572,432

In 2024, 43,443 thousand euros contributed by the Cement and Real Estate activity segments at 31 May 2024 under “Other non-current financial liabilities” on the balance sheet were reclassified under “Liabilities related to non-current assets held for sale” (note 5).

“Third party financial debts outside the Group” includes the put on the minority stake in Municipal District Services, Llc., acquired in December 2023 for an amount of 3,446 thousand euros at 31 December 2024 (2,443 thousand euros at 31 December 2023) (notes 4 and 18). At 31 December 2023, this also included the put on the minority interest in the GGU Group for an amount of 54,333 thousand euros; in 2024, this amount has been reclassified to other current financial liabilities.

“Derivative financial liabilities” mainly include financial derivatives for risk hedging, mainly interest rate swaps (note 23).

d) Other current financial liabilities

	2024	2023
Current		
Lease debt (Note 10)	86,800	76,478
Interim dividend payable	595	29,758
Third party financial debts outside the group	76,512	15,030
Suppliers of fixed assets and bills payable	56,636	168,968
Debts with associated companies and joint ventures	4,413	6,052
Financial liabilities from derivatives (Note 23)	162	19
Deposits and guarantees received	57,756	57,540
Other concepts	11,712	499
	294,586	354,344

In 2024, 15,510 thousand euros contributed by the Cement and Real Estate activity segments at 31 May 2024 under “Other current financial liabilities” on the balance sheet were reclassified under “Liabilities related to non-current assets held for sale” (note 5).

“Third party financial debts outside the group” includes the put option on the non-controlling interest in the GGU Group for the sum of 59,625 thousand at 31 December 2024.

In 2023, “Suppliers of fixed and non-current assets and bills payable” included the amount pending payment for the acquisition from the previous owners of Municipal District Services, Llc. for the sum of 81,433 thousand euros, which was paid out on 2 January 2024 (note 4).

“Guarantees and deposits received” includes the advance payment received for the agreement to sell the shareholding in Concesionaria Túnel de Coatzacoalcos, S.A. for 48,396 thousand euros in both years, owned by a company linked to the majority shareholder of the Parent Company. The sale is subject to conditions precedent, not fulfilled at the date of formulation of these consolidated annual accounts (note 31 d).

e) Schedule of expected due dates

The expected schedule of contract maturities, including both the payment of principal and interest, of the debts held with credit institutions and other non-current financial liabilities, excluding derivatives, for 2024 is as follows:

	2026	2027	2028	2029	2030 and beyond	Total
2024						
Bonds and other marketable securities	615,060	748,766	88,890	944,166	745,610	3,142,492
Non-current bank borrowings	1,283,236	262,383	59,163	178,882	381,540	2,165,204
Other financial liabilities	105,890	58,878	55,061	42,709	333,995	596,533
	2,004,186	1,070,027	203,114	1,165,757	1,461,145	5,904,229

f) Changes in financial liabilities that affect cash flows from financing activities

Below are details of the changes in non-current and current financial liabilities, differentiating those that affected cash flows from financing activities in the Statement of Cash Flows from the remaining changes:

	Balance at 1 January 2024	Cash flows from financing activities	Without an impact on cash flows					Balance at 31 December 2024
			Exchange rate differences and conversion differences	Change in fair value	Reclassification to liabilities related to non-current assets held for sale (note 5)	Change in the perimeter and changes in consolidation method	Other changes	
Non-current	4,817,034	830,126	31,744	(2,463)	(413,337)	350,038	(388,559)	5,224,583
Bonds and other marketable securities	1,860,879	852,879	14,621	-	-	-	(7,238)	2,721,141
Bank borrowings	2,383,723	82,487	13,756	-	(369,894)	311,643	(442,654)	1,979,061
Other financial liabilities	572,432	(105,240)	3,367	(2,463)	(43,443)	38,395	61,333	524,381
Current	926,771	(524,923)	2,650	143	(501,337)	29,018	594,550	526,872
Bonds and other marketable securities	246,221	(224,075)	561	-	-	-	91,870	114,577
Bank borrowings	326,206	(320,408)	(868)	-	(485,827)	10,927	587,679	117,709
Other financial liabilities	354,344	19,560	2,957	143	(15,510)	18,091	(84,999)	294,586

	Balance at 1 January 2023	Cash flows from financing activities	Without an impact on cash flows				Balance at 31 December 2023
			Exchange rate differences and conversion differences	Change in fair value	Change in the perimeter and changes in consolidation method	Other changes	
Non-current	4,271,282	607,447	2,905	310	(2,560)	(62,350)	4,817,034
Bonds and other marketable securities	1,267,584	597,709	2,453	-	-	(6,867)	1,860,879
Bank borrowings	2,471,818	8,373	4,939	-	-	(101,407)	2,383,723
Other financial liabilities	531,880	1,365	(4,487)	310	(2,560)	45,924	572,432
Current	1,333,125	(891,644)	7,638	4	(380)	478,028	926,771
Bonds and other marketable securities	773,163	(584,513)	133	-	-	57,438	246,221
Bank borrowings	306,531	(216,689)	792	-	-	235,572	326,206
Other financial liabilities	253,431	(90,442)	6,713	4	(380)	185,018	354,344

Other movements mainly includes transfers between current and non-current, accrued interest and the debt corresponding to new lease contracts (note 10.a).

In 2024, “Reclassification to liabilities related to non-current assets held for sale” included the amounts contributed at 31 May 2024 by the Cement and Real Estate activities to “Non-current financial liabilities” and “Current financial liabilities” (note 5). The movements contributed by these segments prior to May 31 are included under other concepts in this table based on their nature. As a result of the foregoing, in 2024 “Cash flows from financing activities”, as it only included movements in relation to the Cement and Real Estate activities prior to 31 May 2024, at which time the non-current and current financial liabilities were transferred to liabilities held for sale, does not match “Total cash flows from financing activities” on the accompanying consolidated statement of cash flows for 2024, which includes the financing flows of these activities until the date on which the partial financial spin-off giving to the Inmocemento Group was complete (note 2).

Also in 2024, “Changes in the scope of consolidation and changes in the consolidation method” included 378,037 thousand euros contributed by the subsidiary of Urbaser in the United Kingdom following its acquisition by Environmental Services. This amount includes the contribution made by Beacon Waste Limited, Mercia Waste Management Ltd. and Severn Waste Limited, in which Environmental Services owned a 50% stake, are now fully consolidated, as Urbaser owned the other 50% (notes 4 and 12).

21. OTHER NON-CURRENT LIABILITIES

This heading mainly includes performance obligations under the Buckinghamshire plant concession (note 11) arising from the collection of the intangible component in accordance with the conditions set out in the agreement amounting to 112,148 thousand euros at 31 December 2024 (111,022 thousand euros at 31 December 2023).

22. TRADE AND OTHER ACCOUNTS PAYABLE

The breakdown of the “Trade and other accounts payable” heading in the liability side of the balance sheet as at 31 December 2024 and 2023 is as follows:

	2024	2023
Suppliers	1,118,620	1,252,628
Current tax liabilities (Note 24)	52,870	39,254
Other payables to public administrations (Note 24)	364,269	314,808
Customer advances (Note 16)	638,660	646,686
Remuneration payable	116,448	96,521
Other payables	436,074	427,151
	2,726,941	2,777,048

The Group has entered into confirming line and similar contracts with different financial institutions to facilitate early payment to suppliers. In accordance with these contracts, a supplier may exercise its collection rights against the Group companies or entities and obtain the invoiced amount, less the financial costs for discount and fees applied by those entities and, in some cases, amounts withheld as guarantee. The total amount of contracted lines amounted to 26,866 thousand at 31 December 2024 (56,423 thousand at 31 December 2023), with a drawn down balance of 2,609 thousand euros at 31 December 2024 (10,626 thousand euros at 31 December 2023). The decrease in the previous balances can mainly be attributable to the inclusion in 2023 of the balances corresponding to the Cement and Real Estate activities, while in 2024 these were not included, both activities having been subject to the partial financial spin-off giving rise to the Inmocemento Group (note 2). The above-mentioned contracts do not modify the main payment conditions (interest rate, deadline or amount), so they are classified as commercial liabilities.

As regards the Resolution of the Institute of Accounting and Auditing (ICAC) of 29 January 2016, issued pursuant to the mandate of the Second Final Provision of Law 31/2014, of 3 December, amending the Third Final Provision of Law 15/2010, of 5 July, establishing measures to combat late payment in trade operations, a table provided below containing information on the average payment period to suppliers of companies based in Spain, for trade operations occurring since the entry into force of Law 31/2014, i.e. 24 December 2014.

Additionally, Article 9, Chapter IV of Law 18/2022 of 28 September, on the creation and growth of companies, introduces the obligation to report the following indicators: monetary volume and number of invoices paid in a period less than the maximum established in the late-payment regulations and the percentage that these represent from the total number of invoices and the total monetary value of payments to suppliers.

	2024	2023
	Days	Days
Average payment period to suppliers	59	76
Ratio of paid operations/transactions	58	77
Ratio of operations/transactions pending payment	68	71
	Amount	Amount
Total payments pending	196,715	358,684
	Amount	Amount
Total payments made	2,388,842	2,589,106
Total payments made in a period less than the maximum established in the late-payment regulations	1,165,358	1,053,926
Ratio (%)	49	41
	Number	Number
Total number of invoices paid during the period	622,779	711,135
Number of invoices paid in a period less than the maximum established in the late-payment regulations	483,905	338,161
Ratio (%)	78	48

The table above does not include data corresponding to the Cement and Real Estate Areas for 2024 on account of their derecognition following the partial financial spin-off of both activities was completed (note 2).

The Group continues taking the appropriate measures to reduce the average payment period, improving the payment conditions offered to its suppliers and taking action in relation to internal approval processes that may delay the payment of amounts due.

23. DERIVATIVE FINANCIAL INSTRUMENTS

In general, financial derivatives entered into by the FCC Group receive the accounting treatment provided for in the regulations for accounting hedges set forth in note 3.p) of this Report, that is, they are operations that hedge real positions.

At both 31 December 2024 and 31 December 2023, all derivatives arranged by subsidiaries of the Group meet the criteria to be considered hedges.

The main financial risk hedged by the FCC Group through derivative instruments relates to the fluctuations in floating interest rates to which Group company financing is tied.

At 31 December 2024, the FCC Group has contracted hedging transactions with derivative instruments in its fully consolidated companies for an aggregate notional amount of 414,721 thousand euros (624,395 thousand euros at 31 December 2023), mainly in the form of interest rate swaps (IRS), where Group companies buy fixed rates and sell floating rates.

Details of the hedges and their fair value for fully consolidated companies are shown below:

	Type of derivative	Hedging type	% hedge	Notional 31.12.24	Notional 31.12.23	Appreciation at 31.12.24	Appreciation at 31.12.23	Due date
Companies fully consolidated								
FCC Medio Ambiente, S.A.	IRS	EF	-	-	4,965	-	12	02/04/2024
	IRS	EF	-	-	3,032	-	27	02/04/2024
	Option	EF	-	-	4,965	-	-	02/04/2024
	IRS	EF	75%	12,596	-	203	-	23/07/2029
	IRS	EF	80%	4,619	-	55	-	23/07/2034
RE3 Ltd.	IRS	EF	100%	12,356	13,808	-156	-199	30/09/2029
FCC Energy Ltd.	IRS	EF	100%	8,568	8,668	1,307	979	17/06/2038
	IRS	EF	100%	53,548	54,156	8,160	6,104	17/06/2038
FCC Wrexham PFI Ltd.	IRS	EF	95%	13,902	14,978	-523	-643	30/09/2032
UBB Waste (Gloucestershire) Ltd	IRS	EF	25%	37,876	-	898	-	28/01/2042
	IRS	EF	4%	6,610	-	1,039	-	28/01/2042
	IRS	EF	21%	30,885	-	733	-	28/01/2042
	IRS	EF	4%	5,553	-	132	-	28/01/2042
	IRS	EF	4%	6,610	-	1,037	-	28/01/2042
	IRS	EF	25%	37,876	-	898	-	28/01/2042
FCC Wrexham PFI (Phase II) Ltd.	IRS	EF	50%	5,570	5,855	344	238	30/09/2032
	IRS	EF	50%	5,570	5,855	346	238	30/09/2032
FCC (E&M) Ltd.	IRS	EF	50%	37,994	37,722	8,242	6,138	06/05/2042
	IRS	EF	50%	37,994	37,722	8,064	6,006	06/05/2042
Aquajerez, S.L.	IRS	EF	70%	15,660	17,535	862	1,259	15/07/2031
	IRS	EF	30%	12,271	13,778	856	1,213	15/07/2031
Gipuzkoa Ingurumena BI, S.A.	IRS	EF	38%	7,549	8,031	499	645	30/06/2034
	IRS	EF	38%	7,549	8,031	508	673	30/06/2034
Qatarat Saquia Desalination	IRS	EF	100%	3,693	5,872	33	90	07/06/2026
	IRS	EF	-	-	1,340	-	18	28/11/2024
Aquos El Realito S.A. de C.V	IRS	EF	100%	26,540	33,953	-33	1,036	22/01/2025
Realia Patrimonio, S.L.U.	IRS	EF	-	-	97,216	-	1,575	27/04/2024
	IRS	EF	-	-	97,216	-	1,575	27/04/2024
	IRS	EF	-	-	58,361	-	946	27/04/2024
	IRS	EF	-	-	42,836	-	693	27/04/2024
	IRS	EF	-	-	28,584	-	463	27/04/2024
Total FCC Environment CEE GMBH	FX	EF	100%	23,332	19,916	-868	-361	29/06/2026
Total full consolidation				414,721	624,395	32,636	28,725	

It also shows the maturities of the notional amount for the hedging operations entered into as at 31 December 2024 and broken down in the previous table:

	2025	2026	2027	2028	2029 and beyond
Companies fully consolidated	61,422	32,973	23,916	24,940	271,470

At 31 December 2024, the total notional amount of hedges of companies consolidated using the equity method came to 116,883 thousand euros (91,425 thousand euros at 31 December 2023) and their fair value was 50,923 thousand euros (29,408 thousand euros at 31 December 2023). The impact of speculative derivatives arranged at companies consolidated under the equity method was not significant either in the accompanying consolidated income statement or balance sheet in 2024 and 2023.

The following table provides a reconciliation of the change in the valuation of the derivatives, identifying those amounts that have been recorded in the accompanying consolidated income statement and those that have been recorded in "Other comprehensive income" of the consolidated statement of recognised income and expense:

	Balance at 1 January 2024	Profit/(loss) from valuation of reserves	Profit/(loss) from valuation of results	Transfers to the income statement	Inefficiency of the hedging	Other changes	Balance at 31 December 2024
2024							
Hedging	28,725	19,142	-	(13,326)	-	(1,905)	32,636
	Balance at 1 January 2023	Profit/(loss) from valuation of reserves	Profit/(loss) from valuation of results	Transfers to the income statement	Inefficiency of the hedging	Other changes	Balance at 31 December 2023
2023							
Hedging	44,869	(4,544)	-	(13,216)	-	1,616	28,725

24. TAX MATTERS

This Note describes the headings in the accompanying consolidated income statement relating to the tax obligations of each of the Group companies, such as deferred tax assets and liabilities, tax receivables and payables and the corporation tax expense.

In accordance with file 18/89, the Parent Company of the Group is subject to the Corporation Tax consolidation regime, with all the companies that meet the requirements established by the tax legislation being integrated into said regime. In addition, part of the subsidiaries that carry out Water and Environmental Services in the United Kingdom and the FCC Environment Group in Austria also pay taxes in their own consolidated tax group.

As a result of the partial financial spin-off of the Cement and Real Estate activities (notes 2 and 5), the Inmocemento Group companies that belonged to the tax group headed by Fomento de Construcciones y Contratas, S.A., were derecognised effective 1 January 2024.

In May 2019, the tax authorities completed a procedure to recover state aid, arising from European Commission Decision 2015/314/EU of 15 October 2014, relating to the tax amortisation of financial goodwill from the indirect acquisition of foreign holdings. This procedure aims to adjust the tax incentives applied by the company and Group in prior years as a result of the acquisition of the Alpine, FCC Environment (formerly the WRG Group) and FCC CEE (formerly the ASA Group) Groups. The Tax Administration filed a claim against the Group for a total amount (instalment and late payment interest) equal to 111 million euros. FCC has settled this tax debt but has also filed an economic-administrative appeal against it, which is pending resolution. The Group, in accordance with the opinion of its legal advisors, considers it probable that the amounts already paid under such recovery procedure will be returned. Within the framework of this procedure, the Tax Administration has recognised a negative tax base generated in previous years in favour of the Group that has generated an activated tax credit for the amount of 63.2 million euros.

In February 2025, the Spanish tax authorities issued corporate income tax assessments to the companies belonging to the tax group headed up by Fomento de Construcciones y Contratas, S.A. for the years 2018 to 2020, whereby tax credits for tax loss carryforwards amounting to 10 million euros have been adjusted, mainly in respect of related-party transactions and expenses considered to be non-deductible. FCyC S.A. plans to lodge appeals before the courts against a significant part of the adjustment made, as it considers it to be unlawful.

On the same date, the tax inspectorate issued reports on VAT and withholdings/payments on account for work-related income and professional income relating to the period running from April 2019 to December 2020 in respect of the companies Fomento de Construcciones y Contratas S.A., FCC Construcción S.A., FCC Medio Ambiente S.A. and FCC Industrial e Infraestructuras Energéticas S.A., for a total amount of 0.6 million euros for various reasons.

a) Deferred tax assets and liabilities

Deferred tax assets mainly relate to provisions recognised, non-deductible financial expenses that will be deductible for tax purposes from taxable income in future years, tax credits and tax loss carry forwards/offsets and differences between accounting and tax depreciation and amortisation.

Specifically, the FCC Group has recognised deferred tax assets corresponding to tax loss carry forwards and deductions pending application, as it considers that there are no doubts as to their recoverability, amounting to 285,376 thousand euros (395,172 thousand euros at 31 December 2023).

The Group Management has evaluated the recoverability of deferred tax assets by estimating future tax bases, concluding that there is no doubt surrounding their payment.

The estimates used to assess the recoverability of deferred tax assets are based on the estimate of future taxable bases, based on the year's consolidated accounting result before the estimated tax from continuing operations, to which the corresponding permanent and temporary differences that are expected to take place each year have been adjusted. The provisions of the recently enacted Law 7/2024 of 20 December were considered for the purposes of determining the projections of recoverability of tax loss carry forwards and other tax credits. This law reinstates those measures set out in Royal Decree-Law 3/2016 that were declared unconstitutional regarding the limitation on the offsetting of tax loss carry forwards and with the reversal of tax-deductible impairments prior to 2013. Considering this regulatory change and the profit projections made, it has been estimated that the tax group headed up by FCyC, S.A. will be able to substantially absorb the tax loss carry forwards recognised in the balance sheet over an estimated period of 10 years.

The estimated accounting profit for the year for the tax group headed by Fomento de Construcciones y Contratas, S.A. is based on the planning prepared by the Group for the 2025-2027 period. Revenue growth has been projected at 3.7% for 2025, 1.6% for 2026 and 0.6% for 2027. The projected EBITDA is 10.4% for 2025, 11.4% for 2026 and 11.3% for 2027. In subsequent periods, natural growth in pre-tax profit has been projected at 2%. For the tax group headed by FCC Aqualia, S.A., a vegetative growth of 2% has been applied to the profit before tax in 2024.

The deferred tax liabilities recognised by the Group mainly arise from the following:

- The differences between the tax and accounting valuation due to the fair value of assets derived from the corporate acquisitions in the different segments of the Group's activity and investment property, as indicated in notes 3.b) and 3.e). In general, these liabilities will not entail any future cash outflows because they revert at the same rate as the amortisation of revalued assets.
- From the tax amortisation of leasing contracts and that of certain items of property, plant and equipment under accelerated tax amortisation plans, and from the unrestricted amortisation on the investments made, which allows them to be fully amortised as long as certain requirements are fulfilled.
- From the profits of temporary joint ventures that will be included in the tax base of the following year's corporate income tax.

The Group, pursuant to the provisions of IAS 12 "Corporation Tax", has offset the deferred tax assets and liabilities corresponding to the entities, which, in line with the applicable tax legislation, have the legal right to offset these assets and liabilities and will be settled for their net amount based on the corresponding time frames. At 31 December 2024, deferred tax assets and liabilities were offset in the amount of 94,446 thousand euros (298,999 thousand euros at 31 December 2023).

The following table shows the breakdown of the main deferred tax assets and liabilities prior to offset:

ASSETS	2024			2023		
	Tax Group Spain	Other	TOTAL	Tax Group Spain	Other	TOTAL
Provisions and impairments	61,788	44,432	106,220	93,900	58,787	152,687
Tax loss carry forwards and deductions	244,317	41,059	285,376	307,392	87,780	395,172
Non-deductible financial expense	6,222	8,671	14,893	6,422	34,056	40,478
Pension plans	657	1,015	1,672	677	1,496	2,173
Amortisation/depreciation differences	6,361	17,700	24,061	10,551	15,563	26,114
Other	130,086	32,024	162,110	121,077	29,644	150,721
Total	449,431	144,901	594,332	540,019	227,326	767,345

LIABILITIES	2024			2023		
	Tax Group Spain	Other	TOTAL	Tax Group Spain	Other	TOTAL
Fair value assets from allocation of acquisition differences (IFRS 3)	3,297	131,594	134,891	51,820	86,687	138,507
Investment property at fair value (IAS 40)	-	-	-	61,366	170,898	232,264
Accelerated amortisation/depreciation	9,957	138,985	148,942	7,293	132,978	140,271
Profit/(loss) of Joint Ventures	19,584	5,158	24,742	13,835	5,293	19,128
Finance leases	2,088	131	2,219	3,013	2,436	5,449
Other	3,858	36,234	40,092	27,148	25,843	52,991
Total	38,784	312,102	350,886	164,475	424,135	588,610

In the two tables above, the change in amounts seen in 2023 and 2024 can mainly be attributed to the deferred taxes of asset and liabilities contributed by the Cement and Real Estate activities as at 31 December 2023, which were written off in 2024 as a result of its partial financial spin-off, for the amounts of 173,359 and 317,334 thousand euros, respectively (note 5).

Below is the expected enforcement schedule for deferred taxes:

	2025	2026	2027	2028	2029 and beyond	Total
Assets	90,987	80,183	133,728	64,282	225,152	594,332
Liabilities	53,835	49,529	49,529	49,529	148,464	350,886

The Group has tax credits corresponding to negative tax bases (NTBs), mainly abroad, which have not been activated in the financial statements as the recovery periods remain uncertain, for the amount of 207,5 million euros. The estimated maturity of non-activated NTBs is shown below:

Maturity time frame	Tax credits (millions of euros)
From 2025 to 2029	31.9
From 2030 to 2034	4.9
From 2035 onwards	5.0
No maturity	165.7
	207.5

Meanwhile, the Group has non-activated tax credits corresponding to tax deductions that have been accredited and are pending application for a total amount of 5.3 million euros.

b) Public administrations

The breakdown at 31 December 2024 and 2023 of the current assets and liabilities included under the “Public administrations” heading is as follows:

Current assets

	2024	2023
Value Added Tax receivable (Note 16)	123,445	143,260
Current tax	127,185	84,449
Other tax items (Note 16)	148,309	79,683
	398,939	307,392

Current liabilities

	2024	2023
Value Added Tax payable (Note 22)	90,764	92,088
Current tax (Note 22)	52,870	39,254
Social Security payable and other tax items (note 22)	273,506	222,720
Deferrals	39	39
	417,179	354,101

c) Corporate tax expense

The corporate tax expense incurred in the year amounted to 153,170 thousand euros (154,060 thousand euros in 2023), as detailed in the accompanying consolidated income statement. Below is the reconciliation between accounting profit and taxable base:

	2024		2023	
Consolidated accounting profit for the year before taxes from continuing activities		584,631		632,118
	<u>Additions</u>	<u>Reductions</u>	<u>Additions</u>	<u>Reductions</u>
Permanent differences	231,768	(119,797)	111,971	44,709
				(66,204)
Adjusted consolidated accounting profit/(loss) of continuing activities		696,602		610,623
Temporary differences				
- Arising in the year	180,147	(155,967)	24,180	225,780
- Arising in prior years	168,802	(223,859)	(55,057)	141,973
				(293,860)
Consolidated tax base of continuing activities (taxable profit)		665,725		564,063

From the previous table, given the magnitude of the amounts, it should be noted that the tax base is the best estimate available at the date of preparing the accounts. The final amount payable will be determined in the tax settlement to be carried out in 2025, so the final settlement may vary as explained in note 3.q) of these notes to the consolidated financial statements.

In 2024, permanent differences included, as an increase, 109,686 thousand euros for landfill provisions and impairments in the United Kingdom. In terms of decreases, the amount of 41,178 thousand euros was generated as part of the acquisition of Tranvía de Parla, S.A. (note 4), as well as 13,242 thousand euros for the profit and loss of companies consolidated under the equity method.

In 2023, permanent differences included, as a decrease, 42,404 thousand euros for the profit and loss of companies consolidated under the equity method. In addition, worth particular mention in terms of the reductions in temporary differences is the compensation of negative taxable amounts capitalised in previous years for the sum of 202,706 thousand euros.

Below is the reconciliation of the expense for corporation tax:

	2024	2023
Adjusted consolidated accounting profit on continuing activities	696,602	610,623
Corporate tax	(165,801)	(135,729)
Tax credits and tax relief	3,489	1,668
Adjustments for tax rate change	449	(3,196)
Other adjustments	8,693	(16,803)
Corporate tax	(153,170)	(154,060)

The amount of Other adjustments in 2023 included, under other concepts, an expense of 7,027 thousand euros for the electricity generated at the incinerator plants in the United Kingdom.

The main components of the corporate tax, distinguishing between the current tax, i.e, tax corresponding to the current year and the deferred tax, the latter understood as the impact on profit/(loss) of the origination or reversal of temporary differences that affect the amount of deferred tax assets or liabilities recognised in the balance sheet, is as follows:

	2024	2023
Current tax	(146,746)	(135,689)
Deferred taxes	(6,424)	(18,371)
Corporate tax	(153,170)	(154,060)

The OECD has launched a project to establish a top-up tax to ensure a global minimum level of taxation for multinational groups (the so-called “Pillar Two” project). The Pillar Two regulation has been adopted by the European Parliament through Council Directive 2022/2523 of 15 December 2022, which has been transposed in Spain through Law 7/2024 of 20 December. The Pillar Two regulations have been enacted in most of the jurisdictions in which the Group operates. The legislation will be effective for the Group’s annual periods beginning on or after 1 January 2024.

Based on the assessments performed to date, the Group has identified potential exposure to Pillar Two taxes on profits in the United Arab Emirates and Hungary, where the expected effective Pillar Two tax rate is likely to be lower than 15%. The potential exposure would correspond to companies, mainly operating subsidiaries, in these jurisdictions where the Pillar 2 effective tax rate is less than 15%. It has been estimated that the total cost of implementing Pillar Two regulations would be 0.5 million euros.

25. PENSION PLANS AND SIMILAR OBLIGATIONS

Most Spanish companies in the Group do not have pension plans in place that complement the Social Security pension, with the exception of companies affiliated to the Construction sector agreement. However, under the Consolidated Pension Plans and Pension Funds Law, in those specific cases in which similar obligations exist, the companies externalise pension and similar obligations to its employees.

In accordance with article 38.8 of the Bylaws, Fomento de Construcciones y Contratas, S.A. holds a civil liability insurance that covers Directors and Managers. This is a collective policy covering all the Group’s executives, and in 2024 a premium of €1,265 thousand was paid over (€1,284 thousand in 2023).

Fomento de Construcciones y Contratas, S.A. has taken out an accident insurance policy for its directors, encompassing both the exercise of their functions and their private life, comprising coverage in the event of death, total and absolute permanent incapacity and severe disability. The premium paid in the year amounts to 5 thousand euros (5 thousand euros in 2023).

Certain foreign companies belonging to the Group assumed the commitment of supplementing the retirement and other similar commitments of its employees through defined benefit plans. Independent actuarial experts measured the commitments accrued and, where appropriate, the assets used, through generally accepted actuarial methods and techniques included, where appropriate, in the accompanying consolidated balance sheet under the “Non-current provisions” heading within “Non-current employee benefit obligations”, in line with the criteria set forth by IFRSs (Note 19).

The main benefits referred to above are the benefits corresponding to the FCC Environment (UK) Group companies, established in the United Kingdom, which include the obligations resulting from the benefits assumed with their employees into the accompanying consolidated balance sheet at 31 December 2024, once the assets assigned to cover these benefits have been deducted. The actuarial value of the accrued obligations comes to €45,182 thousand (€42,373 thousand at 31 December 2023), while the fair value of the affected assets stands at €50,757 thousand (€44,261 thousand at 31 December 2023). The net difference represents an active balance of 5,575 thousand euros (1,888 thousand euros at 31 December 2023), recognised in the accompanying consolidated balance sheet under “Non-current financial assets”. The “Staff expenses” heading of the accompanying consolidated income statement includes income of 110 thousand euros (cost of 83 thousand euros as at 31 December 2023) for the net difference between the cost of services and returns on assets affected by the plan. The average actuarial rate used was 5.55% (4.75% in 2023).

The year's movement of the obligations and assets associated with pension plans and similar obligations is detailed below:

2024:

Actual performance of the current value of the obligation

	FCC Environment Group (UK)
Balances of obligations at the beginning of the year	42,373
Cost of services for the current year	124
Interest costs	2,060
Contributions of the participants	23
Actuarial profits/losses	631
Exchange differences	2,037
Benefits paid during the year	(2,066)
Cost of past services	-
Settlements	-
Balance obligations at end of year	45,182

Actual performance of the fair value of affected assets

	FCC Environment Group (UK)
Affected active balances at the beginning of the year	44,261
Expected return on assets	2,188
Actuarial profits/losses	2,828
Exchange differences	2,128
Contributions made by the employer	1,511
Contributions made by the participant	23
Benefits paid	(2,066)
Settlements	(116)
Balance of affected assets at the end of the year	50,757

Reconciliation of the actual performance of the obligation less the affected assets

	FCC Environment Group (UK)
Net balance obligations less affected assets at the end of the year	(5,575)

2023:

Actual performance of the current value of the obligation

	FCC Environment Group (UK)
Balances of obligations at the beginning of the year	40,876
Cost of services for the current year	112
Interest costs	2,019
Contributions of the participants	20
Actuarial profits/losses	350
Exchange differences	841
Benefits paid during the year	(1,845)
Cost of past services	-
Settlements	-
Balance obligations at end of year	42,373

Actual performance of the fair value of affected assets

	FCC Environment Group (UK)
Affected active balances at the beginning of the year	45,678
Expected return on assets	2,323
Actuarial profits/losses	(5,314)
Exchange differences	940
Contributions made by the employer	2,568
Contributions made by the participant	20
Benefits paid	(1,954)
Settlements	-
Balance of affected assets at the end of the year	44,261

Reconciliation of the actual performance of the obligation less the affected assets

	FCC Environment Group (UK)
Net balance obligations less affected assets at the end of the year	(1,888)

26. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

At 31 December 2024, the Group incurred contingent liabilities, mainly guarantees to third parties, mostly before public bodies and private clients, to secure the correct performance of the urban sanitation works and contracts, for 4,543,201 thousand euros (5,122,506 thousand euros at 31 December 2023).

As a result of the partial financial spin-off of the Real Estate and Cement activities completed in November 2024, the contingent liabilities contributed by these activities were eliminated (88,279 thousand euros at 31 December 2023).

Additionally, the Group has granted letters of indemnity to certain directors with management and administration duties at subsidiaries, without the any risks for which provisions should be set aside identified during the preparation of these financial statements. Such letters of indemnity are a common practice in multinational companies that expatriate employees due to their double status as company employees and executives of the subsidiary, and are of subsidiary execution in the event that the respective directors' policies do not fully cover the contingency. Letters of indemnity were granted to five executives in relation to the businesses that were maintained by the Group in Alpine. At present, no actions are expected to be taken against executives covered by these letters, given that the events over which they could hypothetically or potentially be sued are time barred.

Fomento de Construcciones y Contratas, S.A. and the Group's subsidiaries are defendants in litigation concerning liability for different activities carried out by the Group in the performance of contracts awarded and for which provisions have been set aside (Note 19). These lawsuits, which in number may be significant, are for insignificant amounts when considered on a one-by-one basis. Therefore, given proven experience and existing provisions, the resulting liabilities would not significantly affect the Group's assets.

In relation to the main contingent liabilities arising from the Alpine subgroup's bankruptcy proceedings, it should be noted that the possible financial effects would be the cash outflow of the amount indicated in the respective lawsuits detailed in note 19 of these consolidated interim financial statements to the consolidated financial statements, plus interest and costs, if any.

On 15 January 2015, the Competition Chamber of the National Markets and Competition Commission issued a decision on file S/0429/12, for an alleged violation of Article 1 of Law 15/2007 on the Defence of Competition. The aforementioned resolution affects several companies and associations in the waste sector, including companies belonging to the Group. The Group has filed an administrative appeal before the Spanish National Appellate Court. At the end of January 2018, the judgments issued by the National Court were notified, upholding the contentious-administrative appeals filed by Gestión y Valorización Integral del Centro, S.L. and Betearte, S.A. Unipersonal, both companies owned by FCC Servicios Medioambiente Holding, S.A. Unipersonal, against the CNMC's ruling imposing several sanctions for alleged collusive practices. In both decisions, the argument put forward by these companies that no single, on-going breach existed was upheld. In April 2018, we were notified of the agreement initiating new legal proceedings for the same conduct investigated in the previous proceedings forming the scope of the upholding decision, commencing an 18-month examining period. In September 2019, an agreement was issued suspending the processing of the sanctioning file until the National Court ruled on the appeals presented by other sanctioned companies. On 22 March 2023, a ruling was handed down by the CNMC's Competition Chamber agreeing to archive the disciplinary case. The Chamber ruled that it was no longer appropriate to continue with the proceedings and that the case should be archived, for the purposes of all parties.

In 2019, as a result of an internal investigation in May in application of its compliance policy and regulations, the Group became aware of the existence of payments between 2010 and 2014, initially estimated at 82 million dollars, which might not be justified and, may, therefore be illegal. These acts were uncovered as a result of application of the procedures in the Group's compliance rules. The company has informed prosecutors in Spain and Panama about these acts, and has been providing the utmost cooperation since then to clarify what happened, applying the "zero tolerance" principle for corruption that permeates the entire FCC Compliance System.

In the context of this collaboration and following the voluntary declaration made by the Group, on 29 October 2019, the Central Court of Instruction No. 2 of the National Court issued an Order in which it is stated that "based on the documentation corresponding to the proceedings, as stated by the Public Prosecutor's Office, and as reported in the second plea of fact of this resolution, there appear to be rational indications of the participation of FCC Construcción, S.A., FCC Construcción América, S.A. and Construcciones Hospitalarias, S.A. in the alleged facts that, notwithstanding their classification at the corresponding time, could constitute offences of corruption in international transactions, provided for and punished under Art. 286 ter of the Criminal Code and money laundering, provided for and punished under Art. 301 and 302.2 of the Criminal Code" agreeing for FCC Construcción, S.A. to be investigated as part of Preliminary Proceedings 34/2017 as well as two of its subsidiaries, FCC Construcción América, S.A. and Construcciones Hospitalarias, S.A.

The case is still in the investigation period, without us being able to determine at this time what type of charges could be filed, if any. It should be noted that during 2023, the UCO (Central Operational Unit of the Civil Guard) issued a report, referred to in various press articles, in which other amounts

differing from than those reported by Fomento de Construcciones y Contratas, S.A. are mentioned, although it must be noted that these reports refer to behaviours conduct and sums of money that cannot all be attributed to the Group. These actions may therefore have a financial impact on these companies, although we do not have the information needed to qualify this impact.

On 6 July 2022, the National Markets and Competition Commission issued a resolution imposing a sanction on several construction companies, including FCC Construcción, S.A. for sharing the costs of technical work to verify objective data in relation to public works tenders. The Group considers that the sanctioned conduct not only fails to infringe any precept (including those contained in the competition law) but that this conduct has also contributed to greater efficiency and cost savings in tenders. For these and other reasons, it filed the corresponding contentious-administrative appeal before the National Court, which is still being heard. Furthermore, it asked said court to grant a precautionary measure for the suspension of the payment of the fine imposed by the CNMC until a final court ruling is handed down on this matter. This request was upheld. Therefore, it has been considered that, although this sanction may result in cash outflows, at present and given the situation we cannot estimate the corresponding amount and payment schedule.

The sale of 24.99% of the stake in FCC Servicios Medio Ambiente Holding, S.A. to Canadian pension fund CPP Investments (Note 4) includes an indemnity clause that could lead to future cash outflows on the cash flows generated by certain assets included within the scope of the sale. The Group has estimated the amount of its likely obligations in this regard and has recognised, where appropriate, the corresponding provision (Note 19).

Additionally, the 2018 agreement for the sale of the 49% FCC Aqualia holding envisages certain variable prices that depend on the resolution of contingent proceedings. The Group therefore recognised, at 31 December 2024, an asset reflecting the fair value of the contingent amount expected to be collected in relation to financial year 2024 (note 27.g). Meanwhile, it has not recognised liabilities for the claims that may arise against its interests as it is not considered probable that significant losses will be incurred and the amount is not material in relation to the price of the transaction.

Also, as part of the aforementioned sales transaction, FCC Topco s.a.r.l. and its subsidiary FCC Midco, S.A. were constituted, contributing shares representing 10% of the Group's shares in FCC Aqualia to the latter. Half these shares have been pledged as a guarantee of certain obligations assumed by the Group before FCC Aqualia, mainly in relation to the repayment of the loan that the latter has granted to the parent company of the Group for the amount of 806,479 thousand euros at 31 December 2024. At the date of authorisation for issue of these consolidated abridged half-year financial statements, the Group believes that there is no risk that these guarantees will be enforced.

The Group is involved in other lawsuits and legal procedures aside from those already described that it considers will not generate significant cash outflows.

The shareholding of Group companies in jointly controlled operations managed through joint ventures, joint ownership, participation accounts and other entities of similar legal characteristics means that participants must share joint and several liability with respect to the activity carried on.

In relation to the guarantees received, it should be noted, in general, that the Group only receives guarantees in relation to amounts paid as advances for the purchase of highly specialised equipment that has been ordered, mainly in the Construction and Water segments, for a non-significant amount as a whole. The Group has not obtained any significant assets as a result of the guarantees enforced in its favour or released.

27. INCOME AND EXPENSES

a) Operating income

The Group records operating income under “Net turnover”, including interest income from the concession financial model collection rights under IFRIC 12 amounting to 79,200 thousand euros at 31 December 2024 (58,006 thousand euros at 31 December 2023), except for work on own property, plant and equipment and other operating income. The difference between these two years can mainly be attributed to the income generated by the Gloucester and Mercia plants following the takeover of the Urbaser group (note 4) amounting to 16,166 thousand euros.

Note 28 “Information by activity segments” shows the contribution of the business segments to consolidated net turnover.

Operating income of 37,064 thousand euros (20,948 thousand euros at 31 December 2023), mainly in the Construction and Environmental Services segments, has been recognised in 2024 from performance obligations satisfied or partially satisfied in prior years.

During 2024, €376,708 thousand (at 31 December 2023: €307,626 thousand) previously recognised as customer advances and pre-certified work (notes 16 and 22), which were recognised as revenue under “Trade and other payables”, mainly in the Construction segment, have been recognised under liabilities.

The breakdown of the other operating income for 2024 and 2023 is as follows:

	2024	2023
Income from sundry services	118,339	111,056
Reimbursement from insurance compensation	3,880	4,379
Grants related to income	57,048	42,543
Other income	145,028	73,132
	324,295	231,110

“Income from sundry services” mainly includes additional services derived from construction contracts or provision of services not included in the main contracts and income derived from the provision of technical assistance to entities accounted for using the equity method. “Other income” mainly includes surplus provisions and income from leases when the Group acts as lessor in operating leases. The increase in “Other income” can mainly be attributed to the reversal of provisions made during 2024 for the sum of 142,648 thousand euros due to the disappearance of the risks they covered (70,470 thousand euros in 2023).

At year-end 2024, based on outstanding contracts, the Group estimated that it had outstanding performance obligations primarily for services rendered in the Environmental and Water Services segment and arising from construction agreements mainly in the Construction and Water segments amounting to €43,043,879 thousand (€41,484,908 thousand at year-end 2023) which it expects to recognise as revenue in accordance with the following schedule:

	up to 1 year	2 to 5 years	beyond 5 years	Total
Environmental Services	2,197,317	5,779,719	6,133,393	14,110,429
Construction	2,750,236	3,618,194	-	6,368,430
Integrated Water Management	1,762,752	8,429,840	12,372,428	22,565,020
	6,710,305	17,827,753	18,505,821	43,043,879

b) Supplies

The breakdown of the balance of supplies and other external expenses as at 31 December 2024 and 2023 is as follows:

	2024	2023
Subcontracting and work performed by other companies	2,339,778	2,064,471
Purchases and procurements	1,395,837	1,277,448
	3,735,615	3,341,919

c) Staff costs

Below is a breakdown of staff expenses for 2024 and 2023:

	2024	2023
Wages and salaries	2,052,784	1,822,999
Social security contributions	571,294	520,442
Other staff costs	79,029	60,059
	2,703,107	2,403,500

Below, the average number of employees and their distribution by functional level and gender in 2024 and 2023 was as follows:

	2024	2023
Governance and Management	517	509
Supervisors	4,923	4,674
Technical staff	7,093	6,721
Administrative staff	3,056	2,946
Sundry trades	54,641	51,537
	70,230	66,387
	2024	2023
Men	54,186	51,486
Women	16,044	14,901
	70,230	66,387

The number of employees and their distribution by functional level and gender at 31 December 2024 and 2023 was as follows:

	2024	2023
Governance and Management	460	507
Supervisors	5,015	4,812
Technical staff	6,854	7,055
Administrative staff	2,924	2,981
Sundry trades	56,118	51,735
	71,371	67,090
	2024	2023
Men	54,414	52,016
Women	16,957	15,074
	71,371	67,090

d) Impairment and gains/(losses) on disposal of fixed assets

The breakdown of the balance of the Impairment and gains/(losses) on disposal of fixed assets in the years 2024 and 2023 is as follows:

	2024	2023
Result acquisition 100% Concesionaria de Parla S.A. (Note 4)	41,178	-
Depreciation and amortisation of other property, plant and equipment and intangible assets (endowment) / reversal (notes 7 and 8)	(26,689)	6,902
Profit/(loss) from disposals of other tangible and intangible assets	2,343	(1,007)
Changes in fair value of investment property (note 9)	640	-
Other concepts	(2,436)	17
	15,036	5,912

In 2024, the gains of 41,178 thousand euros are worth particular mention as regards the acquisition of 100% of Tranvía de Parla, S.A., as the consideration paid was lower than the fair value of the assets acquired (note 4).

Also noteworthy in 2024 was the impairment of fixed and non-current assets recognised in the Environmental Services activity in the United Kingdom for the sum of 24,308 thousand euros.

e) Other gains/(losses)

In 2024, the allocation of current provisions for obligations arising from waste classification in the Environment activity in the United Kingdom is worth particular mention (note 19).

f) Financial income and financial expenses

The breakdown of the financial income, according to the assets that generate said income, in 2024 and 2023 is as follows:

	2024	2023
Financial assets at fair value with changes in other comprehensive income	3,192	7,560
Financial assets at amortised cost	71,201	62,061
Other financial income	7,636	8,136
	82,029	77,757

The breakdown of financial expenses in 2024 and 2023 is as follows:

	2024	2023
Debt instruments and other marketable securities	84,630	50,571
Credits and loans	95,910	77,466
Debts with limited recourse for project financing	23,828	16,131
Creditors from leases	14,551	12,638
Financial update of provisions and other liabilities	34,395	27,368
Other financial expenses	10,805	12,275
	264,119	196,449

The increase in financial expenses in 2023 can mainly be attributed to the general increase in the interest rates applied to the Group's financial debt; worth particular mention is the increase seen in end-to-end water management activity (note 20) and the increase in debt as a result of additions to the perimeter (note 4).

g) Other financial profit/(loss)

The breakdown of other financial expenses in 2024 and 2023 is as follows:

	2024	2023
Change in fair value of current financial instruments	35,170	(119)
Exchange differences	(7,431)	(19,976)
Impairment and profits/losses on disposal of financial Instruments	329	2,647
	28,068	(17,448)

In 2024, the "Changes in the fair value of financial instruments" heading included income amounting to 33,738 thousand euros under the agreement to terminate the Global Vía Infraestructuras, S.A. share sale and purchase agreement, as part of the price adjustment for the "Excluded Companies" and "Excluded Companies Amount" (i.e. companies excluded from the scope of the sale and the economic returns from such companies); and, income amounting to 6,958 thousand euros from the adjustment made to the selling price of the company FCC Aqualia, S.A., as the agreement to sell 49% of this company, formalised in 2018, includes a contingent price clause (note 26).

Furthermore, in 2024, negative exchange rate differences amounting to 7,431 thousand euros (19,976 thousand euros of negative exchange rate differences in 2023) are worth mention, mainly attributable to the depreciation of the Mexican peso.

The amount of this heading is shown in the accompanying consolidated statement of cash flows under the heading "Other adjustments of profit/(loss) (net)".

h) Profit/(loss) of entities valued using the equity method

The breakdown for this heading is as follows:

	2024	2023
Profits/(losses) for the year (Note 12)	50,163	25,208
Joint ventures	16,515	17,948
Associates	33,648	7,260
Profit/(loss) on disposals and other	(36,921)	17,196
	13,242	42,404

In 2024, “Gains/losses on disposals and other” included the following results recognised by the FCC PFI Holdings (UK) Group:

- impairment due to the delay and increased costs of investment in the Lostock plant for the sum of 48,134 thousand euros (note 12).
- gains of 17,111 thousand euros from the fair value of the interest previously held by the Group before the business combination of Beacon Waste Limited, Mercia Waste Management Ltd. and Severn Waste Limited, in which Environmental Services held a 50% stake and which are now fully consolidated following the acquisition of the subsidiary of Urbaser in the United Kingdom, which owned the remaining 50% (notes 2 and 12).
- losses due to the allocation to profit/(loss) of the valuation adjustments contributed by the companies indicated above at the time of their change in consolidation method for the sum of 3,198 thousand euros (notes 2, 12 and 18).

In 2023, “Gains/losses on disposals and other” included the gains on the sale of the holding in Constructora Nuevo Necaxa Tihuatlán, S.A. de C.V., which generated pre-tax profit of 17,197 thousand euros, including 4,952 thousand euros of valuation adjustments contributed by said company allocated to profit/(loss).

i) Profit/(loss) for the business year from interrupted operations after tax

In May 2024, as a result of the proposed partial financial spin-off of the Cement and Real Estate activities approved by Board of Directors of Fomento de Construcciones y Contratas, S.A., all amounts on the income statement corresponding to these activities up to the time of completion of the spin-off were reclassified to “Profit/(loss) for the business year from interrupted operations after tax”.

The income statement for 2023 has also been reformulated to include the consolidated profit/(loss) contributed by these activities in 2023 under “Profit/(loss) for the business year from interrupted operations after tax” (note 5).

This heading includes the following amounts in 2024 as well as others:

- Gains of 3,758 thousand euros due to the change in the fair value of investment property (note 9).

In 2023, this heading also included the following amounts:

- Losses of 49,037 thousand euros due to the change in the fair value of investment property (note 9).
- Gains of 24,824 thousand euros as a result of a final ruling in relation to the expropriation of land previously owned by Cementos Portland Valderrivas, S.A. in the province of Madrid.
- Gains for the amount of 142,413 thousand euros, due to the difference between the fair value of the net assets and the market value of the investment in Metrovacesa, S.A. (notes 4 y and 12), following the December 2023 acquisition of an additional 3.99% holding from Control Empresarial de Capitales, S.A. de C.V., and 1.95% from Soinmob Inmobiliaria Española, S.A.U., which had previously been accounted for at fair value charged to reserves, with it now being consolidated using the equity method having achieved significant influence.

j) Profit attributable to non-controlling interests

The breakdown of this heading by activity segments was as follows (note 28):

	2024	2023
Environmental Services	35,866	36,519
Integrated Water Management	80,690	72,811
Construction	(997)	329
Cement	2,639	2,749
Real Estate	18,519	40,192
Concessions	673	579
Eliminations	329	-
Total Group	137,719	153,179

The decrease in the amount recognised in 2024 compared to the previous year in the Real Estate segment can be attributed to the better result contributed by this activity in 2023 (mainly due to the gains of 142,413 thousand euros, on account of the difference between the fair value of the net assets of Metrovacesa, S.A. and the market value of the investment prior to its inclusion in the scope of consolidation, as indicated in section i) of this note). Also, the figures for 2024 only include the gains/(losses) contributed by the minority interests in the Cement and Real Estate activities up to the time at which the partial financial spin-off was completed.

28. INFORMATION BY ACTIVITY SEGMENTS

a) Activity segments

The activity segments presented coincide with the business areas, as described in Note 1. The information for each segment, reflected in the tables presented below, has been prepared in line with the management criteria established internally by the Group's management, which are consistent with the accounting policies adopted to prepare and present the Group's consolidated financial statements.

As a result of the partial financial spin-off of the Cement and Real Estate activities giving rise to the creation of the Inmocermento Group (note 2), the gains/(losses) corresponding to these segments prior to the date of completion of the operation are recognised under "Profit/(loss) for the business year from interrupted operations after tax". Also included are the total cash flows from operating, investing and financing activities up until the same date. In addition, the "Cash and cash equivalents" of these activities at the time that the spin-off was completed is written off under cash flows from investing activities (note 5).

The "Corporation" column includes the activity of the functional areas that carry out support tasks for operations and the operation of those companies whose management is not assigned to any of the business areas.

"Eliminations" includes the elimination of operations between different activity segments.

Income statement by segments

In particular, the information reflected in the following tables includes, as profit/(loss) for 2024 and 2023:

- All operating income and expenses of subsidiaries and joint management contracts that correspond to the activities carried out by the segment.
- Interest income and expenses generated on the segment's assets and liabilities, dividends and profits and losses on the sale of the segment's financial investments.
- The share in the profits/(loss) of companies accounted for using the equity method.
- Corporate income tax payable corresponding to the transactions carried out by each segment.

2024	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Real Estate	Concessions	Corporation	Eliminations
Net business turnover	9,071,416	4,346,282	1,674,657	2,991,342	-	-	77,845	63,766	(82,476)
<i>External customers</i>	9,071,416	4,333,624	1,674,523	2,984,829	-	-	77,845	595	-
<i>From transactions with other segments</i>	-	12,658	134	6,513	-	-	-	63,171	(82,476)
Other income	393,099	109,671	100,101	153,508	-	-	9,843	71,366	(51,390)
<i>External customers</i>	393,099	107,900	98,599	153,437	-	-	9,843	23,320	-
<i>From transactions with other segments</i>	-	1,771	1,502	71	-	-	-	48,046	(51,390)
Operating expenses	(8,029,231)	(3,724,319)	(1,349,326)	(2,975,116)	-	-	(32,316)	(82,784)	134,630
Amortisation of fixed and non-current assets and allocation of grants for non-financial and other assets	(635,409)	(372,299)	(183,131)	(48,307)	-	-	(15,207)	(16,652)	187
Other operating income/(losses)	(74,464)	(115,926)	(141)	1,832	-	-	39,098	757	(84)
Operating profit/(loss)	725,411	243,409	242,160	123,259	-	-	79,263	36,453	867
<i>Percentage of revenue</i>	8.00%	5.60%	14.46%	4.12%	-	-	101.82%	57.17%	(1.05%)
Financial income	82,029	26,673	44,455	21,088	-	-	6,564	50,214	(66,965)
Financial expenses	(264,119)	(151,891)	(108,357)	(1,889)	-	-	(10,373)	(34,982)	43,373
Other financial profit/(loss)	28,068	3,846	(10,476)	1,460	-	-	204	191,388	(158,354)
Profit/(loss) of companies accounted for using the equity method	13,242	218	3,201	(675)	-	-	8,113	2,248	137
Profit/(loss) before tax from continuing operations	584,631	122,255	170,983	143,243	-	-	83,771	245,321	(180,942)
Corporation tax	(153,170)	(60,992)	(32,804)	(43,983)	-	-	(6,793)	(8,603)	5
Profit/(loss) for the business year from continuing operations	431,461	61,263	138,179	99,260	-	-	76,978	236,718	(180,937)
Profit/(loss) for the business year from interrupted operations after tax	136,123	-	-	-	92,716	57,739	-	-	(14,332)
Consolidated profit/(loss) for the business year	567,584	61,263	138,179	99,260	92,716	57,739	76,978	236,718	(195,269)
Non-controlling interests	137,719	35,866	80,690	(997)	2,639	18,519	673	-	329
Profit/(loss) attributable to the Parent Company	429,865	25,397	57,489	100,257	90,077	39,220	76,305	236,718	(195,598)

2023	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Real Estate	Concessions	Corporation	Eliminations
Net business turnover	8,217,292	3,853,241	1,487,402	2,823,090	-	-	61,592	68,711	(76,744)
<i>External customers</i>	8,217,292	3,849,525	1,485,619	2,812,723	-	-	61,592	7,833	-
<i>From transactions with other segments</i>	-	3,716	1,783	10,367	-	-	-	60,878	(76,744)
Other income	317,518	131,441	84,745	88,500	-	-	8,609	47,149	(42,926)
<i>External customers</i>	317,518	130,370	83,057	91,629	-	-	8,607	3,855	-
<i>From transactions with other segments</i>	-	1,071	1,688	(3,129)	-	-	2	43,294	(42,926)
Operating expenses	(7,249,625)	(3,338,000)	(1,187,872)	(2,742,167)	-	-	(24,546)	(78,296)	121,256
Amortisation of fixed and non-current assets and allocation of grants for non-financial and other assets	(556,103)	(305,843)	(165,439)	(51,272)	-	-	(15,161)	(18,960)	572
Other operating income/(losses)	(3,228)	(6,752)	(2,510)	266	-	-	64,544	32	(58,808)
Operating profit/(loss)	725,854	334,087	216,326	118,417	-	-	95,038	18,636	(56,650)
<i>Percentage of revenue</i>	8.83%	8.67%	14.54%	4.19%	-	-	154.30%	27.12%	73.82%
Financial income	77,757	28,458	39,517	25,001	-	-	3,968	39,798	(58,985)
Financial expenses	(196,449)	(90,981)	(91,394)	(2,737)	-	-	(9,839)	(43,851)	42,353
Other financial profit/(loss)	(17,448)	(441)	6,206	(22,746)	-	-	171	1,150,787	(1,151,425)
Profit/(loss) of companies accounted for using the equity method	42,404	22,289	1,584	9,274	-	-	6,980	2,125	152
Profit/(loss) before tax from continuing operations	632,118	293,412	172,239	127,209	-	-	96,318	1,167,495	(1,224,555)
Corporation tax	(154,060)	(72,182)	(45,261)	(19,465)	-	-	(12,281)	(15,951)	11,080
Profit/(loss) for the business year from continuing operations	478,058	221,230	126,978	107,744	-	-	84,037	1,151,544	(1,213,475)
Profit/(loss) for the business year from interrupted operations after tax	264,181	-	-	-	90,397	177,780	-	-	(3,996)
Consolidated profit/(loss) for the business year	742,239	221,230	126,978	107,744	90,397	177,780	84,037	1,151,544	(1,217,471)
Non-controlling interests	153,179	36,519	72,811	329	2,749	40,192	579	-	-
Profit/(loss) attributable to the Parent Company	589,060	184,711	54,167	107,415	87,648	137,588	83,458	1,151,544	(1,217,471)

The contribution of the “Corporation” segment to the results of the FCC Group mainly includes the billing of the support services provided to the rest of the Group's activities under “Revenue”, the impairment of the investments on the parent companies' shares from the other segments, as well as dividends distributed by group companies that are subsidiaries of the Group's parent company, the financial expenses billed by other group companies as a result of intra-group loans granted to the parent company by other subsidiaries and the financial income billed to other group companies as a result of intra-group loans granted by the parent company to other subsidiaries. All these concepts, as transactions with Group companies, are eliminated as shown under “Eliminations”. Also included are the financial expenses for debts with credit institutions detailed in note 20.

In 2023, “Other financial profit/(loss)” in Corporation included the profit generated on the sale of the 24.99% holding in FCC Servicios Medio Ambiente Holding, S.A. (note 4) for the amount of 888,779 thousand euros for the difference between the cost of this holding and its sale price net of the expenses inherent to the operation. This profit was removed from the eliminations column as for the Group as a whole, this was booked as an equity transaction taken to reserves (notes 4 and 18).

Balance sheet by segments

2024	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Real Estate	Concessions	Corporation	Eliminations
ASSETS									
Non-current assets	8,511,759	4,555,655	3,304,790	655,441	-	-	633,910	3,013,514	(3,651,551)
Intangible assets	2,645,029	1,374,397	951,086	78,400	-	-	293,158	4,372	(56,384)
Additions	124,788	78,165	44,682	546	87	14	-	1,338	(44)
Property, plant and equipment	3,771,499	2,256,393	1,155,833	219,729	-	-	82	156,352	(16,890)
Additions	771,715	496,839	171,611	89,348	10,905	32	27	2,953	-
Investment property	3,885	-	3,885	-	-	-	-	-	-
Additions	1,404	-	26	-	-	1,378	-	-	-
Investments accounted for using the equity method	520,695	275,055	43,407	46,189	-	-	143,576	12,025	443
Non-current financial assets	1,070,765	595,539	1,101,637	3,464	-	-	172,610	2,737,477	(3,539,962)
Deferred tax assets	499,886	54,271	48,942	307,659	-	-	24,484	103,288	(38,758)
Current assets	5,724,200	1,994,334	1,122,248	2,589,381	-	-	235,626	267,483	(484,872)
Inventories	423,728	88,096	63,529	271,011	-	-	1,017	253	(178)
Trade and other receivables	3,124,006	1,255,181	624,221	1,140,838	-	-	21,600	115,983	(33,817)
Other current financial assets	256,698	83,045	81,026	369,704	-	-	148,004	25,796	(450,877)
Other current assets	70,151	35,179	10,170	24,324	-	-	478	-	-
Cash and cash equivalents	1,849,617	532,833	343,302	783,504	-	-	64,527	125,451	-
Total assets	14,235,959	6,549,989	4,427,038	3,244,822	-	-	869,536	3,280,997	(4,136,423)
LIABILITIES									
Equity	3,736,019	1,188,504	1,103,333	1,465,461	-	-	589,603	1,769,563	(2,380,445)
Non-current liabilities	6,971,110	4,193,670	2,576,606	258,229	-	-	216,545	996,277	(1,270,217)
Grants	243,439	3,851	91,661	-	-	-	147,927	-	-
Non-current provisions	1,085,436	624,379	186,102	171,327	-	-	49,747	53,881	-
Non-current financial liabilities	5,224,583	3,238,142	2,218,396	53,472	-	-	423	941,497	(1,227,347)
Deferred tax liabilities	256,439	195,703	60,699	33,430	-	-	8,578	899	(42,870)
Other non-current liabilities	161,213	131,595	19,748	-	-	-	9,870	-	-
Current liabilities	3,528,830	1,167,815	747,099	1,521,132	-	-	63,388	515,157	(485,761)
Current provisions	275,017	83,987	17,102	153,858	-	-	973	19,097	-
Current financial liabilities	526,872	320,139	129,775	28,641	-	-	50,942	442,609	(445,234)
Trade and other payables	2,726,941	768,448	600,222	1,361,133	-	-	11,473	25,963	(40,298)
Internal relations	-	(4,759)	-	(22,500)	-	-	-	27,488	(229)
Total liabilities	14,235,959	6,549,989	4,427,038	3,244,822	-	-	869,536	3,280,997	(4,136,423)

2023	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Real Estate	Concessions	Corporation	Eliminations
ASSETS									
Non-current assets	10,657,638	3,410,763	3,316,253	719,482	816,330	2,566,979	654,698	4,089,667	(4,916,534)
Intangible assets	2,476,997	920,151	1,022,159	78,683	148,924	74	358,979	4,366	(56,339)
<i>Additions</i>	<i>68,750</i>	<i>13,011</i>	<i>34,759</i>	<i>709</i>	<i>428</i>	<i>54</i>	<i>18,650</i>	<i>1,139</i>	-
Property, plant and equipment	3,838,254	1,952,711	1,072,682	183,525	477,413	631	3,585	168,768	(21,061)
<i>Additions</i>	<i>843,720</i>	<i>530,419</i>	<i>184,426</i>	<i>85,355</i>	<i>41,691</i>	<i>155</i>	<i>297</i>	<i>3,308</i>	<i>(1,931)</i>
Investment property	2,091,328	-	3,150	-	-	2,088,178	-	-	-
<i>Additions</i>	<i>17,778</i>	-	<i>832</i>	-	-	<i>16,946</i>	-	-	-
Investments accounted for using the equity method	1,034,288	233,202	47,006	43,328	132,376	441,970	123,044	12,996	366
Non-current financial assets	748,425	245,660	1,127,778	104,736	4,148	14,951	144,669	3,781,563	(4,675,080)
Deferred tax assets	468,346	59,039	43,478	309,210	53,469	21,175	24,421	121,974	(164,420)
Current assets	6,062,014	1,696,939	961,866	2,395,120	231,513	822,261	65,129	627,017	(737,831)
Inventories	1,234,338	87,211	51,838	276,578	103,281	718,209	1,228	275	(4,282)
Trade and other receivables	2,886,531	1,095,822	530,853	1,099,145	110,704	21,394	9,601	60,087	(41,075)
Other current financial assets	260,545	87,489	68,025	340,166	11,270	17,029	28,834	400,206	(692,474)
Other current assets	70,897	29,824	7,636	27,338	1,493	4,174	431	1	-
Cash and cash equivalents	1,609,703	396,593	303,514	651,893	4,765	61,455	25,035	166,448	-
Total assets	16,719,652	5,107,702	4,278,119	3,114,602	1,047,843	3,389,240	719,827	4,716,684	(5,654,365)
LIABILITIES									
Equity	6,142,472	1,099,025	1,025,904	1,288,677	679,274	1,981,723	267,697	3,214,236	(3,414,064)
Non-current liabilities	6,713,751	2,884,611	2,395,315	243,008	244,000	894,525	381,913	1,175,175	(1,504,796)
Grants	226,624	4,285	47,282	-	610	-	174,447	-	-
Non-current provisions	1,230,595	561,787	236,724	193,518	36,817	26,399	54,870	120,480	-
Non-current financial liabilities	4,817,034	2,052,887	2,020,383	23,354	142,214	713,866	146,796	1,053,774	(1,336,240)
Deferred tax liabilities	289,611	134,249	72,442	26,136	64,359	154,260	5,800	921	(168,556)
Other non-current liabilities	149,887	131,403	18,484	-	-	-	-	-	-
Current liabilities	3,863,429	1,124,066	856,900	1,582,917	124,569	512,992	70,217	327,273	(735,505)
Current provisions	159,610	4,992	17,659	127,695	3,357	2,903	1,065	1,939	-
Current financial liabilities	926,771	477,854	279,759	23,898	47,345	419,635	55,498	298,983	(676,201)
Trade and other payables	2,777,048	646,279	559,482	1,431,324	73,867	90,454	13,654	21,066	(59,078)
Internal relations	-	(5,059)	-	-	-	-	-	5,285	(226)
Total liabilities	16,719,652	5,107,702	4,278,119	3,114,602	1,047,843	3,389,240	719,827	4,716,684	(5,654,365)

Cash flows by segment

	Total Group	Environmental Services	Integrated Water Management	Construction	Cement	Real Estate	Concessions	Corporation	Eliminations
2024									
Operating activities	1,277,947	649,867	332,421	(19,849)	123,557	139,919	37,724	42,100	(27,792)
Investment activities	(1,295,403)	(939,300)	(244,018)	(33,823)	(33,359)	(88,966)	102,148	(129,421)	71,336
Financing activities	234,720	416,218	(48,011)	170,275	(95,171)	(112,409)	(99,701)	47,063	(43,544)
Other cash flows	22,650	9,455	(603)	15,008	207	1	(679)	(739)	-
Cash flows for the business year	239,914	136,240	39,789	131,611	(4,766)	(61,455)	39,492	(40,997)	-
2023									
Operating activities	785,385	400,444	257,296	(262,273)	124,451	155,670	33,916	63,668	12,213
Investment activities	(962,436)	(527,502)	(174,151)	56,068	(100,235)	(81,749)	87,095	(243,123)	21,161
Financing activities	210,259	57,992	(30,285)	83,767	(25,969)	(61,862)	(114,344)	334,334	(33,374)
Other cash flows	957	2,122	4,247	(4,253)	(793)	(2)	305	(669)	-
Cash flows for the year	34,165	(66,944)	57,107	(126,691)	(2,546)	12,057	6,972	154,210	-

b) Activities and investments by geographic markets

The Group performs approximately 51% of its activity abroad (49% in 2023).

The Revenue realised abroad by the Group companies for the business years 2024 and 2023 is distributed among the following markets:

	Total Group	Environmental Services	Integrated Water Management	Construction	Concessions	Corporation	Eliminations
2024							
United Kingdom	1,184,522	923,627	-	261,626	-	-	(731)
Czech Republic	435,043	279,953	155,088	2	-	-	-
Georgia	99,367	-	99,367	-	-	-	-
Rest of Europe and Others	1,195,651	467,220	112,481	621,265	3,268	-	(8,583)
USA and Canada	821,144	384,152	86,549	350,443	-	-	-
Latin America	440,682	-	109,369	327,447	3,866	-	-
Middle East, Africa and Australia	427,018	-	167,531	259,487	-	-	-
	4,603,427	2,054,952	730,385	1,820,270	7,134	-	(9,314)
2023							
United Kingdom	1,024,406	778,736	-	249,949	-	-	(4,279)
Czech Republic	413,737	265,689	148,048	-	-	-	-
Georgia	79,240	-	79,240	-	-	-	-
Rest of Europe and Others	938,426	370,977	115,000	445,178	-	7,271	-
USA and Canada	588,865	351,562	-	237,303	-	-	-
Latin America	676,989	-	91,276	581,846	3,867	-	-
Middle East, Africa and Australia	333,742	-	134,667	200,760	-	-	(1,685)
	4,055,405	1,766,964	568,231	1,715,036	3,867	7,271	(5,964)

The following items included in the accompanying financial statements are shown below by geographical areas:

	Total Group	Spain	United Kingdom	Georgia	Czech Republic	Rest of Europe and Others	United States of America and Canada	Latin America	Middle East, Africa and Australia
2024									
ASSETS									
Intangible assets	2,645,029	1,028,238	731,233	858	2,157	383,091	162,380	305,174	31,898
Property, plant and equipment	3,771,499	1,433,197	568,002	516,907	335,657	460,899	413,476	36,645	6,716
Investment property	3,885	-	-	3,885	-	-	-	-	-
Deferred tax assets	499,886	437,754	-	-	6,196	14,891	6,543	30,202	4,300
2023									
ASSETS									
Intangible assets	2,476,997	1,172,955	455,196	664	2,133	280,323	153,664	378,125	33,937
Property, plant and equipment	3,838,254	1,761,438	532,068	463,786	339,984	410,028	269,413	38,484	23,053
Investment property	2,091,328	2,088,178	-	3,150	-	-	-	-	-
Deferred tax assets	468,346	409,898	7,919	-	5,551	15,149	-	25,145	4,684

c) Personnel

The average number of people employed in 2024 and 2023 by business areas is as follows:

	2024	2023
Environmental Services	47,849	44,565
Integrated Water Management	13,991	13,186
Construction	6,901	7,014
Cement	908	1,073
Real Estate	80	96
Concessions	202	157
Corporation	299	296
	70,230	66,387

29. ENVIRONMENTAL INFORMATION

The Corporate Responsibility Master Plan contains the environmental policy, enhancing the socially responsible commitment as part of the strategy of the FCC Group, which is highly involved in environmental services.

The FCC Group carries out its activities on the basis of business commitment and responsibility, compliance with applicable legal requirements, respect for the relationship with its stakeholders and its ambition to generate wealth and social well-being.

Aware of the importance of preserving the environment and using available resources responsibly, and in line with its vocation to serve through activities with a clear environmental focus, the FCC Group promotes and enhances the following principles, on which its contribution to sustainable development is based, throughout the organisation:

Continuous improvement

Promote environmental excellence by establishing objectives for the continuous improvement of performance, minimising the negative impacts of the FCC Group's processes, products and services, and enhancing the positive impacts.

Monitoring and control

Establish environmental indicator management systems for the operational control of processes, which provide the necessary knowledge for the monitoring, evaluation, decision-making and communication of the FCC Group's environmental performance and compliance with the commitments undertaken.

Climate change and pollution prevention

Lead the fight against climate change through the implementation of processes with lower greenhouse gas emissions, and by promoting energy efficiency and renewable energies.

Preventing pollution and protecting the natural environment through the responsible management and consumption of natural resources and by minimising the impact of emissions, discharges and waste generated and managed by the FCC Group's activities.

Observation of the environment and innovation

Identify the risks and opportunities of activities in the face of the changing landscape of the environment in order, among other things, to promote innovation and the application of new technologies, as well as the generation of synergies between the various activities of the FCC Group.

Life cycle of products and services

Enhance environmental considerations in business planning, procurement of materials and equipment, and relations with suppliers and contractors.

The necessary participation of all parties

Promote the knowledge and application of environmental principles among employees and other stakeholders.

Share experience in the most excellent practices with the different agents in order to promote alternative solutions to those currently in place, which contribute to the achievement of a sustainable environment.

This Environmental Policy is materialised through the implementation of quality management and environmental management systems, as well as follow-up audits, which accredit the FCC Group's performance in this area. Regarding the management of environmental risks, the Group has implemented environmental management systems certified under the ISO 14001 standards, which focus on:

- a) Compliance with applicable regulations and the achievement of environmental objectives that exceed external requirements.
- b) The reduction of environmental impacts through proper planning.
- c) The continuous analysis of risks and possible improvements.

The basic tool to prevent this risk is the environmental plan that each operational unit must prepare and which consists of:

- a) The identification of environmental aspects and applicable legislation.
- b) Impact evaluation criteria.
- c) The measures to be taken.
- d) A system for measuring the objectives achieved.

The very nature of the activity of the Environmental Services Area is aimed at the protection and conservation of the environment, not only through productive activity: (waste collection, road cleaning, operation and control of landfills, sewer cleaning, treatment and disposal of industrial waste, etc.), but also for the development of this activity through the use of production techniques and systems aimed at reducing environmental impact even more meticulously than required by the regulations on these matters.

The development of the production activity of the Environmental Services Area requires the use of buildings, technical installations and specialised machinery that are efficient in protecting and conserving the environment. At 31 December 2024, the acquisition cost of the productive fixed and non-current assets, net of depreciation, of the Environmental Services Area amounted to 3,630,791 thousand euros (2,870,885 thousand euros at 31 December 2023). Environmental provisions, mainly for landfill sealing and closing costs, amount to 516,489 thousand euros (482,546 thousand euros as of 31 December 2023).

The activities carried out by Aqualia are directly linked to the protection of the environment, as the guiding thread of its actions, in collaboration with the different Public Administrations, is the efficient management of the end-to-end water cycle and the search for guarantees for the availability of water resources that allow for the sustainable growth of the populations where it provides its services. One of FCC Aqualia's fundamental objectives is continuous improvement through an Integrated Management System, which includes both the quality management of processes, products and services and environmental management. The main actions carried out are: Water quality control in both collection and distribution, 24-hour service 365 days a year making it possible to fix faults in distribution networks in the shortest possible time, with the consequent saving of water, optimisation of electricity consumption, the elimination of environmental impacts caused by wastewater discharges and the management of energy efficiency in order to reduce the carbon footprint.

Cement companies, subject to the partial financial spin off giving rise to the Inmocermento Group (note 2) have fixed and non-current assets for filtering gases that are discharged into the atmosphere, in addition to meeting the commitments made in the environmental recovery of depleted quarries and applying technologies that contribute to the efficient environmental management of processes. Additionally, major efforts are being made in terms of production and marketing of cements with a higher percentage of additions that reduce the clinker content while maintaining their performance on site, making it possible to reduce the carbon footprint in its main product, cement. Also worth note is the increase in material recovery with greater use of secondary raw materials, increasing the percentage of energy substitution in clinker kilns.

The Construction Area adopts environmental practices in the execution of the works that allow for a respectful action with the environment, minimising its environmental impact by reducing the emission of dust into the atmosphere, controlling the level of noise and vibrations, controlling water discharges with special emphasis on the treatment of fluids generated by the works, the maximum reduction of waste generation, the protection of the biological diversity of animals and plants, protection of the urban environment due to occupation, pollution or loss of soils and the development of specific training programmes for technicians involved in the process of making decisions with an environmental impact, as well as the implementation of an “Environmental performance code” that establishes the requirements for subcontractors and suppliers regarding the protection and defence of the environment.

The Real Estate Area, subject to the partial financial spin-off giving rise to the Inmocemento Group (note 2), in the performance of its normal property development activity gives prominent consideration to their environmental impact when performing its projects and investments. However, it has not been necessary to incorporate systems, equipment or installations for the protection and improvement of the environment into tangible fixed assets.

Nor is it considered that there are no significant contingencies related to the protection and improvement of the environment as at 31 December 2024 that may have a significant impact on the accompanying financial statements.

For more information on the provisions of this note, the reader should refer to the Statement of Non-Financial Information the Group publishes annually, among other channels, on the web page www.fcc.es.

30. FINANCIAL AND NON-FINANCIAL RISK MANAGEMENT POLICIES

The concept of financial risk refers to the changes in the financial instruments arranged by the Group as a result of political, market and other factors and the repercussion thereof on the financial statements. The risk management philosophy of the Group is consistent with their business strategy, and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial and non-financial risk management and control criteria have been established, identifying, measuring, analysing and controlling the risks incurred in the Group’s operations. The risk policy has been integrated into the Group’s organisation in the appropriate manner.

In view of the Group’s activities and the transactions through which it carries on its business, it is currently exposed to the following risks:

a) Capital risk

To manage capital, the main objective of the Group is to reinforce its financial-equity structure, in order to improve the balance between borrowed funds and shareholders’ equity, and the Group endeavours to reduce the cost of capital and, in turn, to preserve its solvency status, in order to continue managing its activities and to maximise shareholder value, not only at Group level, but also at the level of the parent, Fomento de Construcciones y Contratas, S.A.

The fundamental basis that the Group considers as capital is found in the Equity of the balance sheet, which, for the purposes of its management and follow-up, excludes both the “Changes in the fair value of financial instruments” items and the “Conversion differences” item (note 18).

The first of these headings is disregarded for management purposes as it is considered as part of interest rate management, since it is mainly the result of the assessment of instruments that transform floating-rate debt into fixed-rate debt. Conversion differences, meanwhile, are managed within the exchange rate risk.

Given the sector in which it operates, the Group is not subject to external capital requirements, although this does not prevent the frequent monitoring of equity to guarantee a financial structure based on compliance with the prevailing regulations of the countries in which it operates, also analysing the capital structure of each of the subsidiaries to enable an adequate distribution between debt and capital.

The above is reflected in the results of ratios, debt levels and the high percentage classed as Investment grade, mainly in the parent's subsidiaries that account for a large part of the Group's financial debt, such as FCC Aqualia and FCC Servicios Medio Ambiente Holding.

The Economic-Finance Division, as responsible for financial risk management, regularly reviews the debt-equity ratios and compliance with financing covenants, together with the capital structure of the subsidiaries.

b) The FCC Group is exposed to currency exchange risk

A noteworthy consequence of the Group's positioning in international markets is the exposure resulting from net positions in foreign currencies against the euro or in one foreign currency against another when the investment and financing of an activity cannot be arranged in the same currency.

Although the benchmark currency in which the Group mainly operates is the euro, the Group also holds financial assets and liabilities accounted for in currencies other than the euro. Exchange rate risk is mainly found in debt denominated in foreign currency, except when this entails a natural hedge of the assets financed since they are denominated in the same currency, in investments in international markets, and in collections and payments in currencies other than the euro.

The following shows the composition by currencies of the Group's gross debt at 31 December 2024:

	CONSOLIDATED (thousands of euros)							TOTAL
	Euro	Dollar	Pound	Czech Koruna	Rest of Europe non-euro	Latin America	Other	
Gross debt	3,961,748	378,178	628,153	170	61,456	45,571	21,362	5,096,638
Financial assets	(882,599)	(344,495)	(272,034)	(52,035)	(112,401)	(158,967)	(283,700)	(2,106,231)
Total consolidated net indebtedness	3,079,149	33,683	356,119	(51,865)	(50,945)	(113,396)	(262,338)	2,990,407
% Net Debt of the total	103.0%	1.1%	11.9%	(1.7%)	(1.7%)	(3.8%)	(8.8%)	100.0%

Note 17 of these Financial Statements provides a break down of Cash and Equivalents by currency; in this breakdown, we can see how 41.7% is denominated in euros, 18.5% is denominated in US dollars, 13.9% in sterling and 7.6% in Saudi riyals.

The Group's general policy is to mitigate the adverse effect that exposure to the different foreign currencies could have on its financial statements as much as possible, with regard to both transactional and purely equity-related movements. The Group therefore manages the effect that foreign currency risk can have on the balance sheet and the income statement.

A summary table of the sensitivity to exchange rate changes in the translation of foreign currency financial statements in the main currencies in which the Group operates is shown below (note 18):

	10%	
	Profit and Loss	Equity
Pound sterling	(9,638)	32,882
US dollar	1,372	29,142
Georgian lari	1,436	23,900
Algerian dinar	2,470	17,287
Mexican peso	2,617	16,075
Czech koruna	4,564	12,232
Total	2,821	131,518

	-10%	
	Profit and Loss	Equity
Pound sterling	9,638	(32,882)
US dollar	(1,372)	(29,142)
Georgian lari	(1,436)	(23,900)
Algerian dinar	(2,470)	(17,287)
Mexican peso	(2,617)	(16,075)
Czech koruna	(4,564)	(12,232)
Total	(2,821)	(131,518)

The impact on sterling is mainly due to the translation of the net assets corresponding to the investment held in the FCC Environment UK subgroup.

c) The FCC Group is exposed to interest rate risk

The Group is exposed to interest rate fluctuations due to the fact that the Group's financial policy aims to ensure that its current financial assets and debt are partially tied to variable interest rates. The benchmark interest rate for the Group's debt arranged with credit entities in euros is mainly the Euribor.

Any increase in interest rates could give rise to an increase in the Group's financing costs associated with its borrowings at variable interest rates, and could also increase the cost of refinancing the borrowings and the issue of new debt.

In order to ensure a position that is in the best interests of the Group, an interest rate risk management policy is actively implemented, with on-going monitoring of markets and assuming different positions depending primarily on the asset financed.

In addition, within the framework of the policy for managing this risk carried out by the Group, fixed-rate debt issuance operations have been carried out in capital markets together with interest rate hedges and fixed-rate financing, totalling 67.1% of the Group's total gross debt at the end of the year, including hedging on structured project financing.

The following table shows a breakdown of the gross debt of the FCC Group as well as the hedged debt, either because it is a fixed rate debt or through derivatives:

	Total Group	Construction	Environmental Services	Integrated Water Management	Concessions	Corporation
Total Gross External Debt	5,096,638	8,890	2,877,417	2,204,837	330	5,164
Hedging and Financing at fixed rate at 31.12.24	(3,418,988)	(6,132)	(2,350,024)	(1,062,551)	(281)	-
Total variable rate debt	1,677,650	2,758	527,393	1,142,286	49	5,164
Ratio: Variable-rate debt / Gross External Debt at 31.12.24	32.9%	31.0%	18.3%	51.8%	14.8%	100.0%

The following table summarises the effect on the Group's income statement of upward movements in the interest rate curve on gross borrowings, after excluding fixed-rate debt and debt associated with hedging agreements:

	Gross indebtedness		
	+25 pp	+50 bp	+75 pp
Impact on profit or loss	(4,194)	(8,388)	(12,582)

Risk hedging financial derivatives

The financial derivatives contracted by the Group are treated for accounting purposes in accordance with the accounting hedging regulations set out in these financial statements. The main financial risk hedged by the Group through derivative instruments relates to changes in the variable interest rates to which the financing of Group companies is linked. The financial derivatives are measured by experts on the subject using generally accepted methods and techniques. These experts were independent from the Group and the entities financing it.

Sensitivity analyses are carried out periodically with the objective of observing the effect of a possible change in interest rates on the Group's accounts.

In this way, a simulation has been carried out proposing four scenarios of the Euro basic interest rate curve that average around 2.16% in the medium/long term as of December 31, 2024, assuming an increase and reduction of 50 bp and 100 bp.

The amounts in thousands of euros obtained in relation to derivatives outstanding at year-end with an impact on equity (note 23), after applying, where applicable, the percentage of ownership interest, are shown below.

	Hedging derivatives			
	-100 pp	-50 pp	+50 bp	+100bp
Impact on Equity:				
Full consolidation	(17,624)	(8,579)	8,140	15,866
Equity method	(7,526)	(3,613)	3,338	6,425

d) Solvency risk

At 31 December 2024, the net financial indebtedness of the Environmental Services Group contained in the accompanying consolidated balance sheet amounted to 2,990,407 thousand euros as shown in the following table (3,100,106 thousand euros at 31 December 2023):

	2024	2023
Bank borrowings	2,096,770	2,709,929
Debt instruments and other loans	2,835,718	2,107,100
Other interest-bearing financial debt	164,150	148,061
Current financial assets	(256,614)	(255,281)
Treasury and cash equivalents	(1,849,617)	(1,609,703)
Net interest-bearing debt	2,990,407	3,100,106
Net debts with limited recourse	4,051,953	4,001,840
Net indebtedness with recourse	(1,061,546)	(901,734)

Despite the reclassification of the debt of the Cement and Real Estate activities to “Liabilities related to non-current assets held for sale” (note 5) for an amount of 766,398 thousand euros, the Net Debt with limited recourse increased year on year, mainly due to the increase in the indebtedness of the Environmental Services area (note 20).

As more extensively explained in note 20 on Non-current and current financial liabilities, in June 2022 the refinancing in the Water area was completed for the sum of 1,100 million euros. In July 2020, FCC Servicios Medioambiente Holding, S.A. registered, and since then has renewed once a year, a promissory note programme, Euro Commercial Paper Programme (ECP), on the Irish stock exchange, for a amount of 400 million euros and in October 2023 refinanced 600 million euros through a bond and in October 2024 completed the issue of a new bond for the amount of 600 million euros. Fomento de Construcciones y Contratas, S.A. has had a promissory note programme - Euro Commercial Paper Program (ECP) - registered in that same market since November 2018, for an amount of 600 million euros. In 2024, new financing facilities were also renewed and taken out in the form of lines of credit and bilateral loans.

These operations have helped to continue to shore up the financial solvency process and the continuation of the policy of diversifying funding sources. These measures have contributed to achieving a much more robust and efficient capital structure, with suitable volumes, terms and financing costs adapted to the nature of the different business areas.

e) The FCC Group is exposed to liquidity risk

The Group carries out its operations in sectors that require a high level of financing, and has so far obtained adequate financing to carry out its operations. However, the Group cannot guarantee that these circumstances relating to obtaining financing will continue in the future.

The Group's ability to obtain financing depends on many factors, many of which are outside its control.

Historically, the Group has always been able to renew its loan arrangements, and it expects to continue doing so in the coming twelve months. However, FCC Group's ability to renew its financing depends on various factors, many of which are outside the control of the Group, such as general economic conditions, the availability of funds for loans from private investors and financial institutions, and the monetary policy of the markets in which it operates. Negative conditions in debt markets could hinder or prevent Group's capacity to renew its financing. Therefore, the Group cannot guarantee its ability to renew credit agreements and bond issues under economically attractive terms. The inability to renew said financing or to secure it under acceptable terms could have a negative impact on the Group's liquidity and its ability to meet the working capital needs.

To adequately manage this risk, the Group performs exhaustive monitoring of the repayment dates of all credit facilities of each Group company, in order to conclude all renewals in the best market conditions sufficiently in advance, analysing the suitability of the funding and studying alternatives if the conditions are unfavourable on a case-by-case basis. The Group is also present in several markets, which facilitates obtaining credit facilities and mitigating liquidity risk.

The Group's expected schedule of contract maturities in relation to non-current gross external debt, excluding derivatives, at 31 December 2024 is as presented below. Current gross external debt matures in less than twelve months, with no significant differences between its contract maturity and its book value:

2026	2027	2028	2029	2030 and beyond	TOTAL
1,917,624	1,015,292	153,629	1,125,088	1,174,246	5,385,879

Almost the entire amount of the gross financial debt on the balance sheet, amounting to 5,082,254 thousand euros, has no recourse to the parent company, of note being the debt of the End-to-end Water Management segment amounting to 2,204,837 thousand euros, and of the Environmental Services segment amounting to 2,877,417 thousand euros at 31 December 2024.

At 31 December 2024, the Group had working capital of 2,185,370 thousand euros (2,198,585 thousand euros at 31 December 2023).

In order to manage liquidity risk, at 31 December 2024, the Group had 546,075 thousand euros in undrawn bilateral financing lines, and 1,445,724 thousand euros in cash, in addition to the following current financial assets and cash equivalents, whose maturities are shown below:

Thousands of euros	Amount	1-3 months	3-6 months	6-9 months	9-12 months
Other current financial assets	256,614	32,907	18,676	18,615	186,416

Thousands of euros	Amount	1 month	1-2 months	2-3 months
Cash equivalents	403,893	192,801	-	211,092

f) Concentration risk

This is risk arising from the concentration of lending transactions with common characteristics, and it is distributed as follows:

- **Funding sources:** In order to diversify this risk, the Group works with a large number of national and international financial institutions and capital markets to obtain financing.
- **Markets/geography (domestic, foreign):** The Group operates in a wide variety of national and international markets, with the debt mainly concentrated in euros and the rest in various international markets, with different currencies.
- **Products:** The Group uses various financial products: loans, credit facilities, promissory notes and obligations, syndicated loans and discounting, etc.
- **Currency:** The Group is financed through different currencies according to the country of the investment.

The Group's strategic planning process identifies the objectives to be attained in each of the areas of activity, based on the improvements to be implemented, the market opportunities and the level of risk deemed acceptable. This process serves as a base for preparing operating plans that specify the goals to be reached each year.

To mitigate the market risks inherent to each line of business, the Group maintains a diversified position among businesses related to the construction and management of infrastructure, provision of environmental services and end-to-end water management. In the area of geographical diversification, in 2024 the weight of the external activity has been 51% of total sales, with special importance in the activities of Environmental Services and Infrastructure Construction.

g) Credit risk

The provision of services or the acceptance of client engagements, whose financial solvency was not guaranteed at the acceptance date, situations not known or unable to be assessed by the Group and unforeseen circumstances arising during the provision of the service or the execution of the engagement that could affect the client's financial position could generate a payment risk with respect to the amounts owed.

The Group request commercial reports and assess the financial solvency of clients before doing business and perform on-going monitoring, and have put in place a procedure to be adopted in the event of non-payment. In the case of public-sector customers, the Group does not accept commitments that do not have an assigned budget and financial approval. Offers that exceed a specific payment period must be authorised by the Finance Division. Likewise, on-going monitoring is performed of debt delinquency in various management committees.

The maximum level of exposure to credit risk has been calculated, with the breakdown of the amount as at 31 December 2024 and 2023 as shown in the following table:

	2024	2023
Financial credits granted (note 14)	1,505,772	1,092,422
Trade and other receivables (note 16)	3,124,006	2,886,531
Derivative financial assets (note 23)	34,216	30,445
Cash and cash equivalents (Note 17)	1,849,617	1,609,703
Guarantees granted (Note 26)	4,543,201	5,041,504
TOTAL	11,056,812	10,660,605

In general, the Group does not have collateral guarantees or improvements to reduce credit risk or for financial assets or accounts receivable from traffic. Although it should be noted that bonds are requested from subscribers in the case of certain contracts of the Water activity, mostly concessions affecting IFRIC 12, there are also offsetting mechanisms in certain contracts, mostly concessions affecting IFRIC 12 in Water, Environmental Services and Concession activities, making it possible to guarantee the recovery of loans granted to finance early initial fees or investment plans.

With respect to credit quality, the Group applies its best judgement to impair financial assets for which lifetime credit losses are expected to be incurred (note 3.i). The Group regularly analyses changes in the public ratings of the entities to which it is exposed.

h) Risks generated by the Russian invasion of Ukraine

The Group does not undertake activities in Russia, Ukraine or Belarus, meaning that the Russian invasion of Ukraine and the subsequent sanctions have not had a direct effect on its activities. However, it has been exposed to indirect effects such as the increase in the cost of raw materials, in particular the cost of energy and disruption to supply chains.

In view of the above, the Group has reviewed the assumptions used to assess the signs of impairment of its main non-financial assets, considering, among other factors, the increase in reference interest rates, paying special attention to goodwill, and has determined that there is no impairment associated with it (note 7).

Given that the Group does not operate in the aforementioned geographic markets, no significant increase in the credit risk of its financial assets has been seen; therefore, no additional impairments have been recognised beyond those considered inherent to the different activities it performs. Furthermore, no difficulties have been detected in the Group's ability to obtain financing, as reflected by the transactions undertaken over the course of the year. (note 20).

The aforementioned invasion has had a limited impact on the Group, meaning that the consolidated financial statements have been prepared applying the going concern principle, considering that the effects described do not jeopardise the continuity of their activities.

i) Climate change risks

The Group's activities may be impacted by adverse weather conditions, such as floods or other natural disasters, and in some cases by decreases in temperature that may make it difficult, or even impossible in extreme cases, to carry out its activities, such as in the case of severe frost in the construction activity.

The Group takes all appropriate measures to adapt to the effects of climate change and to mitigate its possible effects on its business and fixed assets, as shown by the environmental provisions set aside for this purpose (note 19).

The Group is committed to the decarbonisation of the activities it carries out, for which it uses the most efficient technologies in the fight against climate change and, due to the very nature of some of the activities it carries out, it promotes the circular economy. To achieve these objectives, the Group implements specific policies as part of its activities and performs an analysis and assessment of the physical risks caused by climate change as well as the risks of transitioning towards a low-carbon economy, undertaking a variety of innovative and sustainable initiatives to reduce the impact of its activities on the environment.

The Construction area has an Integrated Policy to analyse environmental incidents, the involvement of the interested parties and the establishment of a plan to reduce the significant impacts of the activities of the works, emphasising the mitigation of the generation of waste, the consumption of resources, the generation of noise and vibrations, promoting the use of sustainable and reusable materials and the sustainable use of water. It has environmental certifications in several of the countries in which it operates, as well as environmental certification according to ISO 14001 at the centres located in Spain at some of its main investees.

The very nature of the Environmental Services Area aims to protect and conserve the environment and contribute to the circular economy by treating waste as a resource, through its reuse and energy recovery. Likewise, it uses technologies and equipment to optimise water consumption, promoting a rational use and the use of water from alternative sources, such as the use of rainwater. As for policies aimed at optimising energy consumption, Spain has an Energy Management System certified in accordance with the ISO 50001 standard and projects for the use of landfill gas to generate electricity and hot water.

In 2021, the Water Area was the first company in the sector to certify the Strategy for the Contribution of the Sustainable Development Goals, by AENOR. Furthermore, the Area has implemented energy management policies with a view to optimising energy consumption at its facilities; this policy is reflected in the calculation of the company's Carbon Footprint at its plants in Spain. The Area has also

implemented policies to reduce greenhouse gas emissions, through the signing of a PPA (Power Purchase Agreement) contract for renewable energies (photovoltaic) and projects to install renewable energy (photovoltaic) at some of its facilities.

The Cement Area, which underwent the partial financial spin-off that gave rise to the Inmocermento Group (Note 2), takes specific actions in response to the needs and circumstances of each facility, its technological, human and economic resources, prevailing legislation, and the expectations of stakeholders. The objectives of such measures are to promote the circular economy and to reduce greenhouse gas emissions by increasing material and energy recovery with a greater use of decarbonised raw materials, recoverable waste and biomass fuels, increasing energy efficiency through the optimisation of the fuel mix and the use of expert systems in the manufacturing process and transition to LED lighting and increasing the mix of renewable energies through solar and/or wind energy facility projects and boosting the consumption of biomass in clinker manufacturing.

Pursuant to the reporting requirements set out in the Taxonomy Regulation (EU) 2020/852, the Group has analysed the proportion of its economic activities that are eligible, and where appropriate, aligned and non-aligned, and ineligible under the Environmental Taxonomy, in terms of business volume, CapEx and OpEx relative to 2024. The Statement of Non-Financial Information that forms part of the Management Report provides greater details about the results and methodology followed in the application of the aforementioned Regulation, in particular specifying how the Group has analysed the climate risks affecting all its activities.

As a result of the above, the Group has prepared its financial statements on a going concern basis, as there are no doubts about the Group's continued existence.

31. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

a) Transactions with directors of the Parent Company and senior executives of the Group

The amounts accrued for fixed and variable remuneration received by the Directors of Fomento de Construcciones y Contratas, S.A. in 2024 and 2023, to be paid by the latter or any of the Group companies, jointly managed or associated, are as follows:

	2024	2023
Fixed remuneration	1,162	966
Other payments	1,711	1,879
	2,873	2,845

The senior executives listed below, who are not members of the Board of Directors, received total remuneration of 2,307 thousand euros during the year (2,180 thousand euros in 2023).

2024

Marcos Bada Gutiérrez	General manager of Internal Audit
Felipe B. García Pérez	General Secretary
Miguel A. Martínez Parra	Managing Director of Administration and Finance
Santiago Lafuente Pérez-Lucas	CEO Aqualia
Iñigo Sáenz Pérez	CEO of FCC Servicios Medio Ambiente

2023

Marcos Bada Gutiérrez	General manager of Internal Audit
Felipe B. García Pérez	General Secretary
Miguel A. Martínez Parra	Managing Director of Administration and Finance
Félix Parra Mediavilla	Managing Director of FCC Aqualia
Jaime Rocha Font	CEO of Cementos Portland Valderrivas

Note 25 “Pension plans and similar obligations” describes the insurance taken out in favour of certain executive directors and directors.

Details of Board members who hold posts at companies in which Fomento de Construcciones y Contratas, S.A. has a direct or indirect ownership interest were as follows:

Name or corporate name of the director	Company name of the Group entity	Position
JUAN RODRÍGUEZ TORRES	FCC AQUALIA, S.A.	DIRECTOR
ALEJANDRO ABOUMRAD GONZÁLEZ	FCC AQUALIA, S.A.	CHAIRMAN
	FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.	CHAIRMAN
PABLO COLIO ABRIL	FCC CONSTRUCCIÓN, S.A.	CHAIRMAN
	FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.	DIRECTOR
	FCC AQUALIA, S.A.	DIRECTOR
GERARDO KURI KAUFMANN	FCC AQUALIA, S.A.	DIRECTOR
	FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.	DIRECTOR

In 2024, no significant transactions were performed entailing a transfer of assets or liabilities between Group companies and their executives and directors.

b) Situations of conflicts of interest

No conflict of interests have been directly or indirectly declared in the interest of Fomento de Construcciones y Contratas, S.A., in accordance with applicable regulations (Article 229 of the Spanish Corporate Enterprises Act), without prejudice to the operations of Fomento de Construcciones y Contratas, S.A. with its related parties reflected in this report or, as the case may be, of the agreements related to remuneration or appointment of positions. In this regard, when specific conflicts of interest have taken place with certain directors, they have been resolved in accordance with the procedure stipulated in the Board of Directors’ Rules, with the directors involved abstaining from the corresponding debates and votes.

c) Operations between Group companies or entities

There are numerous transactions between Group companies that are part of their routine business and that, in any case, are eliminated in the process of preparing the consolidated financial statements.

The turnover of the attached consolidated income statement includes 339,283 thousand euros (309,413 thousand euros in 2023) from Group companies billing associates and joint ventures and other related companies.

Likewise, purchases made from associates, joint ventures and other related companies amounting to 26,176 thousand euros (15,190 thousand euros in 2023) are also included in the Group's consolidated financial statements.

d) Transactions with other related parties

During the year, a number of transactions were approved involving companies in which shareholders of Fomento de Construcciones y Contratas, S.A. own equity interests, the most significant of which were as follows:

- Execution of construction and service provision contracts and other financial transactions between Group companies and investees by other parties related to the controlling shareholder, as follows:

Recipient	Provider	2024	2023
Realia Patrimonio, S.L.U.	FCC Industrial e Infraestructuras Energéticas S.A.U.	1,036	1,047
	FCC Medio Ambiente, S.A.	186	180
	Servicios Especiales de Limpieza, S.A.	466	494
	Fedemes, S.L.	13	28
	Fomento de Construcciones y Contratas, S.A.	1	1
Realia Business, S.A.	FCC Construcción, S.A.	8,481	6,772
	Fomento de Construcciones y Contratas, S.A.	2,677	3,931
	Fedemes, S.L.	69	142
	FCyC, S.A.	-	348
	Residencial Turo del Mar, C.B.	-	6
	Jezzine Uno, S.L.U.	-	15
FCyC, S.A.	FCC Construcción, S.A.	38,436	41,050
	FCC Ambito, S.A.	-	-
	Asesoría Financiera y de Gestión, S.A.	12	9
	Fomento de Construcciones y Contratas, S.A.	8,864	3,899
	Fedemes, S.L.	83	140
	Realia Business, S.A.	-	3,780
Inmocemento, S.A.	Fomento de Construcciones y Contratas, S.A.	262	-
Hermanos Revilla, S.A.	Servicios Especiales de Limpieza, S.A.	-	127
	Fedemes, S.L.	-	26
Jezzine Uno S.L.U.	Realia Business, S.A.	-	104
	Fedemes, S.L.	4	8
AS Cancelas Siglo XXI, S.L	Realia Business, S.A.	-	2,094
FCC Real Estate UK	FCC Environment Group (UK)	324	7
Planigesa, S.A.	Fedemes, S.L.	15	5
	Fomento de Construcciones y Contratas, S.A.	1	1
	Servicios Especiales de Limpieza, S.A.	146	25
Cementos Portland Valderrivas, S.A.	Realia Patrimonio, S.L.U.	-	568
	FCC Ámbito, S.A. Unipersonal	458	-
	FCC Construcción, S.A.	57	-
	FCC Medio Ambiente, S.A.	506	-
	Fedemes, S.L.	147	-
	Fomento de Construcciones y Contratas, S.A.	1,296	-
Cementos Alfa, S.A.	FCC Ambito, S.A.	5	-
	Integraciones Ambientales de Cantabria, S.A.	2	-
Pedreira de l'Ordal, S.L.	FCC Construcción, S.A.	-	-
Servicios Especiales de Limpieza, S.A.	Realia Patrimonio, S.L.U.	-	-
Fomento de Construcciones y Contratas, S.A.	Realia Patrimonio, S.L.U.	13	15
	Realia Business, S.A.	56	59
FCC Construcción, S.A.	FCyC, S.A.	5	4
	Realia Business, S.A.	-	60
	Canteras de Alaiz, S.A.	74	-
	Cementos Alfa, S.A.	8	-
	Cementos Portland Valderrivas, S.A.	5,656	-
FCC Medio Ambiente, S.A.	Canteras de Alaiz, S.A.	74	-
	Cementos Portland Valderrivas, S.A.	113	-
Fedemes, S.L.	Realia Patrimonio, S.L.U.	66	22
	Planigesa, S.A.	58	-
Valaise S.L.U.	FCC Industrial e Infraestructuras Energéticas, S.A.	-	50
	Unipersonal	-	-
FCC Industrial e Infraestructuras Energéticas S.A.U.	Realia Business, S.A.	-	-
	Cementos Alfa, S.A.	2	-
	Cementos Portland Valderrivas, S.A.	24	-
Áridos de Melo, S.L.	Cementos Portland Valderrivas, S.A.	4,674	-
Contratas y Ventas, S.A.	Cementos Portland Valderrivas, S.A.	2	-
FCC Ámbito, S.A. Unipersonal	Cementos Portland Valderrivas, S.A.	20	-
Mantenimiento de Infraestructuras, S.A.	Cementos Portland Valderrivas, S.A.	20	-
Prefabricados Delta, S.A. Unipersonal	Cementos Portland Valderrivas, S.A.	2,355	-
Tratamientos y Recuperaciones Industriales, S.A.	Cementos Portland Valderrivas, S.A.	44	-
FCC Aqualia, S.A.	Hormigones Delfin, S.A.	1	-
	Hormigones Reinales, S.A.	1	-
Giant Cement Holding Inc.	Cementos Portland Valderrivas, S.A.	-	272
Giant Cement Company	Uniland Trading B.V.	-	5,771
Coastal Cement Corporation	Uniland Trading B.V.	-	13,550
		76,813	84,610

In addition, the following balance sheet balances are maintained:

Receivable	Payable	2024	2023
Realia Patrimonio, S.L.U.	Cementos Portland Valderrivas, S.A.	-	132
	Fomento de Construcciones y Contratas, S.A.	28	27
	FCC Industrial e Infraestructuras Energéticas S.A.U.	414	412
	FCC Medio Ambiente, S.A.	85	82
	Servicios Especiales de Limpieza, S.A.	267	231
	Fedemes, S.L.	50	51
Realia Business, S.A.	Fedemes, S.L.	-	14
	Fomento de Construcciones y Contratas, S.A.	46	99,936
	FCC Construcción, S.A.	4,445	1,891
	FCC Industrial e Infraestructuras Energéticas S.A.U.	18	2
	FCyC, S.A.	-	87
FCyC, S.A.	Asesoría financiera y de gestión, S.A.	47	170
	Fomento de Construcciones y Contratas, S.A.	33	227,485
	FCC Construcción, S.A.	8,090	10,109
	FCC Industrial e Infraestructuras Energéticas S.A.U.	-	-
	Costa Verde Habitat, S.L.	-	1,993
	Jezzine Uno, S.L.U.	-	37,043
	Realia Business, S.A.	-	1,440
	Fedemes, S.L.	3	14
Inmocemento, S.A.	Fomento de Construcciones y Contratas, S.A.	217	-
FCC Real Estate (UK) Limited	FCC Environment (UK) Limited	4,528	4,005
	FCyC, S.A.	-	207
Vela Borovica Koncern d.o.o.	FCyC, S.A.	-	189
Costa Verde Habitat, S.L.	FCyC, S.A.	-	5
Planiges, S.A.	Servicios Especiales de Limpieza, S.A.	30	15
	Fomento de Construcciones y Contratas, S.A.	-	1
	Fedemes, S.L.	-	3
Valaise, S.L. Unipersonal	FCC Industrial e Infraestructuras Energéticas S.A.U.	-	4
Participaciones Teide, S.A.	Las Palmeras de Garrucha, S.L.	30	-
Fomento de Construcciones y Contratas, S.A.	Realia Patrimonio, S.L.U.	2,179	2,290
	Realia Business, S.A.	72	67
	FCyC, S.A.	3,607	4,549
	Cementos Portland Valderrivas, S.A.	4,160	-
Residencial Turo del Mar, C.B.	Realia Business, S.A.	-	2
Hermanos Revilla, S.A.	Servicios Especiales de Limpieza, S.A.	-	30
	Fedemes, S.L.	-	-
Jezzine Uno, S.L.U.	FCyC, S.A.	-	3,805
	Realia Business, S.A.	-	32
	Fedemes, S.L.	-	1
AS Cancelas Siglo XXI, S.L.	Realia Business, S.A.	-	8,370
FCC Industrial e Infraestructuras Energéticas S.A.U.	Realia Patrimonio, S.L.U.	17	25
	Realia Business, S.A.	-	12
	Cementos Portland Valderrivas, S.A.	3	-
FCC Construcción, S.A.	FCyC, S.A.	6	-
	Realia Business, S.A.	480	330
	Canteras de Alaiz, S.A.	14	-
	Cementos Portland Valderrivas, S.A.	883	-
FCC Medio Ambiente, S.A.	Canteras de Alaiz, S.A.	14	-
	Cementos Portland Valderrivas, S.A.	6	-
Áridos de Melo, S.L.	Cementos Portland Valderrivas, S.A.	420	-
FCC Ámbito, S.A. Unipersonal	Cementos Portland Valderrivas, S.A.	3	-
Prefabricados Delta, S.A. Unipersonal	Cementos Portland Valderrivas, S.A.	118	-
Tratamientos y Recuperaciones Industriales, S.A.	Cementos Portland Valderrivas, S.A.	8	-
Aqualia Intech, S.A.	Hormigones y Morteros Preparados, S.A.U.	1	-
FCC Environment (UK) Limited	FCC Real Estate (UK) Limited	103	98
Fedemes, S.L.	Realia Patrimonio, S.L.U.	1,443	1,362
Realia Business, S.A.	Residencial Turo del Mar, C.B.	-	-
Giant Cement Holding Inc.	Cementos Portland Valderrivas, S.A.	-	4,692
Uniland Acquisition Corporation	Uniland International B.V.	-	10
Cementos Portland Valderrivas, S.A.	FCC Ámbito, S.A. Unipersonal	118	-
	FCC Construcción, S.A.	58	-
	FCC Medio Ambiente, S.A.	135	-
	Fomento de Construcciones y Contratas, S.A.	353	-
Cementos Alfa, S.A.	FCC Ámbito, S.A. Unipersonal	2	-
	Integraciones Ambientales de Cantabria, S.A.	1	-
Giant Cement Company	Uniland Trading B.V.	-	1,628
Coastal Cement Corporation	Uniland Trading B.V.	-	3,341
		32,535	416,192

In the two tables above for financial year 2024, the position at 31 December 2024 has been considered following the completion of the partial financial spin-off that gave rise to the Inmocermento Group. Therefore, the transactions between companies of the FCC Group and companies of the Inmocermento Group are disclosed. In 2023, transactions with companies considered to be related parties at 31 December 2023 are disclosed, i.e. transactions between companies belonging to the FCC Group at that date and companies in which the controlling shareholder or companies related to it held an interest.

FCC Construcción, S.A. has also recorded an advance payment received for the agreement to sell the stake in Túnel de Coatzacoalcos, S.A. for the sum of 48,396 thousand euros in both years, from company Promotora del Desarrollo de América Latina, S.A. de C.V. under "Deposits and guarantees received". "Promotora Ideal", a company related to the majority shareholder of the parent company. The sale is subject to conditions precedent, not fulfilled at the date of formulation of these consolidated annual accounts (note 20.d).

Additionally, during 2024, the following operations were carried out with related parties:

- Service provision agreement between Fomento de Construcciones y Contratas, S.A. with Vilafulder Corporate Group, S.L.U. for a total annual amount of 368 thousand euros.
- Service provision contract between Realia Business, S.A. and Mr Gerardo Kuri Kaufmann, for an amount of 190 thousand euros.
- In 2024, Cementos Portland Valderrivas, S.A. cancelled the service agreements in effect with Gerardo Kuri Kaufmann and Jaime Rocha Font, having accrued 172 thousand euros (184 thousand euros in 2023) and 106 thousand euros (150 thousand euros in 2023) during the year.
- As part of the refinancing of the debt associated with the Spanish activities of the Cementos Portland Valderrivas Group in 2016, a financing agreement was entered into with Banco Inbursa, S.A., Institución de Banca Múltiple. On 20 October 2022 it signed a maturity extension agreement until October 2025. As at 31 December 2024, the loan was fully repaid (31 December 2023: 50,405 thousand euros). Financial expenses accrued in 2024 came to 921 thousand euros. A total of 2,703 thousand euros accrued in 2023.
- Contract for the provision of IT services by Claro Enterprise Solutions, S.L. to Fomento de Construcciones y Contratas, S.A. in the amount of 16,992 thousand euros (15,146 thousand euros in 2023).
- In May 2024, Fomento de Construcciones y Contratas, S.A. took part in the capital increase undertaken by FCyC, S.A., making a disbursement in line with its shareholding of 160,062 thousand euros, since the non-controlling shareholder, Soinmob Inmobiliaria Española, S.A.U., also took part in the increase, making a disbursement in line with its shareholding of 39,938 thousand euros. This increase did not entail any change in the shareholding in relation to FCyC, S.A.
- Assignment by FCC to FCyC of the two credits that FCC held with Realia for the sum of 100,680 thousand euros.
- Financing granted by FCC, S.A. to FCyC, S.A. to purchase 10.26% of Realia from the Polygon Investment Fund in exchange 92,575 thousand euros.
- Granting of a loan by FCyC, S.A. to Realia Business, S.A. for a total of 60,000 thousand euros.
- Granting of a loan by Jezzine Uno, S.L.U. to Realia Business, S.A. for an amount of 3,000 thousand euros.
- Cancellation of the financing position held by FCC in favour of FCyC, S.A., resulting from the loans granted in previous years and those described in the preceding points in 2024, for a total amount of 428,380 thousand euros.

- Lease by Realia Patrimonio, S.A. to Realia Business, S.A., FCyC, S.A., Planiges, S.A. and Jezzone Uno S.L.U., of offices at Torre Realia in Madrid.
- Corporate services agreement between FCC, S.A. and Inmoco, S.A., entered into at arm's length and which has no material economic relevance.
- Commercial transactions in the Cement segment with the company Trituradora y procesadora de materiales Santa Anita S.A. de C.V. (belonging to the Elementia Group), amounting to 28,706 thousand euros up to the date of completion of the spin-off that gave rise to the Inmoco Group (22,606 thousand euros in 2023), with outstanding receivables at the date of the spin-off amounting to 2,193 thousand euros (713 thousand euros at 31 December 2023).
- Maintenance of the guarantee by FCC, S.A. for an amount of 30,000 thousands of euros to FCC Real Estate (UK) Ltd. in relation to the risks of the transferred landfills.

In addition, other transactions are carried out on an arm's length basis, mainly telephone and internet access services, with related parties related to the majority shareholder for an insignificant amount.

e) Mechanisms established to detect, determine and resolve possible conflicts of interest between the Parent Company and/or its Group and its directors, executives or significant shareholders.

FCC Group has established specific mechanisms to detect, determine and resolve any possible conflicts of interest between the Group companies and their directors, executives and significant shareholders, as indicated in article 20 and thereafter of the Rules and Regulations of the Board of Directors.

32. FEES PAID TO AUDITORS

The fees for audit services accrued in 2024 and 2023 for audit services and other assurance services, as well as other professional services, provided to the various Group and jointly managed companies comprising the FCC Group by the principal auditor and other auditors participating in the audit of the various Group companies, and also by entities related to them, both in Spain and abroad, are shown in the following table:

	2024			2023		
	Principal auditor	Other auditors	Total	Principal auditor	Other auditors	Total
Audit services	4,796	939	5,735	4,529	754	5,283
Other assurance services	907	592	1,499	526	248	774
Total audit and related services	5,703	1,531	7,234	5,055	1,002	6,057
Tax advisory services	117	1,321	1,438	-	1,141	1,141
Other services	-	1,603	1,603	-	1,917	1,917
Total professional services	117	2,924	3,041	-	3,058	3,058
TOTAL	5,820	4,455	10,275	5,055	4,060	9,115

Due to the partial financial spin-off of the Inmocermento Group (composed of the Cement and Real Estate areas), only the fees associated with the limited reviews performed in June 2024 corresponding to these areas have been included (note 5).

33. EVENTS AFTER THE CLOSING DATE

Subsequent to the closing date of these financial statements, in February 2025 to be precise, the Spanish tax authorities issued assessments for corporate income tax to the companies of the tax group headed up by Fomento de Construcciones y Contratas, S.A. in respect of the years 2018 to 2020. It likewise issued assessments for VAT and withholdings for employment income and professional income for the period running from April 2019 to December 2020 for the companies Fomento de Construcciones y Contratas S.A., FCC Construcción S.A., FCC Medio Ambiente S.A. and FCC Industrial e Infraestructuras Energéticas S.A. The accounting impact of the aforementioned inspections, being a event that has taken place after the reporting period but which shows conditions existing at year-end, has been recognised in these financial statements in accordance with prevailing accounting regulations (Note 24).

ANNEX I

SUBSIDIARIES

Company	Address/Registered office	% Effective ownership	Auditor
ENVIRONMENTAL SERVICES			
Alfonso Benítez, S.A.	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
Armigesa, S.A.	Paseo de Extremadura s/n – Armilla (Granada)	38.26	Moore
Azincourt Investment, S.L.	Federico Salmón, 13 – Madrid	75.01	
Corporación Inmobiliaria Ibérica, S.A.	Av. Camino de Santiago, 40 – Madrid	75.01	
Ecoactiva de Medio Ambiente, S.A.	Ctra. Puebla Albortón a Zaragoza Km. 25– Zaragoza	45.01	Vaciero Auditores
Ecodeal-Gestao Integral de Resíduos Industriais, S.A.	Portugal	40.22	Ernst & Young
Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services	Greece	38.26	
Ecoparque Mancomunidad del Este, S.A.	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
Egypt Environmental Services, S.A.E.	Egypt	99.25	Nearshore Middle East
Empresa Comarcal de Serveis Mediambientals del Baix Penedés – ECOBP, S.L.	Plaça del Centre, 5 – El Vendrell (Tarragona)	49.96	Capital Auditors
Energyloop, S.A.	Av. Camino de Santiago, 40 – Madrid	41.26	Ernst & Young
Enviropower Investments Limited	United Kingdom	75.01	
Eur Serv Dechets SAS	France	75.01	Fidsud Audit SAS
Eur Serv MTCE SAS	France	75.01	Fidsud Audit SAS
Eur Serv Voire SAS	France	75.01	Fidsud Audit SAS

Company	Address/Registered office	% Effective ownership	Auditor
Eur SRV Proprete SAS	France	75.01	Fidsud Audit SAS
FCC Ámbito, S.A. Unipersonal	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
FCC Environment Portugal, S.A.	Portugal	75.01	Ernst & Young
FCC Environment Services (UK) Limited	United Kingdom	75.01	Ernst & Young
FCC Environmental Services CA	USA	75.01	
FCC Environmental Services Florida Llc.	USA	75.01	
FCC Environmental Services MN	USA	75.01	
FCC Environmental Services NC	USA	75.01	
FCC Environmental Services Nebraska Llc.	USA	75.01	
FCC Environmental Services Texas Llc.	USA	75.01	
FCC Environmental Services (USA) Llc.	USA	75.01	Ernst & Young
FCC Environnement France	France	75.01	Fidsud Audit SAS
FCC Equal CEE, S.L.	Federico Salmón, 13 – Madrid	75.01	
FCC Equal CEE Andalucía, S.L.	Av. Molière, 36 – Málaga	75.01	Aranda & Hinojosa
FCC Equal CEE Baleares, S.L.U.	Camino Fondo, 27 – Palma (Balearic Islands)	75.01	
FCC Equal CEE Canarias, S.L.U.	Carretera de Guanarteme a Tamaraceite S/n KM5.1 – Las Maja, 35010, (Las Palmas)	75.01	
FCC Equal CEE C. Valenciana, S.L.	Riu Magre, 6 P.I. Patada del Cid – Quart de Poblet (Valencia)	75.01	
FCC Equal CEE Melilla, S.L.U.	Calle Actor Tallavi, Local B, Edificio Edison, 20 (Melilla)	75.01	
FCC Equal CEE Murcia, S.L.	Luis Pasteur, 8 – Cartagena (Murcia)	75.01	

Company	Address/Registered office	% Effective ownership	Auditor
FCC Medio Ambiente, S.A.	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
FCC Medio Ambiente Reino Unido, S.L.Unipersonal	Av. Camino de Santiago, 40 – Madrid	75.01	Ernst & Young
FCC Medioambiente Internacional, S.L.U.	Av. Camino de Santiago, 40 – Madrid	75.01	
FCC Servicios Medio Ambiente Holding, S.A.	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
Gamasur Campo de Gibraltar, S.L.	Antigua Ctra. de Jimena de la Frontera, s/n – Los Barrios (Cádiz)	75.01	
Gandia Serveis Urbans, S.A.	Llanterners, 6 – Gandia (Valencia)	71.26	Vaciero Auditores
Gel Holdings Llc	USA	75.01	
Geneus Canarias, S.L.	Electricista, 2. U.I. de Salinetas – Telde (Las Palmas)	75.01	
Gestió i Recuperació de Terrenys, S.A. Unipersonal	Balmes, 36 Entresuelo – Barcelona	60.01	Vaciero Auditores
Gipuzkoa Ingurumena Bi, S.A.	Polígono Industrial Zubiondo Par A.5. – Hernani (Gipuzkoa)	69.01	Ernst & Young
Golrib, Soluções de Valorização de Resíduos Lda.	Portugal	41.26	Ernst & Young
Houston Waste Services, LLC	USA	75.01	
Houston Waste Solutions, LLC	USA	75.01	
Industria Reciclaje de RAEES, S.L.	Crta. Santander, KM 61.50 - Osorno la Mayor (Palencia)	75.01	
Integraciones Ambientales de Cantabria, S.A.	Monte de Carceña Cr CA-924 Pk 3,280 – Castañeda (Cantabria)	67.51	Ernst & Young
International Services Inc., S.A. Unipersonal	Av. Camino de Santiago, 40 – Madrid	75.01	
Jaime Franquesa, S.A.	P.I. Zona Franca Sector B calle D 49 – Barcelona	75.01	
Jaume Oro, S.L.	Av. del Bosc, s/n P.I. Hostal Nou – Bellpuig (Lleida)	75.01	
Limpieza e Higiene de Cartagena, S.A.	Luis Pasteur, 8 – Cartagena (Murcia)	67.51	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Limpiezas Urbanas de Mallorca, S.A.	Ctra. Santa Margalida-Can Picafort – Santa Margalida (Balearic Islands)	75.01	Ernst & Young
Premier Waste Services, LLC.	USA	75.01	
Reciclado de Componentes Electrónicos, S.A.	Calle El Matorral (Parque Actividades Medioambientales) – Aznalcóllar (Sevilla)	37.51	Ernst & Young
Recuperació de Pedreres, S.L.	Balmes, 36 Entresuelo – Barcelona	60.01	
Resicorreia - Gestão e Serviços de Ambiente, Lda Lda Ser Amb Lda	Portugal	41.26	Ernst & Young
Serveis Municipals de Neteja de Girona, S.A.	Pl. del Vi, 1 - Girona	56.26	Cataudit Auditors Associats
Servicio de Recogida y Gestión de Residuos Sólidos Urbanos del Consorcio Vega Sierra Elvira, S.A.	Antonio Huertas Remigio, 9 – Maracena (Granada)	45.01	Capital Auditors
Servicios Especiales de Limpieza, S.A.	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
Sistemas y Vehículos de Alta Tecnología, S.A.	Federico Salmón, 13 – Madrid	75.01	Ernst & Young
Societat Municipal Mediambiental d'Igualada, S.L.	Pl. de l'Ajuntament, 1 – Igualada (Barcelona)	49.44	Vaciero Auditores
Telford & Wrekin Services Limited	United Kingdom	75.01	
Tratamientos y Recuperaciones Industriales, S.A.	Balmes, 36 Entresuelo – Barcelona	56.26	Capital Auditors
Valoración y Tratamiento de Residuos Urbanos, S.A.	Riu Magre, 6 – P.I. Patada del Cid – Quart de Poblet (Valencia)	60.01	Capital Auditors
Valorización y Tratamiento de Residuos, S.A.	Alameda de Mazarredo, 15-4º A – Bilbao (Biscay)	75.01	Vaciero Auditores
FCC Group - CEE			
FCC Hódmezővásárhely Köztisztasági Kft	Hungary	46.38	Ernst & Young
Agadax s.r.o.	Czech Republic	75.01	
ASMJ s.r.o.	Czech Republic	38.26	

Company	Address/Registered office	% Effective ownership	Auditor
FCC Abfall Service Betriebs GmbH	Austria	75.01	
FCC Austria Abfall Service AG	Austria	75.01	Ernst & Young
FCC BEC s.r.o.	Czech Republic	75.01	Ernst & Young
FCC Bratislava s.r.o.	Slovakia	75.01	
FCC Centrum Nonprofit Kft.	Hungary	75.01	Ernst & Young
FCC Česká Republika s.r.o.	Czech Republic	75.01	Ernst & Young
FCC České Budějovice s.r.o.	Czech Republic	56.26	Ernst & Young
FCC Dačice s.r.o.	Czech Republic	45.01	Ernst & Young
FCC Eko d.o.o.	Serbia	75.01	Ernst & Young
FCC Entsorga Entsorgungs GmbH & Co. Nfg KG	Austria	75.01	
FCC Environment CEE GmbH	Austria	75.01	Ernst & Young
FCC Environment Romania S.R.L.	Romania	75.01	Ernst & Young
FCC Freistadt Abfall Service GmbH	Austria	75.01	
FCC Halbenrain Abfall Service GmbH & Co. Nfg KG	Austria	75.01	
FCC Industrieviertel Abfall Service GmbH & Co. Nfg KG	Austria	75.01	
FCC Inerta Engineering & Consulting GmbH	Austria	75.01	
FCC Kikinda d.o.o.	Serbia	60.01	Ernst & Young
FCC Liberec s.r.o.	Czech Republic	41.26	Ernst & Young
FCC Litovel s.r.o.	Czech Republic	36.75	

Company	Address/Registered office	% Effective ownership	Auditor
FCC Lubliniec sp. z.o.o.	Poland	46.48	
FCC Magyarország Kft	Hungary	75.01	Ernst & Young
FCC Mostviertel Abfall Service GmbH	Austria	75.01	
FCC Neratovice s.r.o.	Czech Republic	75.01	
FCC Neunkirchen Abfall Service GmbH	Austria	75.01	
FCC Podhale sp. z.o.o.	Poland	75.01	Ernst & Young
FCC Polska sp. z.o.o.	Poland	75.01	Ernst & Young
FCC Pro Eko sp. z.o.o.	Poland	75.01	Ernst & Young
FCC Prostějov s.r.o.	Czech Republic	56.26	Ernst & Young
FCC Regios a.s.	Czech Republic	75.00	Ernst & Young
FCC Śląsk Sp. z o.o.	Poland	60.01	Ernst & Young
FCC Slovensko s.r.o.	Slovakia	75.01	Ernst & Young
FCC Tarnobrzeg.sp. z.o.o.	Poland	44.80	Ernst & Young
FCC Textil2Use GmbH	Austria	75.01	
FCC Trnava s.r.o.	Slovakia	37.51	Ernst & Young
FCC Únanov s.r.o.	Czech Republic	49.51	
FCC Vrbak d.o.o.	Serbia	38.26	
FCC Wiener Neustadt Abfall Service GmbH	Austria	75.01	
FCC Žabčice s.r.o.	Czech Republic	60.01	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
FCC Zabovresky s.r.o.	Czech Republic	66.76	
FCC Zisterdorf Abfall Service GmbH	Austria	75.01	Ernst & Young
FCC Znojmo s.r.o.	Czech Republic	37.25	Ernst & Young
FCC Zohor.s.r.o.	Slovakia	63.76	Ernst & Young
Limek Plus spol., s.r.o.	Czech Republic	75.01	Ernst & Young
Obsed a.s.	Czech Republic	75.01	
Quail spol. s.r.o.	Czech Republic	75.01	Ernst & Young
Siewierskie Przedsiębiorstwo Gospodarki Komunalnej sp. z o.o.	Poland	45.01	
FCC Environment Group (UK)			
3C Holding Limited	United Kingdom	75.01	Ernst & Young
3C Waste Limited	United Kingdom	75.01	Ernst & Young
Allington O & M Services Limited	United Kingdom	75.01	Ernst & Young
Allington Waste Company Limited	United Kingdom	75.01	Ernst & Young
Anti-Waste (Restoration) Limited	United Kingdom	75.01	Ernst & Young
Anti-Waste Limited	United Kingdom	75.01	Ernst & Young
Arnold Waste Disposal Limited	United Kingdom	75.01	Ernst & Young
BDR Property Limited	United Kingdom	60.01	Ernst & Young
BDR Waste Disposal Limited	United Kingdom	75.01	Ernst & Young
Darrington Quarries Limited	United Kingdom	75.01	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Derbyshire Waste Limited	United Kingdom	75.01	Ernst & Young
East Waste Limited	United Kingdom	75.01	Ernst & Young
FCC Environment (Berkshire) Ltd.	United Kingdom	75.01	Ernst & Young
FCC Environment (UK) Limited	United Kingdom	75.01	Ernst & Young
FCC Environment Limited	United Kingdom	75.01	Ernst & Young
FCC Environment Lostock Limited	United Kingdom	75.01	
FCC Lostock Holdings Limited	United Kingdom	75.01	Ernst & Young
FCC Recycling (UK) Limited	United Kingdom	75.01	Ernst & Young
FCC Waste Services (UK) Limited	United Kingdom	75.01	Ernst & Young
FCC Wrexham PFI Holdings Limited	United Kingdom	75.01	Ernst & Young
FCC Wrexham PFI Limited	United Kingdom	75.01	Ernst & Young
FCC Wrexham PFI (Phase II Holding) Ltd.	United Kingdom	75.01	Ernst & Young
FCC Wrexham PFI (Phase II) Ltd.	United Kingdom	75.01	Ernst & Young
Finstop Limited	United Kingdom	75.01	
Focsa Services (UK) Limited	United Kingdom	75.01	
Hykeham O&M Services Limited	United Kingdom	75.01	Ernst & Young
Integrated Waste Management Limited	United Kingdom	75.01	Ernst & Young
Landfill Management Limited	United Kingdom	75.01	Ernst & Young
Lincwaste Limited	United Kingdom	75.01	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Norfolk Waste Limited	United Kingdom	75.01	Ernst & Young
Pennine Waste Management Limited	United Kingdom	75.01	Ernst & Young
RE3 Holding Limited	United Kingdom	75.01	Ernst & Young
RE3 Limited	United Kingdom	75.01	Ernst & Young
T Shooter Limited	United Kingdom	75.01	Ernst & Young
Waste Recovery Limited	United Kingdom	75.01	
Waste Recycling Group (Central) Limited	United Kingdom	75.01	Ernst & Young
Waste Recycling Group (Scotland) Limited	United Kingdom	75.01	Ernst & Young
Waste Recycling Group (UK) Limited	United Kingdom	75.01	Ernst & Young
Waste Recycling Group (Yorkshire) Limited	United Kingdom	75.01	Ernst & Young
Wastenotts O & M Services Limited	United Kingdom	75.01	Ernst & Young
Welbeck Waste Management Limited	United Kingdom	75.01	Ernst & Young
WRG (Midlands) Limited	United Kingdom	75.01	Ernst & Young
WRG (Northern) Limited	United Kingdom	75.01	Ernst & Young
WRG Acquisitions 2 Limited	United Kingdom	75.01	Ernst & Young
WRG Environmental Limited	United Kingdom	75.01	Ernst & Young
WRG Waste Services Limited	United Kingdom	75.01	
FCC Group - PFI Holdings			
FCC PFI Holdings Limited	United Kingdom	75.01	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Green Recovery Group			
Allington Energy Networks Ltd.	United Kingdom	38.26	
FCC (E&M) Holdings Ltd.	United Kingdom	38.26	Ernst & Young
FCC (E&M) Ltd.	United Kingdom	38.26	Ernst & Young
FCC Buckinghamshire Holdings Limited	United Kingdom	38.26	Ernst & Young
FCC Buckinghamshire Limited	United Kingdom	38.26	Ernst & Young
FCC Buckinghamshire (Support Services) Limited	United Kingdom	38.26	
FCC Energy Holdings Ltd	United Kingdom	38.26	Ernst & Young
FCC Energy Limited	United Kingdom	38.26	Ernst & Young
FCC Environment (Lincolnshire) Ltd.	United Kingdom	38.26	Ernst & Young
FCC Environment Developments Ltd.	United Kingdom	38.26	Ernst & Young
Green Energy Finance Solutions Ltd	United Kingdom	38.26	Ernst & Young
Green Recovery Projects Ltd	United Kingdom	38.26	Ernst & Young
Kent Energy Limited	United Kingdom	38.26	Ernst & Young
Kent Enviropower Limited	United Kingdom	38.26	Ernst & Young
Wastenotts (Reclamation) Limited	United Kingdom	38.26	Ernst & Young
Urbaser Group (UK)			
Beacon Waste Limited	United Kingdom	75.01	Ernst & Young
Biowise Limited	United Kingdom	75.01	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Crossco (1370), Ltd.	United Kingdom	75.01	Ernst & Young
Crossco (1371), Ltd.	United Kingdom	75.01	Ernst & Young
J&B Bio, Ltd.	United Kingdom	75.01	Ernst & Young
J&B Recycling, Ltd.	United Kingdom	75.01	Ernst & Young
Mercia Waste Management Ltd.	United Kingdom	75.01	Ernst & Young
Severn Waste Services Limited	United Kingdom	75.01	Ernst & Young
UBB Waste (Essex), Ltd	United Kingdom	52.51	Ernst & Young
UBB Waste (Gloucestershire) Holdings Ltd.	United Kingdom	75.01	Ernst & Young
UBB Waste (Gloucestershire) Intermediate Ltd.	United Kingdom	75.01	Ernst & Young
UBB Waste (Gloucestershire) Ltd.	United Kingdom	75.01	Ernst & Young
Urbaser Environmental Limited	United Kingdom	75.01	Ernst & Young
Urbaser Investments Limited	United Kingdom	75.01	Ernst & Young
Urbaser Limited	United Kingdom	75.01	Ernst & Young
Wastewise Holding Limited	United Kingdom	75.01	Ernst & Young
Wastewise Limited	United Kingdom	75.01	
Wastewise (UK) Limited	United Kingdom	75.01	
AQUALIA			
Abrantaqua – Serviço de Aguas Residuais Urbanas do Municipio De Abrantes, S.A.	Portugal	30.60	Oliveira, Reis & Associados
Acque di Caltanissetta, S.p.A.	Italy	50.78	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Aguas de Albania, S.A. E.S.P.	Colombia	50.50	BDO Auditores
Aguas de Aracataca, S.A.S.	Colombia	50.39	BDO Auditores
Aguas del Sur del Atlántico, S.A. E.S.P.	Colombia	51.00	BDO Auditores
Aguas de la Península, S.A. E.S.P.	Colombia	51.00	BDO Auditores
Aguas de la Sabana de Bogotá, S.A. E.S.P.	Colombia	40.70	BDO Auditores
Aigües de Vallirana, S.A. Unipersonal	Conca de Tremp, 14 – Vallirana (Barcelona)	51.00	
Aqua Campiña, S.A.	Blas Infante, 6 – Écija (Seville)	45.90	Capital Auditors
Aquaervas – Aguas de Elvas, S.A.	Portugal	51.00	Ernst & Young
Aquafundalia – Agua Do Fundão, S.A.	Portugal	51.00	Ernst & Young
Aquajerez, S.L.	Cristalería, 24 – Cádiz	51.00	Ernst & Young
Aquamag, S.A.S. E.S.P.	Colombia	51.00	BDO Auditores
Aqualia Colombia, S.A.S.	Colombia	51.00	BDO Auditores
Aqualia Czech, S.L.	Av. Camino de Santiago, 40 – Madrid	51.00	Ernst & Young
Aqualia Desalación Guaymas, S.A. de C.V.	Mexico	51.00	Ernst & Young
Aqualia Flandes S.A.S. E.S.P.	Colombia	51.00	BDO Auditores
Aqualia France	France	51.00	SNR Audit
Aqualia Gestión Los Cabos SACV	Mexico	51.00	Ernst & Young
Aqualia Infraestructuras d.o.o. Beograd-Vracar	Serbia	51.00	
Aqualia Infraestructuras Inzenyring, s.r.o.	Czech Republic	51.00	CMC Audit s.r.o.

Company	Address/Registered office	% Effective ownership	Auditor
Aqualia Infraestructuras Montenegro (AIM) d.o.o. Niksic	Montenegro	51.00	
Aqualia Infraestructuras Pristina Llc.	Kosovo	51.00	
Aqualia Intech, S.A.	Av. Camino de Santiago, 40 – Madrid	51.00	Ernst & Young
Aqualia Latinoamérica, S.A.	Colombia	51.00	BDO Auditores
Aqualia Mace Contracting, Operation & General Maintenance Llc.	United Arab Emirates	26.01	Baker & Tilly
Aqualia Mace Qatar	Qatar	26.01	Baker & Tilly
Aqualia México, S.A. de C.V.	Mexico	51.00	Ernst & Young
Aqualia Portugal, S.A.	Portugal	51.00	Ernst & Young
Aqualia Riohacha S.A.S. E.S.P.	Colombia	26.01	BDO Auditores
Aqualia Villa del Rosario, S.A.	Colombia	51.00	BDO Auditores
Aquamaior – Aguas de Campo Maior, S.A.	Portugal	51.00	Ernst & Young
Aquos El Realito, S.A. de C.V.	Mexico	26.01	Ernst & Young
C.E.G. S.P.A. Simplifiée	France	51.00	SNR Audit
Cartagua, Aguas do Cartaxo, S.A.	Portugal	30.60	Oliveira, Reis & Asociados
Compagnie Armoricaïne Des Eaux	France	51.00	SNR Audit
Compañía Onubense de Aguas, S.A.	Av. Martín Alonso Pinzón, 8 – Huelva	30.60	
Conservación y Sistemas, S.A.	Federico Salmón, 13 – Madrid	51.00	Ernst & Young
Depurplan 11, S.A.	Madre Rafols, 2 – Zaragoza	51.00	Capital Auditors
Ecosistema de Morelos S.A. de C.V.	Mexico	51.00	CTS Consultores

Company	Address/Registered office	% Effective ownership	Auditor
Empresa Mixta de Conservación de la Estación Depuradora de Aguas Residuales de Butarque, S.A.	Princesa, 3 – Madrid	35.70	
Entemanser, S.A.	Castillo, 13 – Adeje (Santa Cruz de Tenerife)	49.47	Ernst & Young
FCC Aqualia, S.A.	Av. Camino de Santiago, 40 – Madrid	51.00	Ernst & Young
FCC Aqualia América, S.A.Unipersonal	Uruguay, 11 – Vigo (Pontevedra)	51.00	
FCC Aqualia U.S.A. Corp	USA	51.00	H&CO
Flores Rebollo y Morales, S.L.	Urbanización Las Buganvillas, 4 – Vera (Almería)	30.60	
Genesis Lodos, S.L.	Avda. Kansas City, 9 - Seville	40.80	
Haji Abdullah Ali Reza Integrated Services Ltd (H.A.A. & CO.)	Saudi Arabia	26.01	Ernst & Young
Hidrotec Tecnología del Agua, S.L. Unipersonal	Píncel, 25 – Seville	51.00	Ernst & Young
Infraestructuras y Distribución General de Aguas, S.L.U.	La Presa, 14 – Adeje (Santa Cruz de Tenerife)	51.00	Ernst & Young
Local Sports Centers Management, S.L.U.	Av. Camino de Santiago, 40 – Madrid	51.00	
Municipal District Services, LLC.	USA	49.47	H&CO
Naunet, S.A.S.	Colombia	51.00	BDO Auditores
North Cluster S.P.V. LLC.	Saudi Arabia	26.01	Ernst & Young
Qatarat Saquia Desalination	Saudi Arabia	26.01	Ernst & Young
Servicios Hídricos Agricultura y Ciudad, S.L.U.	Alfonso XIII – Sabadell (Barcelona)	51.00	
Severomoravské Vodovody a Kanalizace Ostrava A.S.	Czech Republic	51.00	Ernst & Young
Shariket Tahlya Miyah Mostaganem, S.P.A.	Algeria	13.01	Mustapha Heddad
Sociedad Española de Aguas Filtradas, S.A.	Jacometrezo, 4 – Madrid	51.00	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
Sociedad Ibérica del Agua, S.A. Unipersonal	Federico Salmón, 13 – Madrid	51.00	
Société des Eaux de Fin d'Oise, S.A.S.	France	51.00	SNR Audit
Société Pays de Dreux	France	51.00	
South Cluster SPV Llc	Saudi Arabia	22.95	Ernst & Young
Tratamiento Industrial de Aguas, S.A.	Federico Salmón, 13 – Madrid	51.00	Ernst & Young
Vodotech, spol. s.r.o.	Czech Republic	51.00	CMC Audit s.r.o.
Water Sur, S.L.	Urbanización Las Buganvillas, 4 – Vera (Almería)	30.60	
GGU Group			
Aqualia Georgia Llc.	Georgia	51.00	
Gardabani Sewage Treatment Plant Llc.	Georgia	40.80	Ernst & Young
Georgia Global Utilities JSC	Georgia	40.80	Ernst & Young
Georgian Energy Trading Company Llc.	Georgia	40.80	Ernst & Young
Georgian Engineering and Management	Georgia	40.80	Ernst & Young
Georgian Water and Power Llc.	Georgia	40.80	Ernst & Young
Saguramo Energy Llc.	Georgia	40.80	Ernst & Young
CONSTRUCTION			
ACE Scutmadeira Sistemas de Gestao e Controlo de Tráfego	Portugal	100.00	
Agregados y Materiales de Panamá, S.A.	Panama	100.00	Mohsin Hafeji Hajari (CPA)
Áridos de Melo, S.L.	Finca la Barca y el Ballestar, s/n – Barajas de Melo (Cuenca)	100.00	Capital Auditors

Company	Address/Registered office	% Effective ownership	Auditor
Colombiana de Infraestructuras, S.A.S.	Colombia	100.00	ASTAF Auditores y Consultores
Concesiones Viales S. de R.L. de C.V.	Mexico	100.00	
Concretos Estructurales, S.A.	Nicaragua	100.00	
Conservial Infraestructuras, S.L.	Federico Salmón, 13 – Madrid	100.00	Mohsin Hafeji Hajari (CPA)
Consorcio FCC Iquique Ltda.	Chile	100.00	
Construcción Infraestructuras y Filiales de México, S.A. de C.V.	Mexico	52.00	
Construcciones Hospitalarias, S.A.	Panama	100.00	Ernst & Young
Constructora Meco-Caabsa, S.A. de C.V.	El Salvador	60.00	
Constructora Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.60	
Contratas y Ventas, S.A.	Av. de Santander, 3 1º – Oviedo (Asturias)	100.00	
Corporación M&S de Nicaragua, S.A.	Nicaragua	100.00	
Desarrollo y Construcción DEYCO CRCA, S.A.	Costa Rica	100.00	
Dezvoltare Infrastructura, S.R.L.	Romania	100.00	
Edificadora MSG, S.A. (Panamá)	Panama	100.00	
Edificadora MSG, S.A. de C.V. (El Salvador)	El Salvador	100.00	
Edificadora MSG, S.A. de C.V. (Nicaragua)	Nicaragua	100.00	PH Proaudit Solutions
FCC Américas, S.A. de C.V.	Mexico	50.00	
FCC Américas Panamá, S.A.	Panama	50.00	
FCC Colombia, S.A.S.	Colombia	100.00	ASTAF Auditores y Consultores

Company	Address/Registered office	% Effective ownership	Auditor
FCC Construcción, S.A.	Balmes, 36 – Barcelona	100.00	Ernst & Young
FCC Construcción América, S.A.	Costa Rica	100.00	
FCC Construcción Chile, SPA	Chile	100.00	
FCC Construcción Costa Rica, S.A.	Costa Rica	100.00	
FCC Construcción de México, S.A. de C.V.	Mexico	100.00	Ernst & Young
FCC Construcción Perú, S.A.C.	Peru	100.00	
FCC Constructii Romania, S.A.	Romania	100.00	
FCC Construction Australia Pty Ltd	Australia	100.00	
FCC Construction Inc.	USA	100.00	Ernst & Young
FCC Construction International B.V.	Netherlands	100.00	
FCC Construction Ireland DAC	Ireland	100.00	Mazars
FCC Construction Northern Ireland Limited	United Kingdom	100.00	Mazars
FCC Construction Queensland PTY, Ltd.	Australia	100.00	
FCC Construction Regional Headquarter Llc	Saudi Arabia	100.00	Ernst & Young
FCC Construções do Brasil Ltda.	Brazil	100.00	
FCC Electromechanical Llc.	Saudi Arabia	100.00	Ernst & Young
FCC Elliott Construction Limited	Ireland	100.00	Mazars
FCC Industrial de Panamá, S.A.	Panama	100.00	
FCC Industrial Deutschland GmbH	Germany	50.00	

Company	Address/Registered office	% Effective ownership	Auditor
FCC Industrial e Infraestructuras Energéticas, S.A. Unipersonal	Av. Camino de Santiago, 40 – Madrid	100.00	Ernst & Young
FCC Industrial Perú, S.A.	Peru	100.00	
FCC Industrial UK Limited	United Kingdom	100.00	Mazars
FCC Servicios Industriales y Energéticos México, S.A. de C.V.	Mexico	100.00	Ernst & Young
FCC Soluciones de Seguridad y Control, S.L.	Federico Salmón, 13 – Madrid	100.00	
Fomento de Construcciones y Contratas Canadá Ltd.	Canada	100.00	Ernst & Young
Impulsora de Proyectos Proserme, S.A. de C.V.	Mexico	100.00	
Mantenimiento de Infraestructuras, S.A.	Federico Salmón, 13 2a planta – Madrid	100.00	Ernst & Young
Meco Santa Fe Limited	Belize	100.00	
Megaplás, S.A. Unipersonal	Hilanderas, 4-14 – La Poveda – Arganda del Rey (Madrid)	100.00	Ernst & Young
Megaplás Italia, S.p.A.	Italy	100.00	Collegio Sindicale
Participaciones Teide, S.A.	Av. Camino de Santiago, 40 – Madrid	100.00	
Prefabricados Delta, S.A. Unipersonal	Federico Salmón, 13 – Madrid	100.00	Ernst & Young
Servicios Dos Reis, S.A. de C.V.	Mexico	100.00	
CONCESSIONS			
Autovía Conquense, S.A.	Av. Camino de Santiago, 40 – Madrid	100.00	Ernst & Young
Concesionaria Túnel de Coatzacoalcos, S.A. de C.V.	Mexico	85.60	Ernst & Young
FCC Concesiones Aragón, S.A.	C/ Manuel Lasala, 36 - Zaragoza (58006)	100.00	Ernst & Young
FCC Concesiones de Infraestructuras, S.L.	Av. Camino de Santiago, 40 – Madrid	100.00	Ernst & Young

Company	Address/Registered office	% Effective ownership	Auditor
FCC Concesiones Inversiones 1, S.A.	Federico Salmón, 13 – Madrid	100.00	
FCC Concesiones Inversiones 2, S.L.U.	Federico Salmón, 13 – Madrid	100.00	
FCC Versia, S.A.	Av. Camino de Santiago, 40 – Madrid	100.00	Baker & Tilly
PPP Infrastructure Investments B.V.	Netherlands	100.00	
Sociedad Concesionaria Tranvía de Murcia, S.A.	Paseo de la Ladera, 79– Murcia	100.00	Ernst & Young
Tranvía de Parla, S.A.		100.00	Ernst & Young
Vialia Sociedad Gestora de Concesiones de Infraestructuras, S.L.	Av. Camino de Santiago, 40 – Madrid	100.00	Ernst & Young
OTHER ACTIVITIES			
Asesoría Financiera y de Gestión, S.A.	Federico Salmón, 13 – Madrid	100.00	
FCC LDF Limited	United Kingdom	100.00	
FCC Midco, S.A.	Luxembourg	100.00	
FCC Topco, S.A.R.L.	Luxembourg	100.00	
Fedemes, S.L.	Federico Salmón, 13 – Madrid	100.00	Ernst & Young

ANNEX II

COMPANIES JOINTLY CONTROLLED WITH THIRD PARTIES OUTSIDE THE GROUP

(CONSOLIDATED USING THE EQUITY METHOD)

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
ENVIRONMENTAL SERVICES					
Atlas Gestió Medioambiental, S.A.	Viriato, 47 – Barcelona	3,526	6,559	37.51	Ernst & Young
Ecoparc del Besós, S.A.	Av. Torre d'en Mateu. P.I. Can Salvatella s/n – Barcelona	5,878	5,534	36.75	Baker & Tilly
Ecoserveis Urbans de Figueres, S.L.	Av. de les Alegries, s/n – Lloret de Mar (Girona)	293	167	37.51	
Electrorecycling, S.A.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	2,434	2,048	25.00	Audinfor
Empresa Mixta de Limpieza de la Villa de Torrox, S.A.	Plaza de la Constitución, 1 – Torrox (Málaga)	298	342	37.51	
Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.	Barrio Las Zorreras, 8 – Rincón de la Victoria (Málaga)	434	246	37.51	
Fisrsa Ecoserveis, S.A.	Alemanya, 5 – Figueres (Girona)	186	205	27.27	Auditoria i Control Auditors S.L.P.
Gestión y Valorización Integral del Centro, S.L.	De la Tecnología, 2. P.I. Los Olivos – Getafe (Madrid)	716	576	37.51	Capital Auditors
Ingeniería Urbana, S.A.	Calle I esquina calle 3, P.I. Pla de la Vallonga – Alicante	1,099	3,684	26.25	Baker & Tilly
Mediaciones Comerciales Ambientales, S.L.	Av. Barcelona, 109. P.5 – Sant Joan Despí (Barcelona)	980	943	37.51	Ernst & Young
Palacio de Exposiciones y Congresos de Granada, S.A.	Paseo del Violón, s/n – Granada	(3,280)	(3,197)	37.51	Hispanobelga Econo- mistas Auditores, S.L.P.
Pilagest, S.L.	Ctra. BV – 1224 Km. 6,750 – El Pont de Vilomara i Rocafort (Barcelona)	209	209	37.51	
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91 – Barcelona	430	483	25.00	Baker & Tilly

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
Zabalgarbi, S.A.	Camino Artigabidea, 10 – Bilbao (Biscay)	11,039	13,100	22.50	KPMG
FCC Environment Group (UK)	United Kingdom	-	13,988		
Beacon Waste Limited	United Kingdom				Ernst & Young
Mercia Waste Management Ltd.	United Kingdom				Ernst & Young
Severn Waste Services Limited	United Kingdom				Ernst & Young
AQUALIA					
Aguas de Langreo, S.L.	Alonso del Riesgo, 3 – Langreo (Asturias)	968	976	24.99	Capital Auditors
Aguas de Narixa, S.A.	Málaga, 11 – Nerja (Málaga)	559	564	25.50	Capital Auditors
Aigües de Girona, Salt i Sarrià del Ter, S.A.	Ciutadans, 11 – Gerona	162	162	13.71	
Compañía de Servicios Medioambientales do Atlántico, S.A.	Estrada de Cedeira Km. 1 – Narón (La Coruña)	297	240	24.99	Kreston Iberaudit
Constructora de Infraestructura de Agua de Querétaro, S.A. de C.V.	Mexico	(2,995)	(2,996)	12.50	Deloitte
Empresa Municipal de Aguas de Benalmádena EMABESA, S.A.	Explanada de Tivoli, s/n – Arroyo de la Miel (Málaga)	1,249	1,239	25.50	Audinfor
Girona, S.A.	Travesía del Carril, 2 – Gerona	1,667	1,622	17.14	Cataudit Auditors Associats, S.L.
HA Proyectos Especiales Hidráulicos S. de R.L. de C.V.	Mexico	1,122	1,292	25.25	
Orasqualia Construction, S.A.E.	Egypt	(35)	(52)	25.50	
Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.	Egypt	4,906	9,447	25.50	Grant Thornton
Orasqualia for Operation and Maintenance S.A.E.	Egypt	737	1,229	25.50	Grant Thornton

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
CONSTRUCTION					
ACS FCC Canada Inc.	Canada			50.00	
Administración y Servicios Grupo Zapotillo, S.A. de C.V.	Mexico	120	139	50.00	
Altos del Javier, S.A.	Panama	(4,097)	(3,852)	50.00	
Consortio Tramo Dos S.A. DE C.V.	Mexico	1,967	1,057	50.00	Deloitte
Construcciones Olabarri, S.L.	Ripa, 1 – Bilbao (Vizcaya)	6,304	6,127	49.00	Charman Auditores
Constructora de Infraestructura de Agua de Querétaro, S.A. de C.V.	Mexico			24.50	Deloitte
Constructora Durango Mazatlán, S.A. de C.V.	Mexico	1,588	1,828	51.00	
Constructores del Zapotillo, S.A. de C.V.	Mexico	1,666	1,918	50.00	Grant Thornton SC
Ctra. Cabo San Lucas San José, S.A. de C.V.	Mexico			50.00	
OHL Co Canada & FCC Canada Ltd. Partnership	Canada	(68,753)	(69,950)	50.00	
Onexpress Transportation Partners INC.	Canada	1,086	405	25.00	PricewaterhouseCoopers
Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V.	Mexico			50.00	
Scarborough Transit Connect Labour Cop	Canada			50.00	Ernst & Young
Servicios Empresariales Durango-Mazatlán, S.A. de C.V.	Mexico	114	132	51.00	
CEMENT					
Pedreira de l’Ordal, S.L.	Ctra. N 340 km. 1229.5 - Subirats (Barcelona)		2,855		

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
CONCESSIONS					
Ibisan Sociedad Concesionaria, S.A	Av. Isidor Macabich, s / n. Sant Rafel de Sa Creu (Balearic Islands)	9,603	10,434	50.00	Deloitte
REAL ESTATE					
Realia Group					
As Cancelas Siglo XXI, S.L.	Av. Camino de Santiago, 40 – Madrid		38,815		
MDM-Teide, S.A.	Panama		176		
Teide-MDM Quadrat, S.A.	Panama		31		
TOTAL VALUE OF CONSOLIDATED COMPANIES USING THE EQUITY METHOD (JOINT VENTURES)		(17,523)	48,724		

ANNEX III

ASSOCIATES

(CONSOLIDATED USING THE EQUITY METHOD)

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
ENVIRONMENTAL SERVICES					
Aprochim Getesarp Rymoilo, S.A.	P.I. Logrezana s/n– Carreño (Asturias)	1,653	1,439	24.13	Menéndez Auditores
Aragonesa de Gestión de Residuos, S.A.	Paseo María Agustín, 36 – Zaragoza	60	39	9.00	CGM Auditores, S.L.y Villalba, Envid y Cia. Auditores, S.L.P.
Aragonesa de Tratamientos Medioambientales XXI, S.A.	Ctra. Castellón Km. 58 – Zaragoza	582	549	24.75	
Betearte, S.A.Unipersonal	Cr. BI – 3342 pk 38 Alto de Areitio – Mallabia (Biscay)	902	671	25.00	
Gestión Integral de Residuos Sólidos, S.A.	Serrans, 12 – 14 Ent. 1 – Valencia	5,971	5,526	36.75	Grupo de Auditores Públicos
Giref Generación Renovable	Pedro Lafayo, 6 - Ibiza			15.00	
FCC Group - CEE		8,802	7,759		
A.K.S.D. Városgazdálkodási Korlátolt FT	Hungary			19.13	Interauditor
ASTV s.r.o.	Czech Republic			36.75	
FCC + NHSZ Környezetvédelmi HKft	Hungary			37.51	Interauditor
FCC Hlohovec s.r.o.	Slovakia			37.51	
Huber Abfallservice Verwaltungs GmbH	Austria			36.75	
Huber Entsorgungs GmbH Nfg KG	Austria			36.75	
Killer GmbH	Austria			37.51	

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
Killer GmbH & Co KG	Austria			37.51	Rittmann
Recopap s.r.o.	Slovakia			37.51	
Tev-Akva Kft.	Hungary			6.50	Lazar Eniko
FCC Environment Group (UK)		29,725	44,253		
CI III Lostock Efw Limited	United Kingdom			30.00	Deloitte
Lostock Power Limited	United Kingdom			30.00	Deloitte
Lostock Sustainable Energy Plant Limited	United Kingdom			30.00	Deloitte
Tirme Group		11,922	9,818		
Circulare, S.L.U.	Cr. de Sóller Km. 8,2 – Palma de Mallorca (Balearic islands)			15.00	
Mac Insular, S.L.	P.I. Ses Veles, (Cl. Romaní), 2 – Bunyola (Balearic islands)			10.50	Deloitte
Mac Insular Segunda, S.L.	Cr. de Sóller Km. 8,2 – Palma de Mallorca (Balearic islands)			11.25	
Tirme, S.A.	Ctra. Soller Km. 8,2 Camino de Son Reus – Palma de Mallorca (Balearic islands)			15.00	Deloitte
AQUALIA					
Aguas de Archidona, S.L.	Pz. Ochavada, 1 – Archidona (Málaga)	41	38	24.48	Vaciero Auditores
Aguas de Denia, S.A.	Pedro Esteve, 17– Denia (Alicante)	428	387	16.83	Blazquez Asociados Auditores
Aguas de Guadix, S.A.	Plaza Constitución, 1– Guadix (Granada)	272	289	20.40	Capital Auditors
Aguas del Puerto Empresa Municipal, S.A.	Aurora, 1 – El Puerto de Santa María (Cádiz)	4,265	3,918	24.98	Capital Auditors

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
Aigües de Blanes, S.A.	Canigó, 5 – Blanes (Gerona)	58	57	8.40	Faura-Casas
Aigües del Segarra Garrigues, S.A.	C/ Mas d'en Colom, 14 – Tárrega (Lleida)			0.56	
Aigües del Vendrell, S.A.	Vella, 1 – El Vendrell (Tarragona)	755	234	24.99	GM Auditors
Codeur, S.A.	Mayor, 22 – Vera (Almería)	5,232	3,965	14.41	Ernst & Young
Concesionaria de Desalación de Ibiza, S.A.	Rotonda de Santa Eulalia, s/n – Ibiza (Balearic Islands)	1,111	876	25.50	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico	(5,395)	(5,395)	12.50	
EMANAGUA Empresa Mixta Municipal de Aguas de Nijar, S.A.	Plaza de la Glorieta, 1 – Nijar (Almería)	45	224	24.99	Capital Auditors
Empresa Mixta de Aguas de Ubrique, S.A.	Juzgado, s/n – Ubrique (Cádiz)	81	32	24.99	Capital Auditors
Empresa Mixta de Aguas de Jodar, S.A.	Pz. España, 1 – Jodar (Jaén)	(41)	(21)	24.99	Vaciero Auditores
Empresa Municipal de Aguas de Algeciras, S.A.	Av. Virgen del Carmen – Algeciras (Cádiz)	(301)	(165)	24.99	Kreston Iberaudit
Empresa Municipal de Aguas de Linares, S.A.	Cid Campeador, 7 – Linares (Jaén)	(296)	158	24.99	Vaciero Auditores
Empresa Municipal de Aguas de Toxiria, S.A.	Plaza de la Constitución – Torredonjimeno (Jaen)	65	71	24.99	Vaciero Auditores
Nueva Sociedad de Aguas de Ibiza, S.A.	Av. Bartolomé Roselló, 18 - Ibiza (Balearic Islands)	49	105	20.40	
Omán Sustainable Water Services SAOC	Oman	1,816	1,666	24.99	KPMG
Operadora El Realito, S.A. de C.V.	Mexico	332	383	7.65	
Prestadora de Servicios Acueducto El Realito, S.A. de C.V.	Mexico	2	2	12.50	
Proveïments d'Aigua, S.A.	Astúries, 13 - Gerona	684	671	7.71	GPM Auditors Associats
Sera Q A Duitama E.S.P., S.A.	Colombia	7	7	15.61	

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
Suministro de Aguas de Querétaro, S.A. de C.V.	Mexico	12,426	13,404	25.51	Deloitte
CONSTRUCTION					
Agrenic Complejo Industrial Nindiri, S.A.	Nicaragua	2,484	2,757	50.00	BDO Auditores
Agriwater, S.L.U.	C/ Mas d'en Colom, 14 – Tárrega (Lleida)	875	343	26.71	Deloitte
Aigües del Segarra Garrigues, S.A.	C/ Mas d'en Colom, 14 – Tárrega (Lleida)	8,218	7,562	26.16	Deloitte
Cafig Constructores, S.A. de C.V.	Mexico	882	919	45.00	Deloitte
Construcciones y Pavimentos, S.A.	Panama	5	5	50.00	
Constructora de Infraestructuras de Aguas de Potosí, S.A. de C.V.	Mexico			24.50	Deloitte
Constructora San José - Caldera CSJC, S.A.	Costa Rica			50.00	Ernst & Young
Constructora San José - San Ramón SJSR, S.A.	Costa Rica			50.00	
Constructora Terminal Valle de México, S.A. de C.V.	Mexico	800	1,805	14.28	Deloitte
Desarrollo Cuajimalpa, S.A. de C.V.	Mexico	8	8	25.00	
Efi Túneles Necaxa, S.A. de C.V.	Mexico	196	69	45.00	
Euroconcretos de Nicaragua, S.A.	Nicaragua			40.00	
FCC Tarrio TX-1 Construção Ltda	Brazil			70.00	
M50 (D&C) Limited	Ireland	(3,278)	(3,273)	42.50	
N6 (Construction) Limited	Ireland	(38,419)	(38,413)	42.50	
OHL-FCC GP Canada Inc.	Canada			50.00	

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
Prestadora de Servicios Acueducto El Realito, S.A.de C.V.	Mexico	1	1	24.50	
Promvias XXI, S.A.	Anglesola, 6 - Barcelona	1	1	25.00	
Roadbridge FCC JV Limited	Ireland			50.00	Mazars
Servicios CTVM, S.A. de C.V.	Mexico	2	2	14.28	
Serv. Terminal Valle de México, S.A. de C.V.	Mexico	25	28	14.28	
CEMENT					
Aplicaciones Minerales, S.A.	Camino Fuente Herrero - Cueva Cardiel (Burgos)		596		
Canteras y Hormigones VRE, S.A.	Berroa (P.I. La Estrella) - Tanojar (Navarra)		(297)		
Giant Group			102,744		
Coastal Cement Corporation	USA				
Dragon Energy Llc.	USA				
Dragon Products Company Inc.	USA				
Giant Cement Company	USA				
Giant Cement Holding Inc.	USA				
Giant Cement NC Inc.	USA				
Giant Cement Virginia Inc.	USA				
Giant Resource Recovery Inc.	USA				
Giant Resource Recovery - Arvonía Inc.	USA				

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
Giant Resource Recovery - Attalla Inc.	USA				
Giant Resource Recovery - Harleyville, Inc.	USA				
Giant Resource Recovery - Sumter Inc.	USA				
Keystone Cement Company	USA				
Sechem Inc.	USA				
Hormigones Castro, S.A.	Ctra. Nacional 634 - Ambrosero - Barcena de Cicero (Cantabria)		407		
Hormigones de la Jacetania, S.A.	Llano de la Victoria – Jaca (Huesca)		813		
Hormigones del Baztán, S.L.	Berroa (P.I. La Estrella) - Tanojar (Navarra)		377		
Hormigones Delfín, S.A.	Venta Blanca - Peralta (Navarra)		1,057		
Hormigones en Masa de Valtierra, S.A.	Ctra. Cadreita Km. 1 - Valtierra (Navarra)		2,514		
Hormigones Reinales, S.A.	Pintor Murillo, s/n - Calahorra (La Rioja)		1,050		
Hormigones y Áridos del Pirineo Aragónés, S.A.	Ctra. Nacional, 260 Km. 516,5- Sabiñánigo (Huesca)		6,317		
Lázaro Echevarría, S.A.	P.I. Isasia- Alsasua (Navarra)		7,828		
Navarra de Transportes, S.A.	C/Circunvalación Inguraketa s/n - Olazagutia (Navarra)		825		
Novhorvi, S.A.	Portal de Gamarra, 25 - Vitoria -Gasteiz (Alava)		86		
Portcemen, S.A.	Muelle Contradique Sur-Puerto Barcelona - Barcelona		979		
Terminal Cimentier de Gabes-Gie	Tunisia		32		
Vescem-LID, S.L.	Valencia, 245 - Barcelona		35		

Company	Address/ Registered office	Net book value of the portfolio		% Effective ownership	Auditor
		2024	2023		
CONCESSIONS					
Future Valleys Project Co Limited	United Kingdom	39,888	29,010	42.50	Goodman Jones
Future Valley Hold Co Limited	United Kingdom			42.50	Goodman Jones
Metro de Lima Línea 2, S.A.	Peru	44,526	38,840	18.25	Ernst & Young
World Trade Center Barcelona, S.A. de S.M.E.	Moll Barcelona (Ed. Este), s/n – Barcelona	12,094	11,521	24.01	Ernst & Young
REAL ESTATE					
Las Palmeras de Garrucha, S.L.	Mayor, 19 – Garrucha (Almería)		828		
Metrovacesa, S.A.	Calle Quintanavides (PQ. Via Norte), 13 28050 Madrid		402,120		
TOTAL VALUE OF CONSOLIDATED COMPANIES USING THE EQUITY METHOD (ASSOCIATED COMPANIES)		149,559	670,460		

ANNEX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

ADDITIONS

Company	Address/Registered office
GLOBAL CONSOLIDATION	
Local Sports Centers Management, S.L.U.	Av. Camino de Santiago, 40 – Madrid
Dezvoltare Infrastructura, S.R.L.	Romania
Eur Serv Dechets SAS	France
Eur Serv MTCE SAS	France
Eur Serv Voire SAS	France
Eur SRV Proprete SAS	France
FCC Concesiones Inversiones 2, S.L.U.	Federico Salmón, 13 – Madrid
FCC Concesiones Aragón, S.A.	C/ Manuel Lasala, 36 - Zaragoza (58006)
FCC Construction Queensland PTY, Ltd.	Australia
FCC Environmental Services MN	USA
FCC Environmental Services NC	USA
FCC Equal CEE Melilla, S.L.U.	Calle Actor Tallavi, Local B, Edificio Edison, 20 (Melilla)
FCC LDF Limited	United Kingdom
Gel Holdings Llc	USA
Limek Plus spol., s.r.o.	Czech Republic
Resicorreia - Gestão e Serviços de Ambiente, Ldao Ser Amb Lda	Portugal
Tranvía de Parla, S.A.	Cno. De la Cantueña, 2 - Parla (Madrid)

Company	Address/Registered office
Urbaser Group (UK)	
Biowise Limited	United Kingdom
Crossco (1370), Ltd.	United Kingdom
Crossco (1371), Ltd.	United Kingdom
J&B Bio, Ltd.	United Kingdom
J&B Recycling, Ltd.	United Kingdom
UBB Waste (Essex), Ltd	United Kingdom
UBB Waste (Gloucestershire) Holdings Ltd.	United Kingdom
UBB Waste (Gloucestershire) Intermediate Ltd.	United Kingdom
UBB Waste (Gloucestershire) Ltd.	United Kingdom
Urbaser Environmental Limited	United Kingdom
Urbaser Investments Limited	United Kingdom
Urbaser Limited	United Kingdom
Wastewise Holding Limited	United Kingdom
Wastewise Limited	United Kingdom
Wastewise (UK) Limited	United Kingdom
JOINT VENTURES	
Scarborough Transit Connect Labour Cop	Canada

CHANGES IN THE SCOPE OF CONSOLIDATION

DERECOGNITIONS

Company	Address/Registered office
GLOBAL CONSOLIDATION	
Aguas de las Galeras (4)	Av. Camino de Santiago, 40 – Madrid
Aqualia Infraestructuras d.o.o. Mostar (2)	Bosnia-Herzegovina
Áridos de Navarra, S.A. (1)	Estella, 6, Pamplona (Navarra)
Canteras de Alaiz, S.A. (1)	Dormilatería, 72 – Pamplona (Navarre)
Cementos Alfa, S.A. (1)	María Tubau, 9 – 4 planta – Madrid
Cementos Portland Valderrivas, S.A. (1)	Dormilatería, 72 – Pamplona (Navarre)
Cemark - Mobiliario Urbano e Publicidade, S.A. (3)	Portugal
Costa Verde Habitat, S.L. (1)	Paseo de la Castellana, 216 – Madrid
Dragon Alfa Cement Limited (1)	United Kingdom
Dragon Portland Limited (1)	United Kingdom
Empresa Gestora de Aguas Linenses, S.L. (4)	Federico Salmón, 13 – Madrid
FCyC, S.A. (1)	Paseo de la Castellana, 216 – Madrid
FCC HP s.r.o. (4)	Czech Republic
FCC Real Estate (UK) Limited (1)	United Kingdom
Heserane, S.L.U. (1)	Calle Velázquez, 64 - Madrid
Intermonte Investments, S.A.(1)	Paseo de la Castellana, 216 – Madrid
Jezzine Uno, S.L. Unipersonal (1)	Paseo de la Castellana, 216 – Madrid
Prebesec Mallorca, S.A. (1)	Conradors (P.I. Marratxi) - Marratxi (Balearic Islands)

Company	Address/Registered office
Realia Group	
Guillena Golf, S.L. Unipersonal (1)	Paseo de la Castellana, 216 – Madrid
Inversiones Inmobiliarias Rústicas y Urbanas 2000, S.L. (1)	Paseo de la Castellana, 216 – Madrid
Planigesa, S.A. (1)	Av. Camino de Santiago, 40– Madrid
Realia Business, S.A. (1)	Paseo de la Castellana, 216 – Madrid
Realia Contesti, S.R.L. (1)	Romania
Realia Patrimonio, S.L.U. (1)	Paseo de la Castellana, 216 – Madrid
Servicios Índice, S.A. (1)	Paseo de la Castellana, 216 – Madrid
Valaise, S.L. Unipersonal (1)	Paseo de la Castellana, 216 – Madrid
Rustavi Water Llc. (2)	Georgia
Société des Ciments d’Enfidha (1)	Tunisia
Surgyps, S.A. (1)	Paseo de la Castellana, 216 – Madrid
Uniland Acquisition Corporation (1)	USA
Uniland International B.V. (1)	Netherlands
Uniland Trading B.V. (1)	Netherlands
Vela Borovica Koncern d.o.o. (1)	Croatia
PROPORTIONAL	
A.I.E. Dipòsit de Runes Olèrdola (1)	C/ Nàpols, 222 Planta Baja (Barcelona)
JOINT VENTURES	
Grupo Realia	
As Cancelas Siglo XXI, S.L. (1)	Paseo de la Castellana, 216 – Madrid

Company	Address/Registered office
Pedreira de l'Ordal, S.L. (1)	Ctra. N 340 km. 1229.5 - Subirats (Barcelona)
MDM-Teide, S.A. (1)	Panama
Teide-MDM Quadrat, S.A. (1)	Panama
ASSOCIATES	
Aplicaciones Minerales, S.A. (1)	Camino Fuente Herrero - Cueva Cardiel (Burgos)
Canteras y Hormigones VRE, S.A. (1)	Berroa (P.I. La Estrella) - Tanojar (Navarra)
Grupo Giant	
Coastal Cement Corporation (1)	USA
Dragon Energy LLC. (1)	USA
Dragon Products Company Inc. (1)	USA
Giant Cement Company (1)	USA
Giant Cement Holding Inc. (1)	USA
Giant Cement NC Inc. (1)	USA
Giant Resource Recovery Inc. (1)	USA
Giant Resource Recovery - Attalla Inc. (1)	USA
Giant Resource Recovery - Harleyville, Inc. (1)	USA
Giant Resource Recovery - Sumter Inc. (1)	USA
Giant Resource Recovery Transportation Services, Inc. (1)	USA
Keystone Cement Company (1)	USA
Hormigones Castro, S.A. (1)	Ctra. Nacional 634 - Ambrosero - Barcena de Cicero (Cantabria)
Hormigones de la Jacetania, S.A. (1)	Llano de la Victoria – Jaca (Huesca)

Company	Address/Registered office
Hormigones del Baztán, S.L. (1)	Berroa (P.I. La Estrella) - Tanojar (Navarra)
Hormigones Delfín, S.A. (1)	Venta Blanca - Peralta (Navarra)
Hormigones en Masa de Valtierra, S.A. (1)	Ctra. Cadreita Km. 1 - Valtierra (Navarra)
Hormigones Reinales, S.A. (1)	Pintor Murillo, s/n - Calahorra (La Rioja)
Hormigones y Áridos del Pirineo Aragonés, S.A. (1)	Ctra. Nacional, 260 Km. 516,5- Sabiñánigo (Huesca)
Las Palmeras de Garrucha, S.L. (1)	Mayor, 19 – Garrucha (Almería)
Lázaro Echevarría, S.A. (1)	P.I. Isasia- Alsasua (Navarra)
Navarra de Transportes, S.A. (1)	C/Circunvalación Inguraketa s/n - Olazagutia (Navarra)
Novhorvi, S.A. (1)	Portal de Gamarra, 25 - Vitoria -Gasteiz (Alava)
Metrovacesa, S.A. (1)	Calle Quintanavides (Pq. Via Norte), 13 28050 Madrid
Portcemen, S.A. (1)	Muelle Contradique Sur-Puerto Barcelona - Barcelona
Terminal Cimentier de Gabes-Gie (1)	Tunisia
Vescem-LID, S.L. (1)	Valencia, 245 - Barcelona

(1) Derecognition due to partial financial spin-off of the Inmocermento Group (note 2)

(2) Derecognition by liquidation

(3) Derecognition by disposal

(4) Derecognition by merger

ANNEX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

Company	Change in the consolidation method (current method)	Change in the consolidation method (previous method)
Beacon Waste Limited	Global	Equity method
Mercia Waste Management Ltd.	Global	Equity method
Severn Waste Services Limited	Global	Equity method

ANNEX V

TEMPORARY JOINT VENTURES, ECONOMIC INTEREST GROUPS AND OTHER ENTERPRISES MANAGED JOINTLY WITH NON-GROUP THIRD PARTIES

	Proportional integration at 31 December 2024
ENVIRONMENTAL SERVICES	
UBB Essex Construction JV	70.00
UBB Gloucester Construction JV	50.00
UTE A Coruña Limpieza	70.00
UTE Agarbi Bi	60.00
UTE Agarbi Interiores	60.00
UTE Aizmendi	60.00
UTE Alcantarillado Melilla	50.00
UTE Arazuri 2020	50.00
UTE Arcos	51.00
UTE Arcos Limpieza Viaria	51.00
UTE Artigas	60.00
UTE Artigas II	60.00
UTE Arucas II	70.00
UTE Baix Ebre-Montsià	60.00
UTE Bilketa 2017	60.00
UTE Bio Eraikigarbi	60.00
UTE Bio Garbiketa	60.00

	Proportional integration at 31 December 2024
UTE Biocompost de Álava	50.00
UTE Bizkaiko Hondartzak	50.00
UTE Bizkaiko Hondartzak 2021	50.00
UTE Boadilla	50.00
UTE Cabrera de Mar	50.00
UTE Cana Putxa	20.00
UTE Carma	50.00
UTE Castellana – Po	50.00
UTE Clausura Garraf	50.00
UTE CMG2 Lanak	92.00
UTE CMG2 Kudeaketa	92.00
UTE Complejo Ambiental Copero	67.00
UTE Compostaje MCP	50.00
UTE Contenedores las Palmas	30.00
UTE CTR – Vallès	20.00
UTE Ctr. de l'alt Empordà	45.00
UTE CTR Valladolid	80.00
UTE Cúa	50.00
UTE Dependencias Elche	80.00
UTE Donostiako Garbiketa	70.00
UTE Dos Aguas	35.00
UTE Easo Garbia	60.00

	Proportional integration at 31 December 2024
UTE Ecogondomar	70.00
UTE Ecomilla Bicipark	60.00
UTE Ecoparc 3 BCN	50.00
UTE Ecoparque Cáceres	50.00
UTE Ecourense	50.00
UTE Eco-Tri	50.00
UTE Efic. Energ. Puerto del Rosario	60.00
UTE Elche	50.00
UTE Energía Solar Onda	25.00
UTE Enllumenat Sabadell	50.00
UTE Envases Ligeros Málaga	50.00
UTE Epeleko Konposta	60.00
UTE Epremasa Provincial	55.00
UTE Es Vedra	25.00
UTE Etxebarri	60.00
UTE FCC – Ers Los Palacios	50.00
UTE FCC Perica I	60.00
UTE FCC Perica II	60.00
UTE FCC – SuFI Majadahonda	50.00
UTE FCC-Mcc Santiago del Teide	80.00
UTE FORM Ecoparc 3 BCN	50.00
UTE F.S.S.	99.00

	Proportional integration at 31 December 2024
UTE Fuentes las Palmas	25.00
UTE Fuerteventura Lote 2	50.00
UTE Gestió Integral de Runes del Papiol	40.00
UTE Gestión Instalación III	34.99
UTE Giref	20.00
UTE Goierri Bilketa	60.00
UTE Goierri Garbia	60.00
UTE Guipuzkoako Hondartzak 2020	60.00
UTE Guipuzkoako Hondartzak 2022	60.00
UTE Guipuzkoako Konposta	60.00
UTE Guipuzkoako Portuak 2019	40.00
UTE Guipuzkoako Portuak 2023	40.00
UTE Industriales Lea Artibai	60.00
UTE Interiores Bilbao	80.00
UTE Interiores Bilbao II	70.00
UTE Jardineras 2019	60.00
UTE Jardineras 2024	60.00
UTE Jardines Boadilla	70.00
UTE Jardines Pto del Rosario	78.00
UTE Jardines UJI	50.00
UTE Jerez	80.00
UTE JJ Gaiketa Sanmarko	63.00

	Proportional integration at 31 December 2024
UTE Jundiz II	51.00
UTE Kimaketak Lau	50.00
UTE la Llama del Birlet	80.00
UTE Lagunas II	33.34
UTE Las Caldas Golf	50.00
UTE Legio VII	50.00
UTE Lekeitioko Mantenimendua	60.00
UTE Lezo Garbiketa 2018	55.00
UTE Limpieza y RSU Lezo	55.00
UTE Logroño Limpio	50.00
UTE Los Rosales - Zafra	45.00
UTE Luze Vigo	40.00
UTE LV Coslada	50.00
UTE LV Lote IV	65.00
UTE LV Ribera	90.00
UTE LV RSU Muszik	60.00
UTE LV RSU Vitoria-Gasteiz	60.00
UTE LV Zumaia	60.00
UTE LV Zumarraga	60.00
UTE Mant. Edif. Diputación Vcia	55.00
UTE Mant. Edificios Valencia	55.00
UTE Mantenimiento Manises	50.00

	Proportional integration at 31 December 2024
UTE Manteniment Lot 12	75.00
UTE Manteniment Reg Cornellà	60.00
UTE Melilla	50.00
UTE Neteja Illes Balears	50.00
UTE Neteja i Recollida Anglès	50.00
UTE Neteja Pintades Barcelona	84.20
UTE Netial	66.66
UTE Neumática Casco Antiguo	65.00
UTE Nivaria	33.50
UTE Onda Explotación	33.33
UTE Orgánica MCP Caparroso	50.00
UTE Pájara	70.00
UTE Pamplona	80.00
UTE PaP La Cellera	50.00
UTE Parla	50.00
UTE Parques Infantiles LP	50.00
UTE Plan Residuos	47.50
UTE Planta Materia Orgánica	40.00
UTE Planta Rsi Tudela	60.00
UTE Planta Transferencia FTV 2	70.00
UTE Planta Tratamiento Valladolid	90.00
UTE Poniente Almeriense	50.00

	Proportional integration at 31 December 2024
UTE Portmany	50.00
UTE PTMR	50.00
UTE Puerto de Pto del Rosario	70.00
UTE RBU Els Ports	50.00
UTE RBU Villa-Real	47.00
UTE Rec. Neum. Valdespartera	49.00
UTE Recollida Segrià	60.00
UTE Reg Cornellà	60.00
UTE Reutiliza	70.00
UTE RSU Bilbao II	60.00
UTE RSU Chipiona	50.00
UTE RSU Donosti	70.00
UTE RSU Inca	80.00
UTE RSU LV Muskiz	60.00
UTE RSU LV S. Bme. Tirajana	50.00
UTE RSU y LV Colmenar Viejo	50.00
UTE RSU y LV Palencia	50.00
UTE RSU y LV Torrejón de Ardoz	60.00
UTE RSU Málaga	50.00
UTE RSU Sestao	60.00
UTE RSU Tolosaldea	60.00
UTE S.U. Alicante	33.33

	Proportional integration at 31 December 2024
UTE S.U. Benicassim	35.00
UTE S.U. Bilbao	60.00
UTE S.U. Oropesa del Mar	35.00
UTE Saneamiento Urbano Castellón	65.00
UTE Saneamiento Vitoria-Gasteiz	60.00
UTE Sanejament Cellera de Ter	50.00
UTE Sanejament Girona	70.00
UTE Sanejament Granollers	80.00
UTE San Miguel-Anaka	50.00
UTE SAV – FCC Tratamientos	35.00
UTE Selectiva Urola Kosta II 2017	60.00
UTE Selectiva las Palmas	55.00
UTE Selectiva Sanlucar	50.00
UTE Selectiva San Marcos II	63.00
UTE Selectiva Urola Kosta	60.00
UTE Sellado Vertedero Gardelegui	50.00
UTE Sestao Garbiketa	60.00
UTE Tolosako Garbiketa	40.00
UTE Tolosako Garbiketa 2020	40.00
UTE Tolosako Garbiketa 2024	40.00
UTE Tolosaldea RSU 2018	60.00
UTE Tolosaldea RSU 2023	60.00

	Proportional integration at 31 December 2024
UTE Transp. y Elim. RSU	33.33
UTE Transporte RSU	33.33
UTE Txorierri RSU 2023	60.00
UTE Uribe Kosta	60.00
UTE Urola Erdia	60.00
UTE Urola Kosta 2023	60.00
UTE Urretxu Garbi 2023	60.00
UTE Urretxu Garbiketa	60.00
UTE Vertedero Aizmendi 2024	70.00
UTE Vertedero Gardelegui III	70.00
UTE Vertresa	10.00
UTE Vilomara II	33.33
UTE Zamora Limpia	30.00
UTE Zaragoza Delicias	51.00
UTE Zarautz Garbia	60.00
UTE Zumarraga Garbia	60.00
UTE ZZVV Santa Cruz Tenerife	50.00
AQUALIA	
Aguas y Servicios de la Costa Tropical de Granada, A.I.E.	51.00
Empresa Mixta de Aguas y Servicios, S.A.	41.25
Gestión de Servicios Hidráulicos de Ciudad Real, A.I.E.	75.00
Consortium O&M Alamein	65.00

	Proportional integration at 31 December 2024
UTE Abastecimiento Picadas Almoguera	95.00
UTE Abu Rawash Construcción	50.00
UTE Aguas Alcalá	50.00
UTE Aguas del Doramás	50.00
UTE Alkhorayef-FCC Aqualia	51.00
UTE Ampliación Edam Granadilla	60.00
UTE Ampliacion Idam Melilla	50.00
UTE Badajoz Zona Este	50.00
UTE Badajoz Zona Oeste	50.00
UTE Cap Djinet	50.00
UTE Cons. Gestor Ptar Salitre	30.00
UTE Consorcio Louro	99.00
UTE Costa Tropical	51.00
UTE Costa Tropical II	51.00
UTE Costa Tropical III	51.00
UTE Depuración Poniente Almeriense	75.00
UTE Depuradoras Lote 1	95.00
UTE Edar A Guarda 2013	50.00
UTE Edar A Guarda 2022	50.00
UTE Edar Baeza	50.00
UTE Edar Galindo	50.00
UTE Edar Gijón	60.00

	Proportional integration at 31 December 2024
UTE Garrucha	85.00
UTE Gestión Cargas	70.00
UTE Groupement Solidaire Jerba	50.00
UTE Guadiana Pueblonuevo	51.00
UTE Guía de Isora	70.00
UTE Hidc – Hidr. – Inv Do Centr. Ace	50.00
UTE Ibiza	50.00
UTE Idam Ibiza	50.00
UTE Idam S.Eulalia - S.Antoni	50.00
UTE Idam Santa Eulalia	50.00
UTE Idam Santa Eulalia II	50.00
UTE Idam Santa Eulalia III	50.00
UTE Idam Santa Eulalia IV	50.00
UTE Idga Saneca	70.00
UTE Mostaganem	50.00
UTE Obra Edar Argamasilla de Calatrava	70.00
UTE OYM CAP Djinet	50.00
UTE OYM Mostaganem	50.00
UTE Ptar Ambato	60.00
UTE Qatar	51.00
UTE SEAFSA Lanzarote	60.00
UTE Sollano-Zalla	50.00

	Proportional integration at 31 December 2024
UTE TSE Riad	51.00
UTE Zafra	65.00
CONSTRUCTION	
A465 OJV	33.33
ACE Caet XXI Construções	50.00
Consortio Cobra – FCC Industrial	43.00
Consortio FCC Construcción-Ferrovial Agroman Ltda.	50.00
Fast Consortium Limited Llc	43.78
Lúcios & FCC Construcción, A.C.E	50.00
ACP du Port de la Condamine	45.00
Asoc. Astaldi-FCC-Salcef-Thales, Lot 2 A	49.50
Asoc. Astaldi-FCC-Salcef-Thales, Lot 2 B	49.50
Asoc. FCC Azvi Straco S. Atel-Micasasa	55.00
Asocierea FCC-Astaldi-Convensa, Tronson 3	50.50
Asocierea FCC Azvi S. Sighisoara - Atel	55.00
Bridging Pennsylvania Constructors J.V.	50.00
CJV-UJV	43.78
Consortio Antioquia al Mar	40.00
Consortio Centenario de Panamá Sociedad Accidental	50.00
Consortio Chicago II	60.00
Consortio CJV Constructor Metro Lima	25.50
Consortio Epc Metro Lima	18.25

	Proportional integration at 31 December 2024
Consorcio FCC-FI	50.00
Consorcio FCC – Corredor de las Playas	51.00
Consorcio FCC – Corredor de las Playas II	51.00
Consorcio FCC-JJC (Puerto Callao)	50.00
Consorcio Ica – FCC – Meco Pac-4	43.00
Consorcio Línea 2	40.00
Consorcio Línea 2 Ramal	40.00
Consorcio Línea Uno	45.00
Consorcio M&S Santa Fe Mca	50.00
Consorcio Nueva Esperanza	63.00
Cross Fraser Partnership	33.33
Fast 5 – U.J.V.	34.65
FCC - GMK - CCN CLUJ NAPOCA J.V.	50.00
FCC - Yuksel – Archidoron – Petroserv J.V.	50.00
FCS Tunnels JV	40.00
Groupement FCC - Ingenium	93.00
J.V. Asocierea Arad-Timisoara FCC-Webuild	50.00
J.V. Astaldi-FCC-UTI-Activ. Magistrala	37.00
J.V. Bypass Constata	50.00
J.V. Centure Otopeni Overpass	40.00
J.V Estension of Line 2 to Antohoupoli	50.01
J.V. SFI Leasing Company	30.00

	Proportional integration at 31 December 2024
Merseylink Civil Contractors J.V.	33.33
Metro Bucarest J.V.	47.50
Ol Pape Tunnel and Underground Stations	50.00
Onexpress Civils Contractors GP	50.00
Scarborough Transit Connect GP	50.00
Shimmick Co. Inc. FCC Co. Impregilo Spa JV	30.00
Sisk FCC Gg Ppp	50.00
Sotra Link Construction JV ANS	35.00
Thv Cafasso Construction	50.00
TJV-UJV	19.70
Uptown Stadium JV	55.00
Webuild – FCC JV (Basarab)	50.00
UTE 2ª Fase Dique de la Esfinge	35.00
UTE Accesos a La Estación de La Sagrera	37.50
UTE Acceso Norte A Vigo Nueva Estación	50.00
UTE Acceso Puerto Seco Monforte	50.00
UTE Adecuación Palacio Justicia TSJCV	63.00
UTE Adif Bancada 2018	50.00
UTE Aeropuerto Adolfo Suárez	50.00
UTE Aguas Madrid 2021	70.00
UTE Alameda de Cervantes En Lorca	60.00
UTE Album	50.00

	Proportional integration at 31 December 2024
UTE Alta Capacidad 2020	50.00
UTE Alumbrado Lugo	50.00
UTE Alumbrado Madrid Lote-1	50.00
UTE Am Boadilla	25.00
UTE Ampliación Hospital Marina Baixa	60.00
UTE Ampliación Materno Infantil	80.00
UTE Ampliación Muelle de Naos	95.00
UTE Andenes L1-L9 Tram Benidorm	65.00
UTE Arquitectura Sagrera	37.50
UTE Arroyo del Fresno	50.00
UTE Aucosta Conservación	50.00
UTE Auditorio de Lugo	50.00
UTE Autovía el Batán – Coria	50.00
UTE Autopista Ferroviaria	25.00
UTE Ave Alcántara-Garrovillas	85.00
UTE Ave Eje Sur	25.00
UTE Ave Girona	40.00
UTE Ave Madrid Noreste Lote 2	25.00
UTE Ave Maside	67.00
UTE Ave Plasencia - Badajoz	25.00
UTE Avenoreste1	25.00
UTE Avenoreste2	25.00

	Proportional integration at 31 December 2024
UTE Badajoz Sur	50.00
UTE Barbados	50.00
UTE Barcience	50.00
UTE Bergara Antzuola	71.50
UTE Bobadilla - Ronda	45.00
UTE Boetticher Clima	50.00
UTE Boetticher Electricidad	50.00
UTE Bombeo Fuente Alamo	60.00
UTE Bosque de la Herrería	40.00
UTE Brazatortas	33.34
UTE By Pass Mérida Lote 1	50.00
UTE By Pass Mérida Lote 2	50.00
UTE C&F Jamaica	50.00
UTE Cáceres Norte	50.00
UTE Calders-Vilaseca	20.00
UTE Campo Gibraltar	80.00
UTE Canal de Castilla 2022	70.00
UTE Cárcel Marcos Paz	35.00
UTE Carretera Ibiza – San Antonio	50.00
UTE Castellón - Vinaroz	50.00
UTE Castuera	33.34
UTE Catlántico	25.00

	Proportional integration at 31 December 2024
UTE Cecoex	20.00
UTE Cedillo I y II	99.00
UTE Chuac	50.00
UTE Cierre Anillo Insular Tfe	85.00
UTE Circuito	70.00
UTE Circunvalación Lucentum	50.00
UTE Ciudad Rodrigo	99.00
UTE Ciutat de la Justícia	30.00
UTE CMS La Llagosta	20.00
UTE CMS Ramal Aeropuerto BCN	25.00
UTE Coberta Tallers ZF	50.00
UTE Conexión Corredor Mediterráneo	40.00
UTE Conexión Molinar	70.00
UTE Conservacion Ex-A1	50.00
UTE Conservacion Plasencia	50.00
UTE Construcción Tranvía Zaragoza	50.00
UTE Control de Vegetación Noreste	50.00
UTE Club de Mar Mallorca	70.00
UTE Creaa	50.00
UTE Deacentro	60.00
UTE Deansur	60.00
UTE Depuración San Roque	60.00

	Proportional integration at 31 December 2024
UTE Desarrollo Puerto de Avilés Fase I	80.00
UTE Dique Este	35.00
UTE Dique Torres	27.00
UTE Donostialdea 2018	60.00
UTE Donostialdea 2023	60.00
UTE Duplicación Palencia - León	60.00
UTE Duplicación R-3	50.00
UTE Elec Lin Castellón Vinaroz	50.00
UTE Electrificación la Sagrera	50.00
UTE Enllumenat B25	50.00
UTE Enllumenat Tallers Zona Franca	50.00
UTE ErtMS Rodalíes Bcn	22.00
UTE Estació Guinardó L9	33.00
UTE Estación Girona	40.00
UTE Estacions Línea 9	33.00
UTE Ezkio Itsaso	40.00
UTE Facultad de Filosofía	60.00
UTE Fase II Pabellón Reyno de Navarra	50.00
UTE Fase B Architect. Sagrera	37.50
UTE FCC Industrial - Aton	90.00
UTE FCCi-Orbe	70.00
UTE F.I.F. GNL FB 301/2	35.96

	Proportional integration at 31 December 2024
UTE Fira P.Zero	60.00
UTE Fuente de Cantos	50.00
UTE FV Tallers Zona Franca	50.00
UTE Galibos Monforte	50.00
UTE Galindo-Beurko	60.00
UTE Girona Norte 2014	70.00
UTE Guadalmez - Córdoba	25.00
UTE Guadarrama 3	33.33
UTE Guadarrama 4	33.33
UTE Hornachuelos y Antequera Lote 2	25.00
UTE Hospital Alcázar	60.00
UTE Hospital Cabueñes Fase I	70.00
UTE Hospital Campus de la Salud	80.00
UTE Hospital FCC – Vvo	80.00
UTE Hospital Son Dureta	33.00
UTE Hospital Universitario de Murcia	50.00
UTE Iecisa-FCC/Interfonia En Estaciones	50.00
UTE Impermeabilización Túnel Pajares Norte	50.00
UTE Inst. TMB Zona Franca	50.00
UTE Instalación FV Balsa Alfés	50.00
UTE Instalaciones Madrid Este	46.25
UTE Instalaciones Urbanas Este	50.00

	Proportional integration at 31 December 2024
UTE Jabugo	50.00
UTE Juan Grande	50.00
UTE L1 Sur Lote 1	50.00
UTE Lac la Sagra	50.00
UTE Lav Sevilla	45.00
UTE Línea 6 Lote 1	50.00
UTE Línea 9	33.00
UTE Lote 1 Centro	50.00
UTE Lote 1 Edif. B Son Dureta	70.00
UTE Lote 1 Urb. La Solana	60.00
UTE Lot 5 Glories	37.50
UTE Lote 4 Hospital de Alcañiz	55.00
UTE Lote 6 Sur	50.00
UTE M-407	50.00
UTE Madrid Sevilla Ave	60.00
UTE Mantenimiento R-2 2024	50.00
UTE Mantenimiento Presas de Castellón	50.00
UTE Manteniment Rondes 2022	50.00
UTE Mantenimiento Júcar	50.00
UTE Mantenimiento SAIH Jucar 2023	50.00
UTE Mantenimiento Tdm 2018	50.00
UTE Mantenimiento Tranvía Zaragoza	50.00

	Proportional integration at 31 December 2024
UTE Mantenimiento Vía Aranjuez	50.00
UTE Medina 2023	50.00
UTE Medinaceli	22.40
UTE Mej. Viarios Leganés 2022	50.00
UTE Metro Línea 12	95.00
UTE Miv Centro	21.50
UTE Miv Centro 2021-2022	25.00
UTE Miv Sur	29.50
UTE Miv Sur Lote 6	25.00
UTE Mntto. Antequera Granada	20.00
UTE Montcada	33.33
UTE Monforte	24.00
UTE Monaje Via Sagrera	37.50
UTE Mora - Calatrava	39.97
UTE Mto Postr Tajo-Segura	60.00
UTE Muelle de la Química	70.00
UTE Muelles Mahón	50.00
UTE Mural	28.00
UTE Murcia Lorca Lote 3	50.00
UTE Navalморal	61.00
UTE Novo Chuac Fase 1.1	50.00
UTE Nuevo Estadio Vcf	49.00

	Proportional integration at 31 December 2024
UTE Nuevo Hospital de Cáceres	50.00
UTE Nuevo Puerto de Igoumenitza	50.00
UTE Obra Cub.Capat.Catarroja	55.00
UTE Obras Alumbrado Madrid	50.00
UTE Operadora Termosolar Guzmán	67.50
UTE Osorno 2019	60.00
UTE Pago de Enmedio	75.00
UTE Palacio de Congresos de León	50.00
UTE Parques Madrid Lote 6	50.00
UTE Pasaia Berri	50.00
UTE Pasaia Berri Instalaciones	80.00
UTE Paseo Verde del Suroeste Lote 1	50.00
UTE PCI Triangle	60.00
UTE Pizarro	99.00
UTE Pla de Na Tesa	70.00
UTE Pont de Candi	75.00
UTE Ponts Ronda Litoral	50.00
UTE Pou Ventilació Sanllehy L9	33.00
UTE Presa Enciso	50.00
UTE Psir Castro Urdiales	50.00
UTE Puente Ribadesella	70.00
UTE Puente Río Ozama (Dfc-Cocimar)	35.00

	Proportional integration at 31 December 2024
UTE Puerto de Granadilla	50.00
UTE Puertollano	50.00
UTE Quintanaortuño - Montorio	75.00
UTE Radiales	35.00
UTE Red Arterial Palencia Fase I	80.00
UTE Reforma Chuac Fase Cero	50.00
UTE Reforma Plaza España	80.00
UTE Regadíos Río Flumen	60.00
UTE Rehabilitación Dique Botafoc	55.00
UTE Rehabilitación Parque la Gavia	75.00
UTE Renovación Desvíos Fase 1	25.00
UTE Renovación Desvíos Fase 2	25.00
UTE Renovación Línea Girona-Figueres	50.00
UTE Renovación Madrid Sevilla F3	50.00
UTE Rep Pant Brazatortas	25.00
UTE RIV GIJÓN-LAVIANA	40.00
UTE RIV Orense - Monforte	33.33
UTE Ruta Nacional Haití	55.00
UTE Saneamiento Arco Sur	56.50
UTE Saneamiento de Villaviciosa	80.00
UTE Serv. Energ. Piscina Cub. S. Caballo	50.00
UTE Servicios Afectados B-25	50.00

	Proportional integration at 31 December 2024
UTE Sevilla Huelva Lote 1	50.00
UTE Sevilla Huelva Lote 2	50.00
UTE Sevilla Huelva Lote 3	50.00
UTE Sica	60.00
UTE Sistemas Tunel Plaza de España	50.00
UTE Sotiello	50.00
UTE Ssaa Ap – 7	50.00
UTE Tagus II III y IV	99.00
UTE Tanque de Tormentas	70.00
UTE TF-5 2ª FASE	70.00
UTE Totana - Totana	70.00
UTE Tramvia Lot 4	50.00
UTE Tratamientos Selvícolas 2020	60.00
UTE Traviesas Madrid Sevilla	25.00
UTE TS Villena	88.00
UTE Túnel Aeroport	49.00
UTE Túnel de Pajares 1	50.00
UTE Túnel Fira	49.00
UTE Túneles Bolaños	47.50
UTE Túneles de Guadarrama	33.33
UTE Túneles de Sorbes	67.00
UTE UBA CYL 2023	25.00

	Proportional integration at 31 December 2024
Ute Urb. Fase 3 Mahou-Calderón	80.00
UTE Urbanización Parc Sagunt	50.00
UTE Urbanizacion Vara del Rey	57.50
UTE Urbanización Via Parque Tramo Av. Carb.-P	60.00
UTE Vandellós	24.00
UTE Velilla Sur	99.00
UTE Vertedero Castañeda	62.50
UTE Vía Pajares	50.00
UTE Viaducto Quisi	65.00
UTE Vigo-Das Maceiras	50.00
UTE Vilariño (Via izquierda)	90.00
UTE Villanueva - Brazatortas	45.00
UTE Xarxa Control	50.00
UTE Yesa	33.33
UTE Zafra Huelva	50.00
UTE Zaramillo - Bilbao	35.00
CONCESSIONS	
UTE Mel 9	49.00
UTE B-25	50.00

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES (CONSOLIDATED GROUP)**

Management Report

2024

MANAGEMENT REPORT

**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
AND SUBSIDIARIES
at 31 December 2024**

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1. STATUS OF THE ENTITY

1.1. Status of the entity: Organisational structure and decision-making process in management

The Group's organisational structure is based on a first level consisting of Areas, which are divided into two main groups: operational and functional.

The operating Areas include all those activities related to the productive line. The Group has the following operating areas, as explained at greater length in Note 1 to consolidated financial statements:

- i. **Environmental Services.**
- ii. **End-to-end Water Management.**
- iii. **Construction.**
- iv. **Concessions**

In November 2024, the partial financial spin-off that gave rise to the Inmocermento Group (Note 2 to the consolidated financial statements) was completed, resulting in the removal from the scope of consolidation of the following activities previously carried out by the Group:

- v. **Cement Business.**
- vi. **Real Estate.**

Each of these operating Areas is headed by one or more specialised companies which, depending on FCC, encompass the Group's activities.

In addition, there are the functional Areas, which carry out support tasks for the operational ones:

- 1) **Administration and Finance:** the Administration and Finance Division comprises the Administration, Taxation, Information Technologies, Finance, Communication, Purchasing and Human Resources areas.

The Administration area directs the administrative management of the Group, and has, among others, the following functions in relation to the Information and Internal Control Systems:

- i. General accounting.
- ii. Accounting standardisation.
- iii. Consolidation.
- iv. Tax advice.
- v. Tax procedures.
- vi. Tax compliance.
- vii. Administrative procedures.

- 2) **Internal Audit and Risk Management:** Its objective is to provide the Audit and Control Committee and Senior Management with an independent and objective opinion on the Group's ability to achieve its objectives through a systematic and methodological approach for the assessment, management and effectiveness of internal control and risk management processes, assessing the effectiveness and reasonableness of the internal control systems, as

well as the functioning of processes according to the procedures, proposing improvements and providing methodological support to the Division in the process of identifying the main risks that affect activities and supervising the actions for their management.

- 3) **General Secretary:** reporting directly to the Group's CEO, its main duty is to support the management of the Group, as well as management support for the heads of the other areas of the Group, by providing the services detailed in the corresponding sections of the divisions and departments that make up the Group, which are promoted and supervised by the General Secretary.

It is made up of the following areas: Legal Advice Department, Quality Management, Corporate Security and General Services and Corporate Responsibility.

The Areas, on a second level, can be divided into Sectors, the operational ones, and Divisions, the functional ones, establishing areas that allow greater specialisation when considered necessary.

The structure of the main decision-making bodies is set out below:

- **Board of Directors:** is the body that holds the broadest powers, without any limitation, except those that are expressly reserved, by the Spanish Corporate Enterprises Act or the Articles of Association, for the jurisdiction of the General Shareholders' Meeting.
- **Audit And Control Committee:** its main function is to support the Board of Directors in its supervisory duties by periodically reviewing the process for preparing economic and financial information, its internal controls and the independence of the external auditor.
- **Appointments and Remuneration Committee:** supports the Board of Directors in relation to proposals for the appointment, re-election, ratification and removal of Directors, establishes and controls the policy for the remuneration of the company's Directors and senior managers and the fulfilment of their duties by Directors, particularly in relation to situations of conflict of interest and related-party transactions.
- **Managing Committee:** Each of the business units has a Managing Committee with similar duties.

Further information on the functions of the Group's decision-making bodies is given in section 1 on the system of Internal Control over Financial Reporting (ICFR).

1.2. Status of the entity: Business model and company strategy

The Group is one of the leading European groups specialising in the environment, water, infrastructure development and management, with a presence in over 25 countries worldwide and nearly 50.7% of its turnover generated in international markets, mainly Europe (32%), North America (9), Latin America (4.8%), the Middle East (3.8%) and North Africa (0.7%).

Environmental Services

Spain

FCC Medio Ambiente has a strong presence in Spain, and has maintained a leading position in the provision of urban environmental services for over 120 years.

At the national level, the Group provides environmental services in more than 3,700 municipalities and organisations in all the Autonomous Communities, serving a population of more than 33 million inhabitants. Waste collection and street cleaning are two of the most important services in this sector, representing 61% of revenue. They are followed, in order of importance, by disposal of wastes with 15%, cleaning and maintenance of buildings, parks and gardens and, to a lesser extent, sewage. More than 85% of the activity is carried out with public clients.

International

In turn, the international business is mainly undertaken in the UK, Central Europe and the USA. For years, the Group has held a leading position in the United Kingdom and Central European markets in the integrated management of municipal solid wastes, as well as in the provision of a wide range of environmental services. The various services provided in this sector include treatment and recycling, disposal, waste collection and the generation of renewable energy, with a growing weight and gradual reduction of disposal in controlled landfills.

United Kingdom

In the United Kingdom, the entire municipal waste management chain is operated, with a particular emphasis on the recycling and recovery process, including thermal recovery, of products and by-products, subject to maximum environmental sustainability criteria. It has more than 218 recycling facilities throughout the country and more than 167MW of installed renewable electrical power.

Central Europe

In Central and Eastern Europe, FCC provides services in seven countries (Austria, Czech Republic, Slovakia, Poland, Hungary, Romania and Serbia) to a total population of some 6 million inhabitants, 1,571 municipalities and more than 52,300 industrial customers. FCC is one of the main four private operators in Austria, the Czech Republic and Slovakia. In Poland, the rapid growth in the last few years is particularly noteworthy, although there is still some way to go. In Hungary, Romania and Serbia, the Company's presence is more discreet while waiting for legislative and regulatory changes to be introduced that guarantee greater security and stability in operations in these

countries. Taking the seven countries as a whole, FCC is the largest operator in the region in terms of both geographic coverage and volumes handled.

The range of services provided and the geographic dispersion is very diverse and balanced, including municipal and industrial collection, incineration, mechanical and biological treatment, soil decontamination, landfills, winter services, street cleaning, classification and management of recycled materials, outsourcing, cleaning of buildings, etc. This broad diversification ensures great business stability in a market with major barriers to entry and the possibility of providing a complex, end-to-end service (spanning the entire value chain) to all customers who want it.

United States

In 2024, FCC Environmental Services USA ranked among the top 15 waste management companies in the United States, serving upwards of 12 million US citizens.

A few years after entering the US market, FCC Environmental Services USA continues to tap significant opportunities when it comes to solid waste management, encompassing residential and commercial collection, along with waste treatment and recycling.

The year 2024 turned out to be an exceptional period, as demonstrated by the award of several long-term contracts with durations of up to 10 years. These include agreements in Florida (Clay County, St. Johns County, Sarasota County) and in two new states: Minnesota (city of Saint Paul) and North Carolina (Buncombe County). Together, these contracts added roughly USD 1.4 billion to the company's project portfolio.

In 2024, FCC completed the acquisition of Gel Recycling Holdings, thus significantly strengthening its presence in Central Florida. This acquisition brings valuable synergies in an area where FCC was already providing collection services, adding its first treatment operation in Florida. The acquisition includes:

Two material recovery facilities (MRFs)

- A transfer station
- A construction and demolition (C&D) landfill site
- A roll-off collection operation

The acquisition adds more than 50,000 tonnes of recyclable materials annually to the facilities, while also bringing in some 100 new employees, and adding more than 500 clients to FCC's portfolio.

In 2024, FCC launched its Energy Recovery business line in North America, relying on its extensive global experience with more than 15 operational Energy Recovery facilities around the world. The company sees significant growth potential in the United States, where these facilities happen to play a crucial role in sustainable waste management by reducing reliance on landfills and generating renewable energy.

France and Portugal

The acquisition of the operating subsidiaries of Europe Services Groupe (ESG) in France was completed in August 2024, in exchange for 107.4 million euros. This entity operates several lines of business, including waste collection and street cleaning, in two of the most populous regions of the country (Île-de-France and Rhône-Alpes).

In Portugal, 73.4% of the turnover related to waste treatment through various subsidiaries operating in the country (Ecodeal, Goldrib and Resicoreia); the rest relates to waste collection.

Industrial Waste

Lastly, the Environmental Services Area also specialises in the end-to-end management of industrial and commercial waste, recovery of by-products and soil decontamination, through the FCC Ámbito brand, which encompasses a group of companies with an extensive network of management and recovery facilities. This enables proper waste management, ensuring the protection of the environment and people's health. In 2024, this activity accounted for almost 5% of the area's income.

There is a broad commitment to climate change, materialised for example in the issuance of green bonds to finance the operation and acquisition of assets developed by the area.

End-to-end Water Management

FCC Aqualia serves nearly 44,8 million users and provides services in 18 countries, offering the market all the solutions to the needs of public and private entities in all phases of the end-to-end water cycle and for all uses: human, agricultural or industrial.

FCC Aqualia's activity is focused on Concessions and Services, encompassing proprietary integrated cycle infrastructures and concessions, BOT, operation and maintenance services and irrigation; as well as Technology and Networks activities encompassing EPC contracts and industrial water risk management activities.

Spain

In 2024, the market in Spain represents 56.4% of revenue. On a like-for-like basis, water consumption fell slightly in Spain as a whole in 2024 by 0.6%, with the amount invoiced increasing by 5% compared to 2023. There was also an improvement in Operation and Maintenance (O&M) activities, efficiency improvements in operations, and a lower volume of work undertaken in relation to concession agreements. The recovery in economic activity, especially in the services and tourism sector, was affected by the critical situation regarding the availability of water resources amid the prolonged drought that large areas of Spain have been enduring.

The central government and certain regional governments have approved emergency plans, most notably for the construction of new infrastructure, and emergency work to build new deep catchments, expand existing desalination plants, and improve surface water utilisation. Meriting special mention were the new actions undertaken in Barcelona, Almería and Málaga in relation to desalination, and reuse in Andalusia and Alicante, valued as a whole at around 1,400 million euros.

Some of this work was carried out in 2024 and further work along these lines will be carried out moving forward. The Spanish government has approved the third cycle of hydrological planning for all national basins, for the period ending in 2027, with a particular focus placed on the maintenance of ecological flows and the maintenance of quality standards set by the European Directives, with a joint budget for the necessary actions of 22.8 billion euros.

Meanwhile, the Government of Spain approved the PERTE project for the Digitalisation of the Urban Water Cycle, granting 1.6 billion euros of funds from the European Reconstruction and Development Mechanism. Of the two invitations put out to tender, in the first we were awarded the contract for the Campo de Gibraltar (Cádiz), and in the second we were handed four: Realwater (Ciudad Real), Digital Island (Canary Islands), Anda (Asturias) and Cantabricontrol (Cantabria). These five projects will improve services for 1,540,888 people and have an approved budget of 54 million, of which we will directly carry out 32.4 million. A third phase with a further 100 million is currently open for tender and we plan to compete again with several significant projects up for grabs.

International

The international market reached a turnover of 45.4%. FCC Aqualia focuses its activity in Europe, North Africa, the Middle East and the Americas, with ongoing contracts in 17 countries at present.

Europe

Highlights and key events across Europe in 2024 included the following:

- Moderate reduction in consumption, due to several factors: the effects of the health crisis that emerged in 2020 and that still persist in some regions, public awareness of the need to save water and care for the planet, and the sensitivity of demand to tariff increases caused by rising operating costs. In particular, in Italy, we witnessed a 5.9% reduction in consumption due to the drought restrictions that Sicily had to endure from April onwards.
- Increase in water and sewerage tariffs. Operating costs for water have risen sharply due to the inflation that has arisen from the energy crisis caused by the ongoing war in Ukraine. Thanks to the resilience of water contracts supported by mature regulatory systems, these increases have also led to parallel rate increases. For instance, the Czech Republic has increased its rates by 10%. The increase in tariffs in Italy was also significant (7.1%), thus helping to partially offset the effects of a decline in consumption.
- In the face of water scarcity, Member States have adopted supply-side policies based on the search for new resources in desalination and reuse, while looking to achieve greater control over groundwater and surface water. They have also targeted demand-side policies to ensure leakage reduction, sectorisation and digitalisation through the allocation of European funds.
- Sustainability plans to reduce the carbon footprint and champion the circular economy by transforming the sector's waste into new usable resources (reused water, biogas, biofertilisers, renewable energies, etc.) have led to a raft of new regulations and pushed forward innovation in treatment technologies. Similar efforts have been made to improve the quality of water supplied and water discharged.

Africa and Asia

Georgia

In late 2023, the national regulator GNERC published the new water tariffs for the 2024–2026 period (previously agreed with GGU) in order to update the impact of inflation and make funds available to increase investments for the improvement of water cycle infrastructure.

The new rates, effective from 1 January 2024, include a significant increase in the commercial rate billed to companies, businesses and public entities. In 2024, this commercial turnover was closely monitored to spot changes in consumption behaviour. Rather than heading downward, consumption was found to be heading upward amid increased economic activity.

Looking at the operational side of the project, the modernisation and operational improvement programme continued throughout the year, with the planned investment programme and the restructuring of the operational centres. On this particular point, a total restructuring has been put in place, and a new operations centre opened, which has significantly increased the presence on the street and therefore greatly reduced power outages.

Algeria

In Algeria, the two desalination plants, Mostaganem and Cap Djinet, continued to operate at full capacity, with no significant incidents. These facilities provide a critically important service to the population of the country's main metropolitan areas: Oran and Algiers.

Egypt

The Abu Rawash plant, with a treatment capacity of 1,600,000 m³/d, serving the western area of Cairo; the New Cairo plant, with a capacity of 250,000 m³/d; and the Alamein desalination plant, with a capacity of 150,000 m³/d, have been brought online to the full satisfaction of the clients concerned.

Saudi Arabia

The three desalination plants traditionally operated by the Haaisco subsidiary—at Jeddah International Airport, KAUST University and Petrorabigh—were in full operation in 2024. Meanwhile, the Jizan desalination plant—also operated by Haaisco—has been fully operational since late 2023.

In June 2023, Haaisco signed a new O&M contract for three floating desalination plants, each with 50,000 m³/d, for the Saudi state-owned shipping group Bahri.

In Saudi Arabia, the two regional delegated water management contracts for the national operator National Water Company were successfully implemented: those of the Northern Cluster and the Southern Cluster.

Oman

The Sohar Port Area integrated water cycle, through its subsidiary Ornan Sustainable Services Company, already operates the entire infrastructure for seawater desalination, drinking and process water supply and distribution, industrial cooling water distribution, wastewater collection and treatment, and reused water distribution for irrigation.

Qatar

Aqualia MACE continued to operate the Al Dhakhira wastewater treatment plant, one of the most important facilities in the country and which supplies treated water for garden irrigation to nearby areas.

United States

In late 2023, the company acquired 97% of Municipal District Services, LLC (MDS), a company that manages the integral water cycle in the outskirts of Houston (Texas) and which serves a population of some 360,000 inhabitants through 136 contracts. The arrangement took shape throughout 2024, with the restructuring of the company and new working methodologies set up to ensure greater operational efficiency. At year-end 2024, 147 contracts were already under way

FCC Aqualia seeks to maintain its competitive position in those end-to-end water management markets where it has an established presence (Europe) and to take advantage of the opportunities that arise in this activity. In other expanding markets, it plans to boost growth via BOT and O&M (North Africa, Latin America and the Middle East), along with end-to-end cycle management, while the study of opportunities in others (such as the USA).

In addition, FCC Aqualia will use its extensive experience in end-to-end water cycle management for business opportunities in countries with a stable political and social balance.

Latin America

The lack of water infrastructure and the search for efficiency in existing infrastructure are factors that strengthen Aqualia's growth possibilities.

Mexico

In Mexico, Aqualia is a leading company in the water sector, thanks to a highly diversified portfolio of assets that includes the distribution and purification of water through the BOT contracts for Querétaro and San Luis de Potosí, desalination through the Guaymas BOT, wastewater treatment thanks to the BOT contract for the Cuernavaca WWTP and the Comprehensive Management Improvement project, which also features a BOT contract structure, at Los Cabos (Baja California Sur). Thanks to this contract, efficiency levels will increase and the provision of drinking water services within the municipality will improve.

Colombia

Second largest private operator in the country, with key contracts including that of the district of Riohacha (Guajira), where we provide services to nearly 310,000 inhabitants, or the management of the capital city of the department of Guajira (upwards of 1,400,000 inhabitants). In addition to our main project in Colombia, we have the El Salitre wastewater treatment plant in Bogotá. Our presence in the country has been strengthened with the recent unveiling of the remodelling and expansion of the plan view Villa del Rosario drinking water treatment plant.

Peru

As of the reporting date, Proinversión has awarded us a contract in the province of Chincha to develop the wastewater treatment plant worth a total of 96.5 million dollars. More than 345,000 inhabitants from seven different districts stand to benefit from the project, which includes the design, financing, construction, operation and 24-year maintenance of around 21 kilometres of main collection networks and drive lines, along with a pumping station, two new treatment plants, and 7.7 kilometres of lines for the final disposal of the treated wastewater.

Construction

The Construction Area focuses its activity on the design, development and construction of large civil, industrial and building infrastructure projects. The presence in public works of complex elements such as railways, tunnels and bridges stands out, which together with those involving installation and industrial maintenance, form a large part of the activity. It has a selective presence in more than 16 countries across Europe, MENA and America.

The teams of FCC Construcción have the experience, technical training and innovation needed to take part in the entire project value chain, from the definition and design, to its complete execution and subsequent operation. FCC Construcción is also a pioneer in the implementation of BIM (Building Information Modelling) technology, a collaborative work methodology that allows for the comprehensive management of information around a virtual model for the infrastructure. This technology not only enables technical site planning and cost control, but also improves sustainability, quality and safety management throughout the entire life cycle of the project.

In 2024, 60.9% of total revenues will come from abroad, including the performance of major infrastructure projects such as lines 4, 5 and 6 of the Riyadh Metro and the Neom tunnels (Saudi Arabia), Tren Maya (Mexico), the A-465 main road (Wales), Lima Metro (Peru), Regional Express Rail On-Corridor in Ontario (Canada), Scarborough Subway Extension (Canada), the construction and rehabilitation of nine bridges in Pennsylvania (United States), the Puente Industrial bridge (Chile), Sotra Link (Norway), the A-9 motorway from Badhoevedorp-Holendrecht (Netherlands), and the Lugoj-Timisoara Est railway line (Romania).

New contracts awarded outside Spain include the Rubí line (Casa da Música-Santo Ovidio) for the Porto Metro (Portugal), preliminary work on the Pallas nuclear reactor project (Netherlands), and the design and construction of the Ontario Line-Pape Tunnel and underground station (PTUS) for the Toronto subway (Canada), the preliminary work under the EPC contract for a liquefied natural gas (LNG) storage and regasification terminal at Stade (Hamburg, Germany), as well as work towards the Fraser River Tunnel (Canada), the design and construction of 490 social housing units

in South Cairns (Australia), and the preliminary phase for the construction of the Qiddiya stadium in Saudi Arabia.

On the domestic front in Spain, highlights in the period included the contracts awarded for the refurbishment of the old fruit and vegetable market of Legazpi in Madrid, lot 1 of the Paseo Verde del Suroeste de Madrid, which involves the undergrounding of a section of the A-5 road, the structure and roofing project for the Zero pavilion at the Fira de Barcelona exhibition centre in Hospitalet de Llobregat, Barcelona, work on the Civil Guard Information Service Headquarters in Madrid, the construction of the FA1 and FA2 buildings of a battery plant in Sagunto, Valencia, lot 1 pertaining to the integral renovation of the track superstructure of Line 6 of the Madrid Metro, running between the Avenida de América and Laguna stations, and last but not least, the construction of sports facilities at the Parque Deportivo del Este sports complex in Madrid.

Concessions

FCC Concesiones focuses its activity on the design, financing, construction, operation and maintenance of transport and social infrastructure under concession, either directly or by acquiring stakes in other companies, groupings, consortiums or any other legal form legally permitted in the country concerned.

In 2024, 90% of FCC Concesiones' turnover was earned by companies located in Spain, with the remaining 10% generated by companies located in Portugal and Mexico. Even so, the presence abroad is much greater if one takes into account that the shareholdings in Metro de Lima and the A-465 motorway in Wales are consolidated as companies accounted for using the equity method.

Turnover growth in 2024 compared to 2023 was 26.4% and EBITDA growth was 21.3%.

In 2024, the Company consolidated its already extensive presence in passenger rail traffic activities by acquiring the Parla Tramway, which spans a route of 8.3 km and has 15 stops, all of them on the surface. The contract runs until 2045.

When it comes to motorway and road concessions, the Government of Aragon has awarded us the contract for the rehabilitation and operation of 203 km of motorways and roads, including Route 8 of a conventional road located in the north of Zaragoza, for which the contract has been extended until 2049.

Within our extensive backlog, the company is responsible for:

- The operation and provision of all manner of services related to urban and interurban transport infrastructure, by land or sea or building of any kind, as well as the operation and management of all manner of works and projects in the areas of influence of infrastructure and public and private works.
- The ownership of all sorts of concessions, construction work and services of the central government, autonomous regions, municipalities and, in general, any State or international public administration.
- The provision of services related to the preservation, repair, maintenance, sanitation and cleaning of all kinds of construction sites, facilities and services, for both public and private entities.

Key companies in this segment:

- Murcia Tram: company engaged in the construction and operation of line 1 of the Murcia Tramway which, spanning 18 km and featuring 28 stops, connects the northern area of Murcia with the city centre.
- Parla Tram: company tasked with the construction and operation of line 1 of the urban transport system that connects all the centres of the Madrid municipality of Parla. It runs for 8.3 km and has 15 stops, all above ground.
- Auconsa: public works concession awarded by the General Secretariat of Infrastructure of the Ministry of Public Works for the construction, conservation and maintenance of the A-3 motorway running from km 70.70 to 177.53 and the A-31 motorway running from km 0.00 to 29.80.
- FCC Concesiones Aragón: responsible for the rehabilitation and operation of 203 km of conventional road located in the northern area of Zaragoza.
- Cotuco: entrusted with the construction and operation of the Coatzacoalcos Submerged Tunnel, which links the city of Coatzacoalcos with the congregation of Allende.
- A-465 main road: The “A465 Sections 5 and 6” project consists of the redevelopment of the road between Dowlais Top and Hirwaun in Wales.
- Lima Metro: Lima and Callao Metro system project, which includes Line 2 and the Line 4 branch of a fully automatic underground metro system in the city of Lima.
- Zaragoza Tram: company tasked with the construction, operation and maintenance of line 1 of the Zaragoza Tramway, Parque Goya – Valdespartera, with a total length of 12.8 km, in which the private consortium (80%) is working alongside Zaragoza City Council (20%).
- Cafasso: handed the contract for the construction, operation and maintenance of Haren prison, a 108,000 m² complex able to accommodate 1,190 inmates.

2. BUSINESS PERFORMANCE AND RESULTS

2.1. Operating Performance

2.1.1. SIGNIFICANT EVENTS

FCC Environment strengthens its presence in the United States and Europe

As regards corporate operations performed during the year, FCC Environmental Services, the subsidiary of the environmental area operating in the United States, acquired Gel Recycling Holdings in May, one of the largest management companies for recyclable materials in central Florida. The acquisition also includes the addition of three construction and demolition debris recycling facilities. In June, the acquisition of the Urbaser Group's business in the United Kingdom, which consists mainly of recycling and waste treatment activities, went through. In August, the acquisition of the operating subsidiaries of Europe Services Groupe (ESG) in France was completed. The company operates in two of the most populated regions of the country (Ile-de-France and Rhône-Alpes), across several lines of business, including waste collection and street cleaning.

As regards the new contracts awarded in Spain, as part of the organic growth of the business, the following are worth particular mention:

- Renewal of the MSW, street cleaning and sewerage contract in Hospitalet worth 396 million euros, for a period of 10 years, during which a complete overhaul of the service fleet will be undertaken, employing dynamic formulas for activity levels and assets under coverage.
- Renewal and modernisation of the street cleaning system service in San Sebastián, with a backlog of 149.1 million euros over the next 10 years.
- New contract for waste collection, street cleaning and management of clean points in the city of Benalmádena, for a total of €82 million over the next 10 years.

In relation to the Treatment business, the management of the Badajoz municipal solid waste (MSW) treatment plant (composting and recovery) for 15 years and an associated backlog amounting to €94.5 million.

In the USA:

- Sarasota County (Florida) awarded a new contract worth \$750 million for MSW collection in the southern side of the county. The service will initially last for 7 years with two possible extensions of 7 and 6 years, respectively, which will begin in the first quarter of 2025. Staying in Florida, Clay County awarded the MSW collection service for a duration of 10 years plus two possible extensions of 5 years each. The total amount of the awarded portfolio, including extensions, amounts to \$421 million.
- In May, in Saint Paul, Minnesota's capital city, an MSW contract worth more than \$115 million was awarded for a duration of seven years.
- In Buncombe County (North Carolina), the MSW collection contract is worth more than \$100 million, lasting for an initial duration of seven years with a possible one-year extension.

These contracts entail increasing the population served in Florida by 780,000 people, in Minnesota by 300,000 and a further 175,000 in North Carolina, taking the population served globally by the Environment Area to almost 71 million people. In several cases, the services will be provided by new vehicles that run on compressed natural gas, as well as other fully electric vehicles, thus demonstrating FCC's commitment to sustainability and the urban environment.

FCC Aqualia expands its international activity and consolidates its leadership position in Spain

FCC Aqualia increased its position in France with a variety of awards and extensions in towns and communities (Pithiverais-Gatinais, Goussainville, Thillay, Vaudherland, Andrézy, Chanteloup les Vignes, Conflans-Sainte Honorine, Ecqueville and Triel sur Seine). When combined, the contracts provide over €88 million in backlog revenue. These awards are in addition to supply contract renewals achieved in previous periods that increase Aqualia's presence in France, where it already provides services to one million residents.

In Spain, the renovation of the supply and sewerage service in Mazarrón for a period of 15 years is worth particular mention. The contract is worth 133.7 million euros.

FCC Construction Australia will build the largest social housing complex in Queensland

FCC Construction Australia has been selected to build and deliver 490 social housing units in South Cairns, the largest affordable housing development in Queensland, Australia. The project is supported by the Queensland Government's A\$2 billion Housing Investment Fund, an initiative that aims to support a total of 5,600 social housing units to be built across the state.

Elsewhere, the consortium headed up by FCC Construcción (60%) was chosen to build the new Oporto metro line, known as Rubi (H), for an attributable amount of €227.7 million. The new line will add 6.3 kilometres to the city's existing metro network. The joint venture in Spain in which FCC Construction holds an interest was awarded the contract for the underground construction of line R2 in Montcada i Reixac (Barcelona), as well as the construction of the new station in this town, for an attributable amount of €148.9 million.

In industry, two awards are worth particular mention; firstly, a consortium in which the company holds a 30% stake, received a backlog of more than €260 million for the construction of a storage and regasification plant in Stade (Germany); in addition, the consortium formed by FCC Industrial (28% holding), was awarded the roll out of the railway signalling and management service for the Murcia-Almería section of the Mediterranean Corridor in Spain, worth a total amount of €177 million.

It should be noted that in the second half of the year, the design and preliminary works phases for two important contracts were awarded (Fraser Tunnel in Canada and the Qiddiya stadium in Saudi Arabia), whose future construction would add a significant amount to the Area's revenue backlog.

FCC Concesiones expands its backlog and enhances its capital structure

In January 2024, FCC Concesiones was awarded Lot 8 of the Extraordinary Road Investment Plan for the Autonomous Region of Aragon. The concession contract has a term of 25 years with an initial investment of more than 40 million euros, with actions involving over 200 km of roads. The contract was signed in May and construction work began at the end of 2024.

In addition, in April, the acquisition, approved in December 2023, of all shares in the Parla Tram concession (Madrid), went through, with an operating deadline until 2045. The infrastructure spans 8.3 kilometres and 15 stations. This acquisition strengthens the position of FCC Concesiones in the high-capacity urban transport sector, adding to its tram operation in Murcia, Zaragoza and Barcelona.

Last December, the backlog and sources of financing were reorganised. As a result, capital was increased by more than €250 million, of which €102 million were allocated to the cancellation of bank debt, €52.1 million to the acquisition of intra-Group debt of the Murcia Tram and a further €49.1 million to financing the aforementioned road concession in Aragon.

The partial financial spin-off of FCC in favour of Inmocemento is now complete

On 16 May 2024, the Board of Directors of FCC S.A. announced the proposed partial financial spin-off of FCC, whereby it will transfer en bloc the Real Estate and Cement units to Inmocemento (a company wholly owned by FCC), without this entailing any extinction of the existing companies or units. More precisely, all the shares of FCYC, S.A. owned by FCC, representing 80.03% of its share capital, and the entirety of Cementos Portland Valderrivas, S.A. owned by FCC, representing 99.028% of its share capital, will be transferred. As a result, Inmocemento will acquire, by universal succession, all the assets, liabilities, rights, obligations and other items inherent to the spun-off assets. The proposal was approved by the General Shareholders' Meeting held on 27 June, with 99.9% of the votes of the attending capital voting in favour. The process was completed on 7 November, when the public deed for the spin-off was entered in the Companies Register and Inmocemento shares began trading on 12 November.

NOTE: DISCONTINUED OPERATIONS

The partial financial spin-off of the Real Estate and Cement units was completed last November. As a result, all assets and liabilities were withdrawn from the consolidated balance sheet at the start of that month. Likewise, all profit/(loss) since the start of 2024 and until that date were included under *“Profit/(loss) from discontinued operations”* (see Note 4.5).

In view of the changes, the income statement and the statement of cash flows for 2023 have been restated in the same way to ensure a more reliable comparison.

2.1.2. EXECUTIVE SUMMARY

KEY FIGURES			
(million euros)	Dec. 24	Dec. 23	Chg. (%)
Revenue	9,071.4	8,217.3	10.4%
Gross operating profit (EBITDA)	1,435.3	1,285.2	11.7%
EBITDA margin	15.8%	15.6%	0.2 p.p
Net operating profit (EBIT)	725.4	725.9	-0.1%
EBIT margin	8.0%	8.8%	-0.8 p.p
Income attributable to the parent company	429.9	589.1	-27.0%
Equity	3,736.0	6,142.5	-39.2%
Net financial debt	2,990.4	3,100.1	-3.5%
Backlog	43,043.8	41,485.0	3.8%

In 2024, the revenue recognised by the FCC Group was up 10.4% to €9,071.4 million. This was due to increased activity across all business areas, with the most significant growth rates and contributions coming from Concessions and the contribution made by Environment and Water, supported by the entry of new contracts and acquisitions made (in Europe and the USA).

Gross operating profit (EBITDA) came to €1,435.3 million in the period, up 11.7%. This improvement reflects the increase in revenue and the stability of operating margins, also helped by the more significant weight of the Concessions Area. The operating margin thus came to 15.8% of turnover.

In turn, attributable net profit dropped by 27% to €429.9 million. This change is attributed to different factors, including the increase in provisions set aside and a reduction in contribution of profit/(loss) recognised under the equity method, both in the Environment area; however, it is particularly attributable to the 48.5% drop in profit/(loss) generated by discontinued activities, including the contribution, in both years, of the business areas that were spun off and excluded from the FCC Group in November 2024.

Net financial debt at the end of year stood at €2,990.4 million, down by 3.5% compared to December 2023. This drop can largely be attributed to two factors: (i) the increase in net payments for investments, up to €1,295.4 million, with particular mention of the Environment unit (with the inclusion in consolidation of the debt incurred on the acquisition and operations of UK Urbaser for €535.1 million, ESG in France for €107.4 million and GEL Recycling for €29.5 million) and the Water unit (including the purchase of MDS for €81.9 million in the USA) and (ii) the exclusion of financial debt concerning the spun-off areas.

In turn, equity came to €3,736 million, down by 39.2% compared to December 2023, mainly on account of the financial spin-off mentioned above, which involved the delivery of all net assets belonging to the Real Estate and Cement units to FCC shareholders last November.

2.1.3. SUMMARY BY BUSINESS AREA

(million euros)

Area	Dec. 24	Dec. 23	Chg. (%)	% of 24 total	% of 23 total
REVENUE BY BUSINESS AREA					
Environment	4,346.3	3,853.2	12.8%	47.9%	46.9%
Water	1,674.7	1,487.4	12.6%	18.5%	18.1%
Construction	2,991.3	2,823.1	6.0%	33.0%	34.4%
Concessions	77.8	61.6	26.3%	0.9%	0.7%
Corporate serv.	(18.7)	(8.0)	133.7%	-0.2%	-0.1%
Total	9,071.4	8,217.3	10.4%	100.0%	100.0%
REVENUE BY GEOGRAPHICAL AREA					
Spain	4,468.0	4,161.9	7.4%	49.3%	50.6%
Rest of Europe	1,295.0	1,010.4	28.2%	14.2%	12.3%
Americas	1,261.7	1,266.2	-0.4%	13.9%	15.4%
United Kingdom	1,185.2	1,028.6	15.2%	13.1%	12.5%
Czech Republic	435.1	413.7	5.2%	4.8%	5.0%
Middle East, Africa and Australia	426.4	336.5	26.7%	4.7%	4.1%
Total	9,071.4	8,217.3	10.4%	100.0%	100.0%
EBITDA*					
Environment	731.6	646.7	13.1%	51.0%	50.3%
Water	425.4	384.3	10.7%	29.6%	29.9%
Construction	169.7	169.4	0.2%	11.8%	13.2%
Concessions	55.4	45.7	21.2%	3.9%	3.6%
Corporate serv.	53.2	39.1	36.1%	3.7%	3.0%
Total	1,435.3	1,285.2	11.7%	100.0%	100.0%
NET OPERATING PROFIT (EBIT)					
Environment	243.4	334.1	-27.1%	33.6%	46.0%
Water	242.2	216.3	12.0%	33.4%	29.8%
Construction	123.3	118.4	4.1%	17.0%	16.3%
Concessions	79.3	95.0	-16.5%	10.9%	13.1%
Corporate serv.	37.2	(37.9)	N/A	5.1%	-5.2%
Total	725.4	725.9	-0.1%	100.0%	100.0%
NET FINANCIAL DEBT*					
Corporate	(1,061.5)	(1,233.1)	-13.9%	-35.5%	-39.8%
Areas – Without recourse					
Environment	2,263.4	1,424.7	58.9%	75.7%	46.0%
Water	1,788.5	1,665.8	7.4%	59.8%	53.7%
Concessions	0.0	74.3	-100.0%	0.0%	2.4%
Cement	-	131.4	N/A	N/A	4.2%
Real Estate	-	1,037.0	N/A	N/A	33.5%
Total	2,990.4	3,100.1	-3.5%	100.0%	100.0%
BACKLOG*					
Environment	14,110.4	13,328.4	5.9%	32.8%	32.1%
Water	22,565.0	21,730.7	3.8%	52.4%	52.4%
Construction	6,368.4	6,425.9	-0.9%	14.8%	15.5%
Total	43,043.8	41,485.0	3.8%	100.0%	100.0%

* See page 26 for a definition of the calculation in accordance with ESMA Guidelines (2015/1415en).

2.1.4. INCOME STATEMENT

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Revenue	9,071.4	8,217.3	10.4%
Gross Operating Profit (EBITDA)	1,435.3	1,285.2	11.7%
<i>EBITDA margin</i>	<i>15.8%</i>	<i>15.6%</i>	<i>0.2 p.p</i>
Provision for amortisation of fixed and non-current assets	(644.6)	(565.6)	14.0%
Other operating income	(65.3)	6.3	N/A
Net Operating Profit (EBIT)	725.4	725.9	-0.1%
<i>EBIT margin</i>	<i>8.0%</i>	<i>8.8%</i>	<i>-0.8 p.p</i>
Financial income/(expense)	(182.1)	(118.7)	53.4%
Other financial profit/(loss)	28.1	(17.5)	N/A
P/L of companies accounted for by the equity method	13.2	42.4	-68.9%
Profit/(loss) before tax from continuing activities	584.6	632.1	-7.5%
Company tax on profits	(153.1)	(154.0)	-0.6%
Income from continuing operations	431.5	478.1	-9.7%
Profit/(loss) from discontinued operations	136.1	264.1	-48.5%
Net Income	567.6	742.2	-23.5%
Non-controlling interests	(137.7)	(153.1)	-10.1%
Income attributable to the parent company	429.9	589.1	-27.0%

2.1.4.1. Net Revenue

Consolidated revenues grew by 10.4% compared to the previous year, reaching €9,071.4 million. The trend is one of sustained growth throughout the year, where the contribution rate at the Environment, Water and Concessions units was a particular highlight, thanks to organic growth and acquisitions, both posting double digit growth.

The performance was as follows at each business area:

The Environment unit saw an increase of 12.8%, in part thanks to the acquisitions in the United Kingdom, France and the United States. In addition, growth in all jurisdictions was highlighted by new contracts in Spain, both in the waste treatment and collection and street cleaning activities, as well as in the United States, Poland and Portugal.

Revenues at the Water area were up 12.6%, mainly due to the strong performance of integrated water cycle management activity, supported by the entry into the perimeter of the new acquisition of the MDS group in Texas, as well as the effect of tariff updates. Only the technology and networks activity —which tends to involve projects involving networks in integrated cycle operations— is separate from this growing trend.

In Construction, revenue was up by 6%, thanks to the continued strong pace at which new projects are implemented, in particular in Industrial Construction, combined with the increase in the implementation of other projects in progress in various EU countries and the USA as well as Canada, offsetting the drop in work completed in Latin America.

Finally, in the Concessions unit, revenues was up by 26.3%, thanks to the inclusion of the Parla Tram concession into full consolidation in April and the Aragon road concession at the end of the year, combined with the increase in user traffic, in particular on the urban tram lines in operation.

Revenue breakdown by geographical area			
(million euros)	Dec. 24	Dec. 23	Chg. (%)
Spain	4,468.0	4,161.9	7.4%
Rest of Europe and other	1,295.0	1,010.4	28.2%
America	1,261.7	1,266.2	-0.4%
United Kingdom	1,185.2	1,028.6	15.2%
Czech Republic	435.1	413.7	5.2%
Middle East, Africa and Australia	426.4	336.5	26.7%
Total	9,071.4	8,217.3	10.4%

By geographic area and contribution, *Spain* saw an increase in its revenues of 7.4%, to €4.468 million. The double-digit increase in the Concessions unit is worth particular mention, as a result of the asset additions already mentioned, followed by the Environment unit. In the Environment unit, revenues rose by 9.8%, amid increased activity in waste treatment and collection together with street cleaning. Meanwhile, Water posted a 2.7% increase in revenues, thanks to a sustained increase in tariffs together with a slight increase in consumption, more noticeable in the non-residential market, which offset the slump in Technology and Networks activity, with lower works related to assets under management and integral cycle concession contracts. At the Construction unit, there was a 5.7% increase, largely in projects for public and private customers, which offset the completion of relevant non-residential construction projects for private customers.

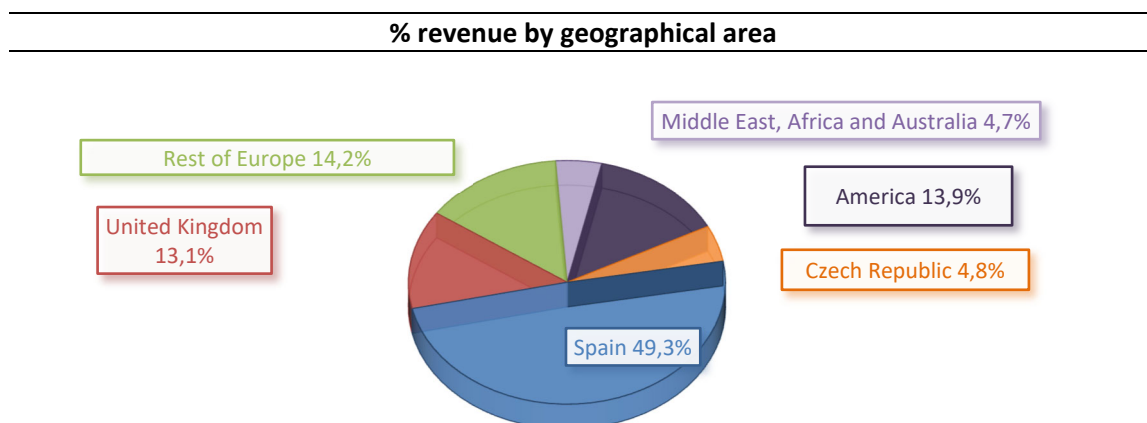
Rest of Europe and Other reported €1.295 million, showing remarkable growth of 28.2%, largely due to higher revenues from construction contracts in Germany, Norway and Portugal, together with increased activity in all the European countries in which Environment operates and in the integrated water cycle in Georgia and France.

Revenue in *America* dropped slightly by 0.4% to €1,261.7 million, on account of the impact of the termination of a relevant railway contract in Mexico at the Construction unit, which was partially offset by new contracts on which work began in the US and Canada in the same unit. At the Water unit, revenue was supported by operations launched in the USA, along with an increase in activity in Colombia in the management of the integrated water cycle. In turn, the Environment unit maintained sustained growth in contracts for the municipal waste collection and treatment in the USA, enhanced by the acquisition made by the Treatment unit (Florida).

In the United Kingdom revenue experienced growth of 15.2% to €1,185.2 million, mostly at the Environment unit, following the business acquisition carried out midway through the year, focussed on recycling activities and recovery plants. Revenue growth was tempered by a drop in organic processing and waste disposal activity.

The Czech Republic experienced growth of 5.2% to €435.1 million, with growth in both Water and Environment units; this was achieved despite the negative impact of the exchange rate of the Czech koruna (-4.4% in the period). In the Water unit, the increase was explained to a large extent by the tariff update. The Environment area followed a similar growth path, following an improvement in sales prices.

in the Middle East, Africa and Australia, activity increased by 26.7% to €426.4 million, largely due to the higher contribution in Saudi Arabia, due to both the Neom construction project, and the increase in activity at Water in concessions and assets under management, accompanied by the other projects located in North Africa and the Arabian Peninsula.



2.1.4.2. Gross Operating Profit (EBITDA)

The Gross Operating Result amounted to 1,435.3 million euros, which represents an increase of 11.7% compared to the previous year. This equates to a margin of 15.8%, slightly up year on year. This can largely be attributed to the income recognised in the different activity areas and as a whole, it reflects a slight increase in the weight and profitability of Concessions and Water, respectively.

By business area, the most noteworthy developments have been:

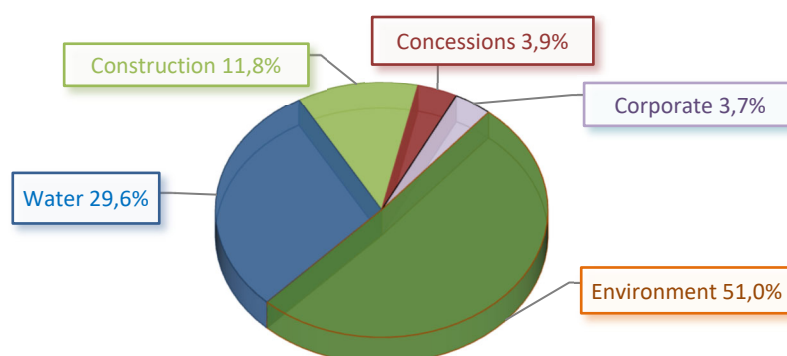
At Environment, earnings were up 13.1% to €731.6 million. This is attributable to the increase in contribution across all geographies and activities, strengthened by the acquisitions made in the United Kingdom, France and the United States. This effect has only been tempered by the impact of lower energy sales prices at recovery plants and operating provisions made in the United Kingdom in the landfill business.

Water reported €425.4 million, up 10.7% on the previous year, supported by the trend in revenues mentioned above, which includes, in very similar proportions, the increase in the contribution of the integrated cycle activity, thanks to tariff increases, together with the acquisition of MDS in the United States in January.

In the Construction area, gross operating result increased by 0.2% to €169.7 million. This slight increase can be attributed to the average margin of different projects under development in different geographic areas, with the operating margin standing at 5.7% during the period and in line with the forecast for the year.

The Concessions unit includes the contribution of the Parla Tram since 30 April. As a result, its EBITDA came to €55.4 million, up by 21.2% compared to 2023, supported by the increase in registered traffic; its operating margin thus came to 71.1% during the year.

% EBITDA by Business Area



The utilities areas at the Environment, Water and Concessions units accounted for a very significant 84.5% of total operating income during the year.

2.1.4.3. Net Operating Profit (EBIT)

Net operating profit amounted to €725.4 million, similar to the previous year. This performance reflects, in addition to the EBITDA mentioned above, two main effects: (i) the impact generated on the Concessions area by the incorporation of the Parla Tram, for the sum of €41.2 million and especially (ii) the provision of guarantees and contractual or legal obligations for €80.9 million in the Environment area in the United Kingdom.

2.1.4.4. Earnings before Taxes (EBT) from continuing operations

Earnings before taxes from continuing operations came to €584.6 million, down 7.5% on the previous year. This performance can be attributed, in addition to the change in operating revenues, the drop in the contribution of profit from companies accounted for using the equity method and the increase in volume of financial expenses associated with the investments made and the impact of the increase in interest rates in previous years.

Thus, the performance was as follows for the various components:

2.1.4.4.1. Financial income/(expense)

Net financial income/(expense) came to €-182.1 million, compared to €-118.7 million in the previous year, with this increase coming in response to a higher average borrowing costs amid the general rise in interest rates.

2.1.4.4.2. Other financial profit/(loss)

This heading includes a total of €28.1 million, versus €-17.5 million in 2023. The difference is largely due to the change in fair value of financial instruments, which had an impact of €35.2 million during this period, compared to €-0.1 million in the previous year.

2.1.4.4.3. Profits/(losses) of companies accounted for by the equity method

Investee companies contributed a combined total of €13.2 million, compared to €42.4 million in the previous year. The drop in contribution is largely due to the fact that the Environment unit recognised an impairment due to the delay and increase in investment in a treatment plant in progress in the United Kingdom, for the sum of €48.1 million. In turn, in 2023, profit of €17.7 million was recognised on the sale of a subsidiary in the Construction area.

2.1.4.5. Profit/(loss) from discontinued operations

This heading includes the profit/(loss) corresponding to the series of companies classified as such up until the date of completion of the financial spin-off completed during the final quarter of the year.

Profit/(loss) on discontinued operations came to €136.1 million during the period, compared to €264.1 million in 2023, down by 48.5%, largely due to the base effect on real-estate activity, which included a positive contribution of €142.4 million in the previous year from the accounting reclassification of financial investments to the equity method of an investee in the Real Estate Area.

2.1.4.6. Income attributable to the parent company

Attributable net income for the year reached €429.9 million, 27% down year-on-year. This performance is largely due to what has already been discussed in relation to profit/(loss) from discontinued operations. This is in addition to a decrease in earnings attributable to non-controlling shareholders, mostly distributed between the Water and Environment areas, which amounted to €137.7 million compared to €153.1 million in the previous year.

2.1.5. BALANCE SHEET

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (€M)</i>
Intangible fixed and non-current assets	2,645.0	2,477.0	168.0
Property, plant and equipment	3,771.5	3,838.3	(66.8)
Real Estate investments	3.9	2,091.3	(2,087.4)
Investments accounted for using the equity method	520.7	1,034.3	(513.6)
Non-current financial assets	1,070.8	748.4	322.4
Deferred tax assets and other non-current assets	499.9	468.3	31.6
Non-current assets	8,511.8	10,657.6	(2,145.8)
Inventory	423.7	1,234.3	(810.6)
Trade and other receivables	3,194.2	2,957.4	236.8
Other current financial assets	256.7	260.5	(3.8)
Cash and cash equivalents	1,849.6	1,609.7	239.9
Current assets	5,724.2	6,062.0	(337.8)
TOTAL ASSETS	14,236.0	16,719.7	(2,483.7)
Equity attributable to shareholders of the parent company	2,732.7	4,447.5	(1,714.8)
Non-controlling interests	1,003.3	1,695.0	(691.7)
Equity	3,736.0	6,142.5	(2,406.5)
Subsidies	243.4	226.6	16.8
Non-current provisions	1,085.4	1,230.6	(145.2)
Long-term financial debt	4,770.9	4,361.0	409.9
Other non-current financial liabilities	453.7	456.0	(2.3)
Deferred tax liabilities and other non-current liabilities	417.7	439.5	(21.8)
Non-current liabilities	6,971.1	6,713.8	257.3
Current provisions	275.1	159.6	115.5
Short-term financial debt	325.7	604.1	(278.4)
Other current financial liabilities	201.2	322.7	(121.5)
Trade and other payables	2,726.9	2,777.0	(50.1)
Current liabilities	3,528.9	3,863.4	(334.5)
TOTAL LIABILITIES	14,236.0	16,719.7	(2,483.7)

2.1.5.1. Property, plant and equipment, intangible assets and real estate investments

Operating fixed and non-current assets contracted by 23.6% to €6,420.4 million. This reduction can be attributed to the exclusion of investment property and property, plant and equipment associated with the Real Estate and Cement area following its spin-off. In the case of property, plant and equipment, the decrease was almost entirely offset by the assets incorporated, mainly in the Environment area.

2.1.5.2. Investments accounted for using the equity method

The heading of investments accounted for by the equity method came to €520.7 million, compared to €1,034.3 million the previous year. This significant drop can be attributed to the exclusion of the Real Estate and Cement areas as a result of the financial spin-off explained above. The breakdown of investments by area of activity as at December 2024 is as follows:

- 1) 275.1 million euros for the stake in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
- 2) 143.5 million euros for the stake in transport and public infrastructure concessions, mainly in Spain, Peru and the United Kingdom.
- 3) 63.7 million euros for stakes held in companies in the Water area, largely concessionary companies that manage services abroad (North Africa, Spain and Mexico).
- 4) 38.4 million euros in investees in the Construction area located abroad.

2.1.5.3. Non-current financial assets

Non-current financial assets saw significant growth of 43.1% to €1,070.8 million. This increase is mainly attributed to the acquisition and consolidation of the Urbaser Group in the United Kingdom, which has generated a substantial increase in collection rights associated with the concession agreements in the Environment area. This item also includes financial credits granted to third parties, deposits and guarantees provided on a long-term basis.

2.1.5.4. Cash and cash equivalents

Cash and cash equivalents amounted to €1,849.6 million at December 2024, €239.9 million more than at year-end the previous year. This balance can be distributed as follows:

- 1) In the perimeter with recourse, cash and equivalents totalled 973.5 million euros.
- 2) In the perimeter without recourse, cash and equivalents amounted to 876.1 million euros.

2.1.5.5. Equity

Equity at the end of the period came to €3,736 million, compared to €6,142.5 million the previous year. This decrease was mainly attributable to the spin off of the Cement and Real Estate activities described above.

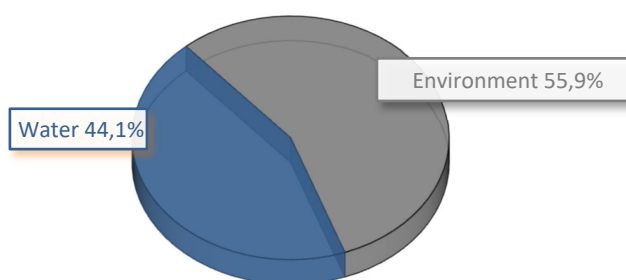
2.1.5.6. Financial debt

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (€M)</i>
Bank borrowings	2,096.8	2,710.0	(613.2)
Debt instruments and other loans	2,835.7	2,107.0	728.7
Finance lease payables	7.0	14.0	(7.0)
Other financial liabilities	157.1	134.1	23.0
Gross Financial Debt	5,096.6	4,965.1	131.5
Treasury and other current financial assets	(2,106.3)	(1,865.0)	(241.3)
Net Financial Debt	2,990.4	3,100.1	(109.7)
<i>Net financial debt with recourse</i>	<i>(1,061.5)</i>	<i>(901.7)</i>	<i>(159.8)</i>
<i>Net financial debt without recourse</i>	<i>4,051.9</i>	<i>4,001.8</i>	<i>50.1</i>

The Group's gross financial debt increased by €131.5 million compared to December of the previous year, coming to €5,096.6 million. Most of this figure, 93.6%, matured in the long term and can be distributed between bank debt (44.4%) and capital markets (55.6%). The remaining 6.4% matures in the short term, also distributed between bank debt and commercial paper in the Environment Area.

As regards net financial debt, this dropped by €109.7 million, to €2,990.4 million, 3.5% down on the previous year. This reduction can be attributed to the combination of the exclusion of debts associated with the spun-off business areas and the increase in investments made, primarily in the Environment Area.

Breakdown of Net Financial Debt without recourse by Business Area



Net financial debt, without recourse in its entirety, is distributed between the Water and Environment areas, structured as follows:

(i) the Environment area accounts for €2,263.4 million, of which three bonds issued by the area's parent company are worth particular mention, for a nominal amount of €1,700 million, with €375.5 million corresponding to the activity and acquisition made in the United Kingdom and €99.5 million to investments in the USA; (ii) the Water area is responsible for €1,788.5 million,

mainly in the form of a long-term syndicated loan for the sum of €1,100 million, a corporate bond in relation to the area's parent company for a nominal amount of €650 million and another bond affecting its subsidiary in Georgia for the amount of \$300 million.

As a result, the Group's parent company had a net cash position with recourse of €1,061.5 million at the end of the year.

2.1.5.7. Other current and non-current financial liabilities

The other current and non-current financial liabilities heading totals 654.9 million euros at the end of the business year. The balance mainly includes the item suppliers of fixed and non-current assets for operating leases, amounting to 461.9 million euros. It also includes other liabilities that are not financial liabilities, such as those associated with hedging derivatives, suppliers of fixed and non-current assets, guarantees and deposits received.

2.1.6. CASH FLOWS

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Gross Operating Profit (EBITDA)	1,435.3	1,285.2	11.7%
(Increase)/decrease in working capital	(176.9)	(701.8)	-74.8%
Corporation tax (paid)/received	(198.7)	(97.3)	104.2%
Other operating cash flow	218.2	299.3	-27.1%
Operating cash flow	1,277.9	785.4	62.7%
Investment payments	(1,608.0)	(864.8)	85.9%
Divestment receipts	53.6	35.8	49.7%
Other investment cash flows	259.0	(133.4)	N/A
Investment cash flow	(1,295.4)	(962.4)	34.6%
Interest paid	(205.3)	(149.4)	37.4%
(Payment)/receipt of financial liabilities	579.8	(71.7)	N/A
Other financing cash flow	(139.8)	431.4	-132.4%
Financing cash flow	234.7	210.3	11.6%
Exchange differences, change in consolidation scope, etc.	22.6	1.0	N/A
Increase/(decrease) in cash and cash equivalents	239.9	34.2	N/A

2.1.6.1. Operating cash flow

The operating cash flow generated in the year amounted to €1,277.9 million, €492.5 million up on the previous year. This can mainly be attributed to a drop in investment in operating working capital, mainly in the Construction area and to a lesser extent in the Environment area, which entailed the use of funds of €176.9 million, compared to €701.8 million the previous year.

“Collections/(payment) of corporation tax” features an outflow of €198.7 million, €101.4 million up on 2023, a year in which a positive adjustment to corporate tax corresponding to 2022 was made, in addition to a higher amount payable in the Construction area this year.

In turn, “Other operating cash flows” has an inflow of €218.2 million and includes operating cash generated up to October from the two areas of spun off activity (Real Estate and Cement).

2.1.6.2. Investment cash flow

Investment cash flow increased significantly in 2024, with a total use of €1,295.4 million, 34.6% up on the previous year. Investment payments increased to €1,608 million. This growth can mainly be attributed to the Environment area, with a particular emphasis on the purchase of Urbaser UK (€265.1 million), ESG in France (€107.4 million) and Gel Recycling in the USA (€29.5 million). Also worth note is the acquisition of MDS in Texas, USA by the Water Area for the sum of €81.9 million. Other investment flows feature an inflow of €259 million compared to an outflow of €133.4 million the previous year, with the inflow of liquidity from companies acquired during the period (UK Urbaser, GEL Recycling, ESG and Tranvía de Parla), as well as the impact on cash of the dissolution of balances held with the areas of activity financially spun off.

During this period, as was the case in the previous year, there were no significant divestments.

The breakdown of net investments by business area, excluding other cash flows from investment activities, in terms of payments and collections, is as follows:

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (€M)</i>
Environment	(1,022.8)	(531.8)	(491.0)
Water	(311.1)	(241.6)	(69.5)
Construction	(51.5)	(47.1)	(4.4)
Concessions	168.3	86.3	82.0
Corporate serv. & adjustments	(169.0)	(8.5)	(160.5)
Net investments (Payments - Collections)	(1,554.4)	(829.0)	(725.4)

2.1.6.3. Financing cash flow

The financing cash flow features an inflow of €234.7 million, 11.6% up on the previous year. "Interest payment" includes an outflow of €205.3 million, compared to €149.4 million the previous year, due to an increase financing costs and distributed between the Environment and Water Areas. "Proceeds from/(payments on) financial liabilities" features an inflow of €579.8 million compared to the outflow of €71.7 million in the previous year, with the issue of a bond in the Environment Area for €600 million euros and another in Georgia, in the Water Area, for \$300 million worth particular mention.

"Other financing flows" contains an outflow of €139.8 million in this business year, which mainly includes dividend payments to shareholders for the sum of €121.8 million. In 2023, the most relevant events included in this heading included, the sale of a minority holding in the parent company of the Environment Area, for the sum of €965 million and, in the opposite direction, the payment for the takeover bid made by the parent of the Group for 4.502% of its capital stock, with an outflow of €257 million, combined with other capital acquisitions in subsidiaries for more than €117 million.

2.1.6.4. Change in cash and cash equivalents

As a result of the evolution of the different cash flow components, the FCC Group's treasury position closed the 2024 financial year with an increase of €239.9 million, to a balance of €1,849.6 million.

2.1.7. ANALYSIS BY BUSINESS AREA

2.1.7.1. Environment

The Environment area contributed 51% of the Group's EBITDA in the 2024 business year. Around 82% of its activity focused on the provision of essential waste collection, treatment and disposal services, as well as street cleaning. The remaining 18% corresponded to other types of urban environmental activities, such as the conservation of green areas or sewage systems.

In Spain it provides services in more than 3,700 municipalities and serves a population of more than 33 million inhabitants. It is worth mentioning the important weight of the urban waste management and street cleaning services. In the UK, it focuses on urban waste treatment, recovery and disposal activities and serves more than 16 million people. In central Europe, mainly Austria and the Czech Republic, it is present throughout the entire waste management chain (collection, treatment and disposal). The activity in the US is carried out both in the collection and in the comprehensive recovery of urban waste and serves more than 11 million inhabitants. The FCC Group has been running its environmental business for more than 120 years, serving almost 71 million people across 5,400 municipalities around the world.

2.1.7.1.1. Earnings

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Turnover	4,346.3	3,853.2	12.8%
<i>Waste collection and street cleaning</i>	2,122.9	1,938.6	9.5%
<i>Waste processing</i>	1,441.3	1,142.6	26.1%
<i>Other services</i>	782.1	772.0	1.3%
EBITDA	731.6	646.7	13.1%
<i>EBITDA margin</i>	16.8%	16.8%	0.0 p.p
EBIT	243.4	334.1	-27.1%
<i>EBIT margin</i>	5.6%	8.7%	-3.1 p.p

Revenues at the Environment Area increased by 12.8% to €4,346.3 million. Waste collection and street cleaning activities recognised income of €2,122.9 million, up by 9.5%, due in particular to the increase in contribution in Spain and new contracts added in France following the purchase of ESG's operating subsidiaries and in the USA. Waste treatment activity saw significant growth of 26.1% to €1,441.3 million, attributable to the increase in the contribution of treatment plants in Spain and the consolidation of UK Urbaser contracts in the United Kingdom, following its purchase last June. Other services remained at similar levels to the previous year.

Breakdown of revenue by geographical area			
<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Spain	2,291.3	2,086.3	9.8%
United Kingdom	923.6	778.7	18.6%
Central Europe	654.5	607.0	7.8%
United States	384.1	351.5	9.3%
France and Portugal	92.8	29.7	N/A
Total	4,346.3	3,853.2	12.8%

By geographical areas, turnover in Spain grew by 9.8% year-on-year, to €2,291.3 million. This positive performance can mainly be attributed to the incorporation of new contracts for waste collection and street cleaning activities, as well as progress made with the construction of the waste treatment plants in Las Calandrias, Jerez de la Frontera, and Valladolid. There was also an increase in the contribution made by the environmental complex in Loeches, Madrid.

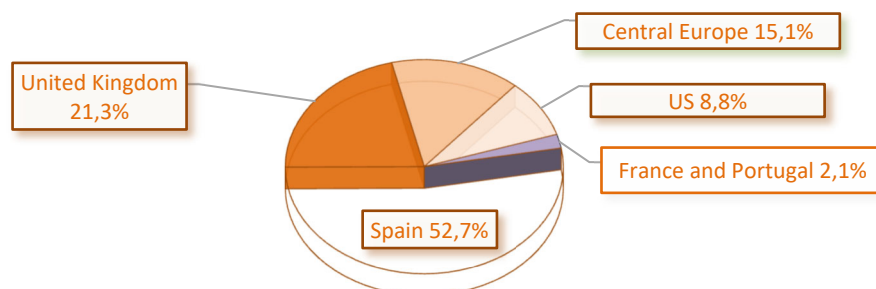
In the United Kingdom, revenues grew by 18.6% to €923.6 million, driven by the consolidation of UK Urbaser and the increase in recycling activity, which have offset the decrease in the collection of the landfill tax. Recovery activity remained at similar levels to the previous year.

In Central Europe, revenues increased by 7.8% to €654.5 million, with a strong performance in all geographies in which the area operates, with greatest growth in the Czech Republic, on account of the increase in prices for municipal collection and secondary materials, followed by Poland on account of the improvement in municipal collection.

Lastly, revenue in the United States came to €384.1 million, 9.3% up on the previous year, with new residential waste collection contracts performing well, mainly in Florida; this was in addition to the contribution of Gel Recycling Holdings, a company dedicated to the management of recyclable materials in central Florida and acquired at the end of May.

Finally, sales in France and Portugal came to €92.8 million compared to €29.7 million the previous year. This significant increase can mainly be attributed to the consolidation of ESG in France, which was acquired last August. Although to a lesser extent, Portugal also contributed positively during the year.

Breakdown of revenue by geographical area



Gross operating earnings (EBITDA) increased by 13.1% to €731.6 million, on account of the increase in revenues in all geographies; worth particular mention was the improvement in treatment activity in Spain and the contributions made by new contracts in the United Kingdom, France and the USA. This positive result was tempered by the provisions set aside for the sum of €10.9 million relating to a claim of the landfill tax collected on behalf of the public authorities in the United Kingdom. As a result, the operating margin stood at 16.8%, the same as the previous year.

Net operating result (EBIT) was down 27.1% compared to the previous year, to €243.4 million, on account of the increase in the provision for the depreciation of the largest items of PP&E in operation and linked to acquisitions made during the period in addition to the increase in provisions made in the United Kingdom.

Breakdown of backlog by geographical area

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Spain	8,501.3	8,390.6	1.3%
International	5,609.1	4,937.8	13.6%
Total	14,110.4	13,328.4	5.9%

At the end of the year, the backlog amounted to €14,110.4 million, 5.9% up on December 2023. The international area experienced greatest growth, up by 13.6% to €5,609.1 million, both on account of the new contracts incorporated following the acquisition of Urbaser UK, the acquisition in France and the new contracts in the USA. Spain, which accounts for 60.2% of the total backlog, maintained similar levels to the previous year, coming to €8,501.3 million.

2.1.7.1.2. Financial Debt

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (€M)</i>
Net Financial Debt	2,263.4	1,424.7	838.7

Net financial debt increased by €838.7 million compared to December 2023 to €2,263.4 million. During the year, a bond was issued by the parent company of the area for €600 million to strengthen and orient the financing structure for the increased investment in acquisitions and new contracts obtained, mainly in the international area.

2.1.7.2. Water

The Water area contributed 29.6% of FCC Group's EBITDA in the year. 92% of its activity is focused on public service concession and asset management related to the end-to-end water cycle (collection, treatment, storage, distribution and recovery) and the operation and maintenance of different types of water infrastructures; the remaining 8% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of hydraulic infrastructures, related in the large part to the development of new concessions and maintenance and improvement works for operations.

In Spain, the area serves more than 13 million inhabitants. In Central and Eastern Europe, it is mainly present in the Czech Republic and Georgia, serving close to 3 million users across the two countries; in other EU countries, its presence in France, Italy and Portugal is worth particular mention. In Latin America, the Middle East, and Africa its activity centres on the design, equipping, and operation of hydraulic infrastructures and processing plants. Overall, the Water area provides supply and/or sanitation services to more than 45 million inhabitants.

2.1.7.2.1. Earnings

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Turnover	1,674.7	1,487.4	12.6%
<i>Cycle Management and Services</i>	1,540.0	1,343.7	14.6%
<i>Technology and Networks</i>	134.7	143.7	-6.3%
EBITDA	425.4	384.3	10.7%
<i>EBITDA margin</i>	25.4%	25.8%	-0.4 p.p
EBIT	242.2	216.3	12.0%
<i>EBIT margin</i>	14.5%	14.5%	0.0 p.p

Revenue at the end of the year increased by 12.6% year on year to €1,674.7 million. Starting in January, the contribution made by the consolidation of American company MDS based in Houston (Texas) in Management activity to the comprehensive cycle and Services is worth particular mention, as is the important tariff updates as regards operations in Georgia and the Czech Republic. There was a decline of 6.3% in Technology and Networks activity due to lower activity in Spain.

Breakdown of revenue by geographical area			
<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Spain	944.3	919.2	2.7%
Central and Eastern Europe	254.8	232.7	9.5%
America	195.8	91.4	114.2%
Middle East and Africa	167.6	134.6	24.5%
Rest of Europe (France, Portugal and Italy)	112.2	109.5	2.5%
Total	1,674.7	1,487.4	12.6%

By geographical area, revenues in Spain increased by 2.7% to €944.3 million, catalysed mainly by the increase in tariffs and the slight growth in consumption in integrated cycle activity. However, the restrictions imposed as a result of the drought in Catalonia and Andalusia, as well as the drop in Technology and Networks works on account of the investment plans associated with concession agreements, have tempered this growth.

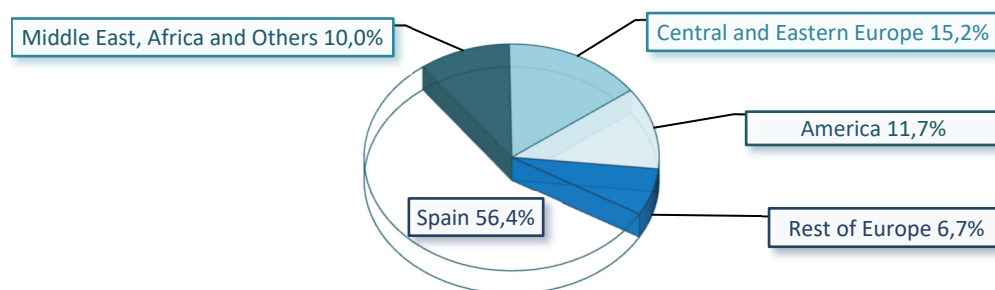
In Central and Eastern Europe, sales increased by 9.5% to €254.8 million, largely on account of the significant increase in tariffs in the integrated cycle management in the Czech Republic and Georgia, despite the unfavourable exchange rate performance of the Czech crown and the Georgian lari during the period (-4.4% and -3.7%, respectively). Technology and Networks activity performed in the opposite direction following the completion of the WWTP project in Glina, Romania.

Revenues in the rest of Europe increased by 2.5% to €112.2 million, catalysed by new contracts in France and tariff increases in Portugal. These results offset the fall in consumption in Italy as a result of restrictions imposed on account of the severe drought and drop in infrastructure work at the concession in Caltanissetta, Sicily.

In America, revenue grew significantly, to €195.8 million, €104.4 million up on the previous year, mainly due to the contribution made by the acquisition of MDS in Texas in January. Added to this is the greater contribution of integrated cycle contracts in Colombia. Technology and Networks activity also experienced growth, thanks to the construction of water infrastructure in Mexico.

In the Middle East and Africa, turnover increased by 24.5% to €167.6 million, due to increased activity in the two regional contracts ("Cluster") in Saudi Arabia, in addition to an increase in the contribution by the Mostaganem plant in Algeria as a result of the tariff update. In addition, Technology and Networks activity performed positively as a result of the actions performed as part of the regional contracts in Saudi Arabia mentioned above, which have offset the completion of works on the Riyadh Metro.

Breakdown of revenue by geographical area



Gross operating earnings (EBITDA) experienced growth of 10.7% to €425.4 million, as a result of the aforementioned growth in revenue, thanks to tariff increases and the incorporation of new contracts. As a result, the operating margin stood at 25.4%, compared to 25.8% the previous year.

EBIT increased by 12% to reach €242.2 million, due to the trend in gross operating profit mentioned earlier.

Breakdown of backlog by geographical area

(million euros)	Dec. 24	Dec. 23	Chg. (%)
Spain	6,495.4	6,860.6	-5.3%
International	16,069.6	14,870.1	8.1%
Total	22,565.0	21,730.7	3.8%

The backlog at the end of June amounted to €22.565 million, up 3.8% on December 2023. The international backlog gained 8.1% to €16,069.6 million, following the incorporation of the revenue backlog associated with MDS in the United States, the new contracts in France and the consolidated tariff updates in Georgia and the Czech Republic. The foregoing has served to offset the 5.3% drop in Spain.

2.1.7.2.2. Financial Debt

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (€M)</i>
Net Financial Debt	1,788.5	1,665.8	122.7

Net financial debt was up €122.7 million on December of the previous year, to reach €1,788.5 million, due to higher payments on investments, in particular the acquisition of MDS in the USA.

2.1.7.3. Construction

Construction activity contributed 11.8% to the Group's consolidated EBITDA during the period. Its activity is focused on the implementation of large-scale projects in the civil, industrial and construction sectors. The Area maintains a selective presence in more than 20 countries and its project backlog is noteworthy on account of its essential infrastructures such as railways, tunnels, bridges and motorways.

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Turnover	2,991.3	2,823.1	6.0%
EBITDA	169.7	169.4	0.2%
<i>EBITDA margin</i>	<i>5.7%</i>	<i>6.0%</i>	<i>-0.3 p.p</i>
EBIT	123.3	118.4	4.1%
<i>EBIT margin</i>	<i>4.1%</i>	<i>4.2%</i>	<i>-0.1 p.p</i>

During the year, revenue in this area increased by 6% to €2,991.3 million, due to work commencing on new projects awarded during the last year, including industrial projects for development of renewable energy and gas, and other major international railway and highway infrastructure projects.

Breakdown of revenue by geographical area			
<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Spain	1,171.1	1,108.1	5.7%
Rest of Europe	882.8	695.1	27.0%
America	677.8	819.3	-17.3%
Middle East, Africa and Australia	259.6	200.6	29.4%
Total	2,991.3	2,823.1	6.0%

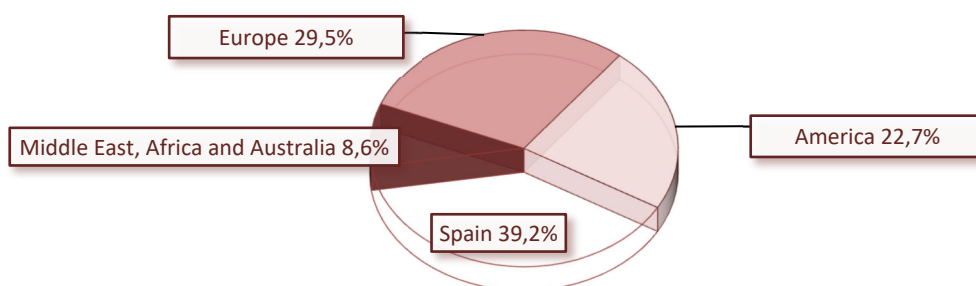
In terms of geographical areas, turnover in Spain increased by 5.7%, to €1,171.1 million, with good progress in all work in progress, particularly railways, such as the high-speed project in Totana, and the start-up of new works, notably solar facilities in Guillena (Seville), which offset the reduction in turnover following completion of work on Madrid's Santiago Bernabéu Stadium.

In the Rest of Europe, turnover increased by 27% to €882.8 million, mainly due to the further progress made in building motorways in the United Kingdom, the Netherlands and Romania.

In America, turnover was down 17.3% on the previous year to reach €677.8 million, mainly due to completion of the Maya Train project in Mexico, which was not fully offset despite the increasing contribution of railway works in Toronto (Canada) and Pennsylvania (United States).

There was an 29.4% increase in revenue in the Middle East, Africa and Australia to €259.6 million, due in large part to the increased contribution of the Neom project in Saudi Arabia, progress with which has comfortably offset the almost completion of the Riyadh Metro project.

Breakdown of revenue by geographical area



Gross operating earnings increased by 0.2% to €169.7 million, with an operating margin of 5.7% compared to 6% the previous year. This can mainly be attributed to a change in the composition of the project backlog, in line with plans for the year.

Net operating profit was up by 4.1% year on year to €123.3 million. The margin remained stable and in line with the previous year, performing similarly throughout the year.

Breakdown of backlog by geographical area

<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Spain	2,412.3	2,386.1	1.1%
International	3,956.1	4,039.8	-2.1%
Total	6,368.4	6,425.9	-0.9%

The revenue backlog experienced a slight drop compared to December 2023, coming to €6,368.4 million. International activity experienced a drop of 2.1% to €3,956 million, despite noteworthy major projects such as GNL Stade (Germany) and the construction of social housing in Australia (Queensland). In turn, the backlog in Spain grew by 1.1% following the completion of certain major works. However, it should be noted that the international backlog includes the design phase and preliminary study in some projects, meaning that contracting during the construction phase would add a considerable amount to the balance recognised at year-end.

Breakdown of the Backlog by Activity Segment			
<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Civil engineering works	4,561.1	5,112.4	-10.8%
Building	1,034.4	656.9	57.5%
Industrial Projects	772.9	656.6	17.7%
Total	6,368.4	6,425.9	-0.9%

By type of activity, civil engineering maintained its importance at year-end, accounting for 71.6% of the total backlog, mainly in the form of large public contracts in certain selective markets in Europe, America and the Middle East. Building and industrial projects, although relevant, account for a smaller proportion.

2.1.7.4. Concessions

The Concessions area contributed 3.9% to the Group's EBITDA in 2024. Its activity is focussed on the development, operation and maintenance of infrastructure, mainly transport and other facilities. At 31 December, the parent company of the area, FCC Concesiones, held a total of 14 concessions in varying degrees of participation (5 under global consolidation).

2.1.7.4.1. Earnings

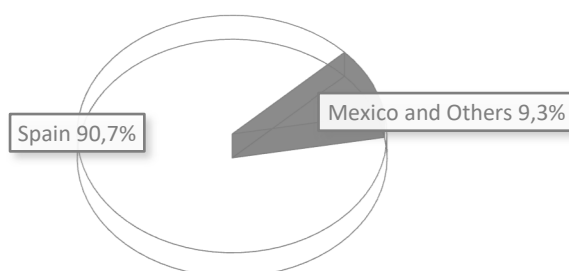
<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Turnover	77.8	61.6	26.3%
EBITDA	55.4	45.7	21.2%
EBITDA margin	71.2%	74.2%	-3.0 p.p
EBIT	79.3	95.0	-16.5%
EBIT margin	101.9%	154.2%	-52.3 p.p

Revenue in the area saw significant growth of 26.3% to €77.8 million during the period. This increase can mainly be attributed to the rise in road and rail traffic, which boosted the revenue recognised by Auconsa and Tranvía de Murcia. The entry into consolidation of the Tranvía de Parla concession, following the acquisition of all of its capital in the second quarter of the year, has shored up this trend.

Breakdown of revenue by geographical area			
<i>(million euros)</i>	<i>Dec. 24</i>	<i>Dec. 23</i>	<i>Chg. (%)</i>
Spain	70.6	57.7	22.4%
Mexico and Others	7.2	3.9	84.6%
Total	77.8	61.6	26.3%

By geographical area, most revenue is concentrated in Spain, amounting to €70.6 million, 22.4% up on the previous year. The biggest contribution can be attributed to the Conquense motorway and the Murcia tramway. The concession in Cotuco, in Mexico, remained particularly stable compared to the previous year, despite the depreciation of the Mexican peso during the period (-3.28%).

Breakdown of revenue by geographical area



Gross operating profit amounted to €55.4 million, up 21.2% on the same period of the previous year. The operating margin stood at 71.2% during the period.

In turn, net operating profit came to €79.3 million, 16.5% down on the previous year, although higher than EBITDA given that, in both years, “Other operating income” included the positive impact of changes in the consolidation perimeter of the area of miscellaneous concessions, as was the case of the Tranvía de Parla, with profit of €41.2 million.

2.1.7.4.2. Financial Debt

(million euros)	Dec. 24	Dec. 23	Chg. (€M)
Net financial debt	0.0	74.3	(74.3)

Net financial debt fell to zero in 2024. This can be attributed to the fact that in December, several capital and debt repayment operations were performed with a view to reorganising and strengthening the structure and financial capacity of the concession holders and the parent company of the area, FCC Concesiones.

2.1.8. ALTERNATIVE PERFORMANCE MEASURES (APMs)

Explanatory note

EBITDA

We define EBITDA as earnings from continuing operations before tax, earnings of companies accounted for using the equity method, financial result, depreciation and amortisation charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

EBITDA Margin

Considered as EBITDA (or gross operating profit) divided by Net Turnover in each case.

EBIT

This corresponds to the operating profit/(loss) in the consolidated income statement presented in the accompanying consolidated financial statements.

EBIT margin

Considered as EBIT (or operating profit) divided by Net Turnover in each case.

BACKLOG

As at any given date, the backlog reflects pending production, that is, amounts under contracts or client orders, net of taxes on production, less any amounts under those contracts or orders that have already been recognised as revenue. We value pending production according to current prices as at the date of calculation. We include in backlog only amounts to which clients are obligated by a signed contract or firm order.

At the Environment division, we recognise the backlog for our waste management contracts only when the relevant contract grants us exclusivity in the geographical area where the plant, landfill or other facility is located.

In our Water business area, we calculate initial backlog on the basis of the same long-term volume estimates that serve as the basis for our contracts with clients and for the tariffs set in those contracts.

In our Construction business area, we recognise the backlog only when we have a signed contract with, or a firm order from, the end client. Once we have included a contract in our backlog, the value of pending production under that contract remains in backlog until fulfilled or cancelled. However, we do adjust the values of orders in the backlog as needed to reflect any price or schedule changes that may be agreed with the client. For example, after the date of calculation, a price may increase or decrease as a result of changes in contractual production due to additional works to be performed. Due to a number of possible factors, we could fail to realise as revenue part or all of our calculated backlog with regard to a given contract or order. Our backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

GROSS FINANCIAL DEBT

Debts (current and non-current) with credit institutions, debt instruments and loans, financial lease payables and other financial borrowings from third parties, joint ventures and associates on the Liabilities side of the consolidated balance sheet.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt less current financial assets, cash and other cash equivalents.

WORKING CAPITAL

The part of Current Assets financed using long-term funds (Non-Current Liabilities and Net Equity). It is calculated as the sum of Current Assets minus the sum of Current Liabilities.

NET CASH WITH RECOURSE

It is defined as Cash and other equivalent liquid assets, plus short-term Financial Assets, minus the Gross Financial Debt, of the parent company and that of those subsidiary companies that are financially guaranteed with the equity of the parent company.

2.1.9. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 31 December 2024, prepared in accordance with the International Financial Reporting Standards (IFRS) that had been adopted by the European Union at the end of the period, in conformity with Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002.

No liability whatsoever is assumed by the Company, its advisors or representatives, whether for negligence or otherwise, with respect to any loss or damage arising from any use whatsoever of this document or its contents.

This document does not constitute an offering or an invitation to acquire or subscribe shares in accordance with Act 6/2023, of 17 March, on Securities Markets and Investment Services, Royal Decree-Act 5/2005, of 11 March, and/or Royal Decree 814/2023, of 8 November, and their implementing regulations. In addition, this document is neither an offer to buy nor a solicitation to purchase, sell or exchange shares, nor is it a request for any kind of vote or approval in any other jurisdiction.

Neither this document nor any part of it is contractually binding and may not be used or construed as constituting a contract or any other type of commitment.

2.1.10. CONTACT DETAILS

FINANCE AND ADMINISTRATION DIVISION

CAPITAL MARKETS DEPARTMENT

- > Postal address: Avda. Camino de Santiago, 40 Edificio 2, Planta 5 - 28050- Madrid. Spain.
- > Website: www.fcc.es
- > E-mail: ir@fcc.es

2.2. Business performance. Environment

The information relating to the FCC Group's environmental policy is set out in greater detail in note 29 and 30 to the consolidated financial statements and in the Non-Financial Information Statement.

The FCC Group carries out its activities on the basis of business commitment and responsibility, compliance with applicable legal requirements, respect for the relationship with its stakeholders and its ambition to generate wealth and social well-being.

Aware of the importance for the Group of preserving the environment and the responsible use of available resources, and in line with the vocation of service through activities with a clear environmental focus, the Group promotes and encourages the following principles throughout the organisation, on which the contribution to sustainable development is based:

- Continuous improvement: Promote environmental excellence by establishing objectives for the continuous improvement of performance, minimising the negative impacts of the Group's processes, products and services, and enhancing the positive impacts on its areas of activity.
- Monitoring and control: establish environmental indicator management systems for the operational control of processes, which provide the necessary knowledge for monitoring, assessment, decision-making and communication of the Group's environmental performance and compliance with the commitments undertaken.
- Climate change and pollution prevention: Lead the fight against climate change through the implementation of processes with lower greenhouse gas emissions, and by promoting energy efficiency and renewable energies. Prevent pollution and protect the environment through responsible management and consumption of natural resources, and also by minimising the impact of emissions, discharges and waste generated and managed by the Group's activities.
- Observation of the environment and innovation: Identify the risks and opportunities of the activities in the face of the changing natural environment in order, among other things, to drive innovation and the application of new technologies, and also to generate synergies between the Group's various activities.
- Life cycle of products and services: enhancing environmental considerations in business planning, procurement of materials and equipment, and relations with suppliers and contractors.
- The necessary participation of all parties: promote the knowledge and application of environmental principles among employees and other stakeholders. Share experience in the most excellent practices with the different agents in order to promote alternative solutions to those currently in place, which contribute to the achievement of a sustainable environment.

2.3. Business performance. Personnel

Attached is a breakdown of the Group's headcount at the end of the year, by business area:

AREAS	2024		TOTAL	%/Total
	SPAIN	ABROAD		
Environment	37,390	12,842	50,232	70.4%
Water Management	7,079	6,961	14,040	19.7%
Construction	4,228	2,394	6,622	9.3%
Concessions	173	0	173	0.2%
Central Services	302	2	304	0.4%
TOTAL	49,172	22,199	71,371	100.0%

3. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

In order to optimise its financial position, the Group maintains a proactive liquidity management policy with daily cash monitoring and forecasts.

The Group covers its liquidity needs through the cash flows generated by the businesses and through the financial agreements reached.

In order to improve the Group's liquidity position, active collection management is carried out with customers to ensure that they meet their payment commitments.

To ensure liquidity and meet all payment commitments arising from the business, the Group has cash flows as shown in the balance sheet (see note 17 to the consolidated financial statements) and detailed financing (see note 20 to the consolidated financial statements).

Note 30 to the consolidated financial statements sets forth the policy implemented by the Group to manage liquidity risk and the factors mitigating said risk.

Capital resources

The Group manages its capital to ensure that its member companies will be able to continue as profitable and solvent businesses.

As part of its capital management operations, the Group obtains financing through a wide range of financial products.

In 2019, FCC Servicios Medioambiente Holding, S.A. completed the issue of two simple bonds worth a total of 1,100 million euros, as FCC Aqualia, S.A. did back in 2017. In December 2023 the 600 million euro bond of FCC Servicios Medioambiente Holding, S.A. was repaid with the proceeds obtained from the issue of a new bond for the same amount, and in October 2024 the company completed the issue of a new bond worth 600 million euros.

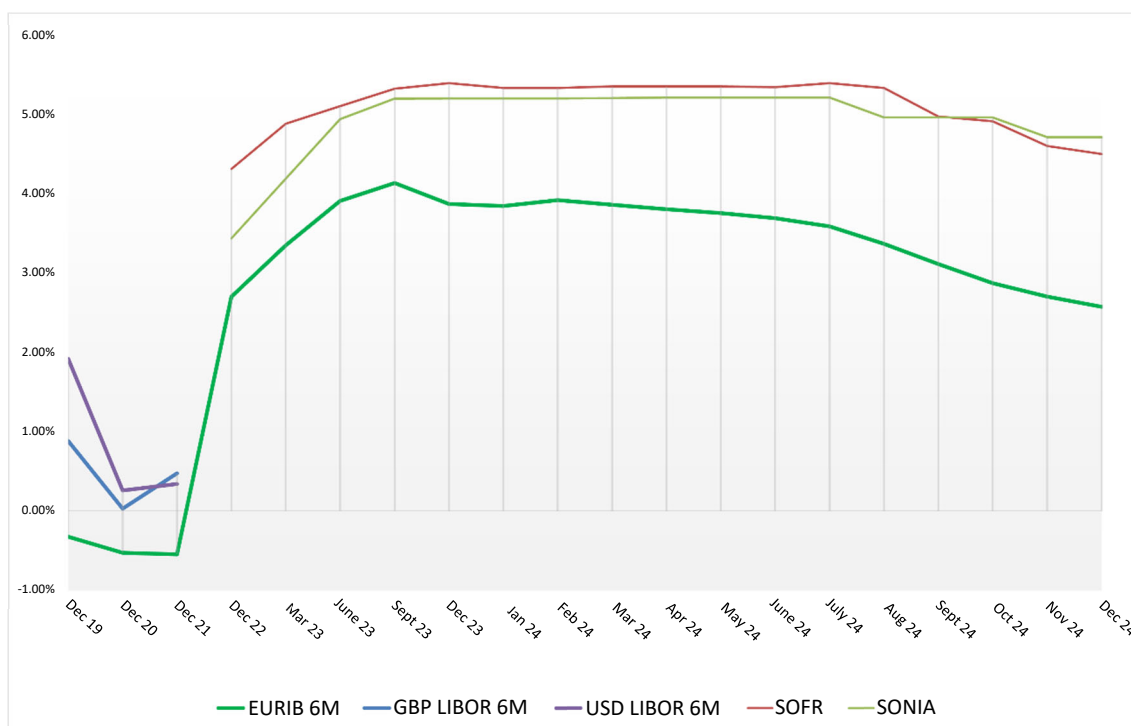
In November 2018, FCC, S.A. registered a 300 million euros promissory notes programme, which was subsequently expanded to 600 million euros in March 2019. Since then, new funding facilities were also arranged in the form of credit facilities. In 2020, FCC Servicios Medioambiente Holding, S.A. registered a promissory note programme which it renewed annually for an amount of up to €400 million; it also has financing facilities in the form of credit facilities and bilateral loans.

Furthermore, in June 2022 FCC Aqualia, S.A. took out a syndicated loan for the amount of €1.1 billion, the main purpose of which was to refinance part of the bonds issued in 2017 maturing in 2022 and the early repayment of the bond that the Georgia Global Utilities Group had on the takeover date (Note 4 to the consolidated financial statements).

These operations have helped to continue to shore up the financial solvency process and the continuation of the policy of diversifying funding sources. These measures have contributed to achieving a much more robust and efficient capital structure, with suitable volumes, terms and financing costs adapted to the nature of the different business areas.

In order to optimise the cost of capital resources, the Group maintains an active policy of interest rate risk management, constantly monitoring the market and taking different positions depending mainly on the assets financed.

The performance of interest rates in recent years is shown below.



As can be seen from the graph above, in 2022 the Secured Overnight Financing Rate (SOFR) and the Sterling Overnight Index Average (SONIA) replaced the LIBOR in dollars and LIBOR in pounds sterling, respectively.

This section is discussed in greater detail in note 30 to the consolidated financial statements.

4. MAJOR RISKS AND UNCERTAINTIES

4.1. Risk Management Policy and System

The FCC Group's Risk Management Model is designed with the aim of identifying, analysing and assessing the potential risks that could affect the different areas of the Group, as well as establishing mechanisms integrated into the organisation's processes that allow risks to be managed within accepted levels, providing the Board of Directors and senior management with reasonable security in relation to the achievement of the main objectives defined. This Model applies to all FCC Group companies, as well as to those affiliates where FCC has effective control, promoting the development of work frameworks that enable suitable risk control and management in those companies where effective control is not available.

This model is mainly based on the integration of the risk-opportunity vision and the assignment of responsibilities, which, together with the segregation of functions, favour the monitoring and control of risks, consolidating an adequate control environment.

The activities included in the FCC Group's Risk Management Model include the identification and classification of risks depending on their type, their assessment, in terms of impact and probability of occurrence, the application of prevention and control activities to mitigate the effect of these risks and the establishment of reporting flows and communication mechanisms at different levels, which enable decision-making as well as their review and continuous improvement.

The risk management duties and responsibilities at the different levels of the organisation are detailed in section E on the Risk Management and Control System of the Annual Corporate Governance Report.

4.2. Major risks and uncertainties

The FCC Group is exposed to various risk factors inherent to both the nature of its activities and the risks related to environmental, economic, social and geopolitical upgrades in the different countries in which it carries out these activities and to the risks arising from its relations with third parties, including the risks arising from the non-exhaustive application of the principles of ethics and compliance set out in its regulations. Many of these risk factors are strongly interconnected and could potentially affect both the achievement of business objectives and the image and reputation of the FCC Group.

A breakdown of the main risks related to strategic, environmental, social, operational and compliance issues that could affect the Group's activities, as well as a description of the systems used to manage and monitor them, can be found in section E of the Annual Corporate Governance Report, as well as in the sections on Environmental, Social and Governance Information and in Appendix I of the Non-Financial Statement.

With regard to financial risks, which are considered to be the changes in the financial instruments arranged by the FCC Group due to political, market and other factors, and their repercussions on the financial statements, the risk management philosophy is consistent with the business strategy, seeking maximum efficiency and solvency at all times. To this end, strict financial risk control and management criteria have been established, consisting of identifying, measuring, analysing and controlling the risks incurred by the Group's operations, with the risk policy being correctly integrated into the Group's organisation. The financial risks to which the Group is exposed are discussed in greater detail in Note 30 to the consolidated financial statements, in section E of the Annual Corporate Governance Report.

5. ACQUISITION AND DISPOSAL OF OWN SHARES

At 31 December 2024, Fomento de Construcciones y Contratas, S.A. held 46,910 treasury shares.

There were no acquisitions or disposals of treasury shares during the year, except for those arising from the capital increase relating to the scrip issue, as disclosed in Note 18 of the consolidated annual report.

6. SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE YEAR

Subsequent to the closing date of these financial statements, in February 2025 to be precise, the Spanish tax authorities issued assessments for corporate income tax to the companies of the tax group headed up by Fomento de Construcciones y Contratas, S.A. in respect of the years 2018 to 2020. It likewise issued assessments for VAT and withholdings for employment income and professional income for the period running from April 2019 to December 2020 for the companies Fomento de Construcciones y Contratas S.A., FCC Construcción S.A., FCC Medio Ambiente S.A. and FCC Industrial e Infraestructuras Energéticas S.A. The accounting impact of the aforementioned inspections, being a event that has taken place after the reporting period but which shows conditions existing at year-end, has been recognised in these financial statements in accordance with prevailing accounting regulations (Note 24).

7. OUTLOOK

The outlook for the performance of the Group's main business areas in 2024 is given below.

In the countries where the **Environmental Services** Area operates, the sector is undergoing a process of transformation, mainly due to the environmental requirements of each country derived from the European Directives (new opportunities based on the ambitious objectives set by the European Union in relation to the circular economy and climate change). The new services will focus on energy efficiency, urban mobility and smart cities.

Spain:

In Spain, moderate growth is expected based on the implementation of new contracts, competing in all tenders that may be of interest due to their strategy and/or attractiveness.

With regard to the waste collection and street cleaning activity, it is expected to maintain the current rate of contract renewal above 90% and the rate of new contracts at around 20%, with growth in activity based on obligation to apply current legislation on waste in municipalities with smaller populations.

In relation to waste treatment, the opportunities that may be generated by the new Waste Master Plans of the different regional governments will be harnessed.

In relation to industrial waste activity, the aim is to diversify into other types of processing in addition to those currently being developed and expand the portfolio of services to large clients.

Europe

In Portugal, business opportunities related to processing industrial waste and the disposal of municipal waste is worth particular mention.

Consideration shall be given to any growth opportunities (including inorganic growth), especially if they can add value to the Group.

Strategic actions in France will focus on growing the core activities of waste collection and street cleaning, while also tapping any opportunities that arise in relation to waste incineration.

In the United Kingdom, on a macroeconomic scale, the economy is expected to grow moderately throughout 2025, with growth expected to reach 1.5% according to the Bank of England, somewhat higher than the 1.0% in 2024. Meanwhile, inflation (CPI) is expected to hit 2.5% in 2025, which is not far off the government's target of 2.0%. Consequently, the market expects the pound sterling interest rate to decline in 2025, ultimately closing out the year between 3.75% and 4.00%.

On the environmental side, the UK Government has set a number of recycling targets with the aim of achieving the transition to a circular economy:

1. Reduce the residual waste fraction to no more than 287 kg per person to be achieved by 2042, a 50% reduction from 2019 levels.
2. Increase the quality of recyclable material by increasing the separation of materials at source.

3. Implement the Deposit Return Scheme with a target date of October 2027, which will require regulatory approval in 2025, as well as the deployment of the infrastructure and organisation needed to make it happen.

When it comes to tax measures, the “Plastic Tax” was introduced in 2022 for packaging with less than 30% recycled content, and an emissions tax has been announced for 2028, which would affect the Energy from Waste (EfW) sector. FCC continues to pursue its policy of offering a wide range of waste treatment and recycling services, both at municipal and commercial and industrial levels.

In June 2024, the FCC Servicios Medio Ambiente Group completed the purchase of the Urbaser business in the United Kingdom. This acquisition cements the company’s status as one of the country’s leading waste management operators. The acquisition of Urbaser’s UK business will enable it to broaden its product and service offering and enhance the value proposition for its clients. UK subsidiary Urbaser has composting, material recovery, energy recovery and disposal facilities in the United Kingdom, as well as domestic recycling centres. It also provides municipal waste collection, recycling centre management and street cleaning services.

In Central and Eastern Europe, moderate GDP growth is expected, although it will be more subdued in Austria, Slovakia and Hungary, which are taking longer to recover from the economic slowdown that took place in 2024. In 2025, inflation will remain at levels substantially similar to those seen in 2024. Therefore, further emphasis will be placed on increasing energy efficiency in treatment processes, cost reduction, optimisation of routes and processes, and rapid adjustment of tariffs with clients. Gas and electricity prices will remain on a par with the levels seen in 2024 and the sale of electricity at the Zistersdorf plant will take place at market prices, when in 2024 two thirds of sales were hedged with futures at up to four times the market value. This will limit and reduce margins at the Zistersdorf incinerator.

Recycling prices are expected to remain stable and very close to those observed in 2024; a portfolio of soil decontamination projects (solidification and biodegradation) in the Czech Republic and Slovakia very similar to that of the previous year following the award of various new contracts; greater importance of treatment due to legislative changes in several countries where FCC has already made (or has begun to make) the necessary investments to be able to face them; and an increase in rates in practically all commercial activities thanks to contractual flexibility (short duration for industrial clients) or to the price clauses included in municipal contracts (normally also of short duration so prices can also be easily negotiated).

The mid-term strategy is inexorably undergoing a change in the business model in the Czech Republic and Slovakia mainly, towards further treatment and development of energy recovery technology using waste (incineration and fuel generation) given that the legal situation (prohibition of landfills or taxes on landfills) has already been defined and this transition is essential to maintaining the competitiveness and market share. Austria is a mature and developed market and in Poland there is already a ban on untreated waste going to landfill. Other essential strategic objectives include the need to improve both the quality and quantity of reusable raw materials so as to meet the ambitious objectives of the European Union (Circular Economy). This will be achieved by investing in selective collection and automatic sorting facilities, while also diversifying the business model in niche segments such as the management and treatment of hazardous wastes.

In the United States, FCC launched its North American Energy Recovery business line in 2024, building on its extensive global experience with more than 15 operational energy recovery facilities worldwide. The company sees significant growth potential in the United States, where these facilities happen to play a crucial role in sustainable waste management by reducing reliance on landfills and generating renewable energy. It currently operates more than 76 energy recovery

plants, most of them built in the 1980s and 1990s. These obsolete facilities are an opportunity for FCC to modernise its infrastructure and lead the market by embracing innovative technologies. FCC's patented technologies and operational experience stand the company in good stead to design and develop highly efficient and environmentally friendly facilities that cater to growing regulatory and sustainability demands.

In 2025, FCC will focus on expanding this business line by actively pursuing refurbishment projects and developments from the ground up. Key regions identified for these initiatives include the counties of Miami-Dade, Pinellas, Hillsborough, Broward and Palm Beach.

The strategic focus for 2025 includes:

- Expanding the energy recovery business.
- Improving vertical integration by bringing in energy recovery facilities and processing contracts.
- Seeking out acquisitions that are aligned with FCC's long-term growth objectives.

FCC has begun to promote mechanical biological treatment plants in the United States, in line with new regulations that are beginning to make it mandatory in some statuses to minimise waste sent for landfill disposal. The Group's extensive experience at an international level will bring considerable development in this business for FCC, which has a clearly differentiating experience in this technology compared to its usual competitors in the country. During mid-2022, the first contract of this type was launched in Placer County (California), renovating and operating facilities where 650,000 tonnes will be treated per year, pursuant to the new and more restrictive environmental regulations in force in California. Throughout 2023, these operations have been consolidated, while the final handover of the facilities is scheduled for December 2024 and we believe that this will shake-up the market once they are fully operational.

Water

The outlook for 2025 is for the recovery to take hold and for the situation to return to pre-pandemic levels of activity in relation to non-residential consumption. The plan is also to commission the Mar de Alborán SWDP. This situation will be aided by the new contracts added in Colombia, France and the United States.

We expect to see a continuation of the high contract roll-over rates that Aqualia has historically seen upon contract expiry (above 90%), while electricity tariffs should stabilise on the operational front.

At the concession businesses operating in the international realm, tariff revenues will grow following a broad increase in water and sewerage tariffs. Despite the inflationary crisis, these businesses should maintain their EBITDA margin thanks to the water and energy efficiency measures arising from our sustainability strategy. Meanwhile, the company's entry into the US market, following the acquisition of a majority stake in MDS, raises expectations for new projects, especially in the large cities of the state of Texas.

Throughout 2025, we will also look to promote the design of renewable energy generation projects in a bid to reduce the carbon footprint across all countries in which we operate (Spain, Mexico, Qatar, Georgia, Czech Republic and Portugal). The construction of custom projects will be fairly quiet on the international front, as the El Salitre WWTP in Colombia and the Glina WWTP in Romania have now been completed. While other projects associated with Aqualia's technological

edge over its competitors will continue to be explored, we will also remained focused on projects related to our own concessions.

Similarly, no major changes in O&M activity are expected moving forwards. Our existing contracts will continue to press ahead at a normal pace and we expect to see a significant contribution from new contracts in Saudi Arabia (management of the clusters awarded in 2023 and the operation of floating desalination plants).

Within Europe, drought conditions continued to be a problem throughout 2024, especially in Portugal. In response water management in the country has focused on limiting the use of water resources by increasing the monitoring of groundwater consumption and holding public tenders to promote the efficiency of distribution networks as part of the sector's ongoing digital transition. Meanwhile, policies have been adopted with the aim of increasing the supply of water, with the announcement also of the construction of new desalination and reuse infrastructures.

Along these lines, the Portuguese Water Strategic Plan (PENSAARP 2030) aims to kick-start leakage reduction activity. Under the plan, any network upgrades should introduce smart grids to meet the target of 20% (10 percentage points below the current level) of non-revenue water by 2030 set by the country's water regulator (ERSAR).

When it comes to desalination, highlights include the ongoing seawater desalination projects in the Algarve, as well as those planned for the port and industrial area of Sines, and the agricultural area in the south of the country.

A new phase is also beginning in the industrial sector, which is acutely aware of the existing water shortage and is actively seeking more efficient solutions for the consumption and treatment of its liquid effluents.

In Italy, the year was marked by the ongoing drought in Sicily. Restrictions on water use were frequently imposed since late April and became absolutely essential in the summer. This troubling situation has laid bare the chronic infrastructure deficit in the region. To mitigate this, the authorities have deployed plans to improve and reinforce the existing infrastructure and to develop new infrastructure capable of mitigating a new outlook of low rainfall, as in the last two years.

Acque di Caltanissetta received a total of 8.4 million euros in Civil Protection funding euros to undertake various projects to combat the water emergency, most notably the project to create of a new well field in the southeast of the province, with a production capacity of 100 l/s.

In addition, new funding of 4.2 million was secured in Sicily to implement a new project to upgrade the networks in Caltanissetta in 2025, plus a further 2.5 million euros to undertake a second project for phase one of upgrading the networks in the industrial areas of Caltanissetta and San Cataldo.

In France, development activity will pick up with the prospecting and selection of new business opportunities inside and outside the current perimeter. We also plan to open new sales offices, including in Lyon, where in fact the new office is already up and running and will bolster our presence in the south and east of the country.

In the Czech Republic, Czech subsidiary SmVak has designed an ambitious Sustainability Plan, aligned with Aqualia's Sustainability Plan, establishing new investments aimed at improving the energy efficiency of existing infrastructure and reducing the system's carbon footprint. In terms of business activity in the country, the Czech subsidiary SmVaK was awarded the contract for the Mošnov industrial zone in Ostrava (Moravia Silesia region).

In Georgia, the trend in terms of results for the current year is expected to continue following the approval of the new 2024–2026 regulatory period, with the resulting tariff updates to go ahead once the terms and conditions of the three-year Infrastructure Master Plan have been set.

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

In Mexico, we expect to finally overcome the operational issues relating to the Realito aqueduct, while also making significant progress towards the project for the end-to-end improvement of Los Cabos, which began in 2023.

The main event in Peru during 2025 will be the launch of the BOT Chinchá project. In this country, we also happen to be developing four other private initiative projects in wastewater treatment and a further two in desalination.

Also in 2025, we expect to several BOT contracts to be put out to tender in Egypt and Saudi Arabia, for which Aqualia is well positioned.

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

Construction

In the international market, FCC focuses on countries and markets with a stable presence and on the execution of projects with guaranteed financing.

The search for contracts in the domestic and international markets is one of the Group's objectives, although this is done through demanding risk management that must provide access to a selective backlog of projects that ensure the company's profitability and cash flow generation. Taking into account the above, it is estimated that in 2025, the turnover obtained in Spain will remain similar to that obtained in 2024.

In the foreign market, it is estimated that turnover in 2025 will be similar to that obtained in 2024, with the development of large infrastructure works obtained between 2022 and 2024 and the contribution of markets in America (United States, Canada and Peru), Australia, the Middle East (Saudi Arabia), and Europe (Germany, Norway, the Netherlands, Portugal and Romania).

Given the current global macroeconomic outlook, 2025 is expected to be a year of recovery and sustained growth following the global economic challenges seen in recent years. International Monetary Fund (IMF) projections point to moderate global GDP growth, driven by a recovery in advanced economies and a more lively performance by the emerging bloc. This propitious environment could lead to increased investment in infrastructure—both public and private—, which would directly benefit companies in the construction sector such as FCC Construcción.

We also expect to see more stable commodity prices and improved global financing conditions, which should help to make infrastructure projects more viable and profitable. Sustainability and innovation will remain the hallmarks of FCC Construcción's strategy, as we align ourselves with prevailing global trends targeting a greener and more digitalised economy.

Concessions

FCC Concesiones aims to maintain competitive tension in both costs and revenues in all markets in which it operates, as it seeks to become a benchmark within the sector across all the countries in which it is already present.

It is therefore continuing its quest for growth by focusing internationally on the United States, Europe (e.g. Czech Republic, United Kingdom) and Asia (Middle East and Oceania) as its main target markets.

In 2024, the Company consolidated its already extensive presence in passenger rail traffic activities by acquiring the Parla Tramway, which spans a route of 8.3 km and has 15 stops, all of them on the surface. The contract runs until 2045.

When it comes to motorway and road concessions, the Government of Aragon has awarded us the contract for the rehabilitation and operation of 203 km of motorways and roads, including Route 8 of a conventional road located in the north of Zaragoza, for which the contract has been extended until 2049.

Both contracts will drive revenue growth throughout 2025, which is expected to exceed 100 million euros.

8 R&D+I ACTIVITIES

The FCC Group's R&D+I activities in 2024 have resulted in more than 50 projects.

These projects seek to respond to the challenges of each business area while maintaining overall coordination between the different business areas of the FCC Group.

The activities of the different Business Areas and the main projects developed throughout 2024 are detailed below.

SERVICES

In the environmental services activity, we have continued with the development of projects started in previous years, such as:

ABATE	BIOMET	BIOPROLIGNO	DEEP PURPLE
ECLOSION	ECO2D4.0	LIFE LANDFILL BIOFUEL	LIFE PLASMIX
LUCRA	MINETHIC	RSU4ROM	VALOMASK
ZEROLANDFILLING	H2TRUCK	PLAUSU	PV4INK
COMPLAST			

In addition, new ones have been launched during 2024, which are outlined below:

In the field of waste management we have five new projects:

- **PROSPER:** a new solution for the sorting and recycling of bio-based plastics through the reactivation of bioplastics within the packaging market, thus achieving a fully circular value chain for these materials.

The PROSPER project aims to improve the recycling rates of these bioplastics through citizen involvement, the use of new sorting systems based on AI at treatment plants, and the improvement of mechanical and chemical recycling systems.

- **UNITED CIRCLES:** This project pursues several objectives, which come together to close out the cycles of three value chains of urban-industrial symbiosis: organic waste, urban waste water and construction and demolition wastes.

The main aim of United Circles is to make faster progress towards a fully decarbonised future, where waste and water cycles come full circle.

In the field of specialised machinery for waste collection activities, there is a new project under way:

- **TOP-LOAD CARRIAGE ON 2.3M WIDE CHASSIS:** This project involves developing a new top-loading body for the collection of Igloo-type containers with a capacity of 2,000 to 3,500 litres, with a semi-automatic crane located in the upper part of the collection box of 8 tm x m and a double hook system, with an ejector plate unloading system without tipping the box, on a chassis powered by compressed natural gas featuring three axles and 27 tonnes of MMA, narrowed down to 2.3 metres wide.

INTEGRATED WATER MANAGEMENT

Aqualia's innovation activity is geared towards the search for innovative solutions that minimise the environmental impact and maximise the quality of the service delivered to people. This vision is built around two pillars that are deployed throughout the integrated water cycle: eco-efficiency and sustainability.

The projects highlighted in 2024 are listed below:

- **LIFE INTExT:** the project optimises low-cost purification technologies in small towns with a view to minimising the energy cost, carbon footprint and waste from the treatment process. It assess sustainable solutions from an ecological and economic perspective for settlements with less than 5,000 residents, supported by specialist SMEs from Germany, Greece and France.
- **LIFE PHOENIX:** the project optimises tertiary risk management to achieve the most ambitious objectives of the new European regulation on water reuse, assessing effluents at several mobile plants. These devices combine physicochemical treatments with advanced filtration and various ultra- and nanofiltration membrane refining skids.
- **LIFE ZERO WASTE WATER:** the project seeks to achieve a purification process with a zero carbon footprint. To this end an anaerobic reactor with AnMBR membranes has been set up, which produces biogas, followed by the ELAN® process in the water line to eliminate nitrogen with low energy consumption. The management of FORSU is assessed with the transport the mixture of organic matter in a single stream in the sewerage system.

- **LIFE INFUSION:** as part of the project, new resource recovery plants have been designed using municipal solid waste and the leachate digestion system has been optimised.
- **LIFE RESEAU:** the RESEAU project aims to increase the capacity and resilience of the existing sanitation water infrastructures to the impact of climate change. The aim is to develop a flexible flow management model.
- **LIFE SALTEAU:** project launched in 2024 aimed at achieving the sustainable production of drinking and irrigation water from alternative saline water resources.
- **H2020 BBI B-FERST:** project to develop new biofertilisers using urban wastewater and by-products of agri-food industries. The potential of raw materials recovered from municipal waste and effluents in the production of fertilisers in three countries (Spain, Italy and Czech Republic) is analysed.
- **H2020 BBI DEEP PURPLE:** the project implements on a demonstration scale a new biorefinery model that integrates purple and phototrophic bacteria (PPB) in anaerobic carousels. These bacteria use solar energy to treat wastewater without aeration, and transform the organic content of wastewater and municipal wastes into raw materials for biofuels, plastics, cellulose and new base materials in the chemical and cosmetics industry.
- **H2020 SEA4VALUE:** project focussed on recovering resources from concentrated brines in seawater desalination stations (SWDPs). At least eight innovative technological solutions are being developed at a basic scientific level. The aim is to enrich the most valuable components of seawater (lithium, caesium and rubidium) and to recover critical raw materials (magnesium, boron, scandium, gallium, vanadium, indium, molybdenum and cobalt) to a purity that allows them to be exploited on the market.
- **H2020 ULTIMATE:** the project consisted of the installation in the WWTP with a fluidised anaerobic reactor (FBBR/Elsar) on an industrial scale, to recover biomethane and supply a fuel cell. The co-digestion of residual yeast is also being studied.
- **H2020 REWAISE:** the project reinforces Aqualia's strategic lines of technological development, with sustainable desalination and new membranes, the recovery of materials from brine, the reuse of wastewater and its transformation into energy and by-products. To improve the operation and control of the processes, work is under way on the simulation of networks and plants, optimising the efficiency of the service as well as water quality.
- **H2020 NICE:** the generates scientific knowledge using nature based solutions (NBS), such as wetlands or green walls. These elements are involved in the purification and recovery of resources from urban wastewater.
- **ECLOSION MISSIONS:** project co-financed by the CDTI (Centre for Technological Development and Innovation), its main objective is to create new materials, technologies and processes for the generation, storage and transport of renewable and indigenous gases, such as hydrogen and biomethane. These energy vectors will be made using urban waste, agri-food, wastewater and sewage sludge and will be monitored using eco-efficient, flexible and smart optimisation tools.
- **ZEPELIN MISSIONS:** project co-financed by the CDTI that researches a flexible series of green hydrogen production and storage technologies based on the use of waste and by-products (agri-food, textiles, treatment plants and refineries). The aim is to make this energy vector more efficient, addressing the technological challenges linked to biogas and bioethanol reforming, dark fermentation, microbial electrolysis, gasification and hydrogen storage.

- **HE D4RUNOFF:** develops tools to quantify, avoid and manage diffuse pollution created by urban runoff water.
- **HE CHEERS:** the project aims to revalue by-products that are underused or wasted by the brewing industry, such as bagasse, wastewater, CO₂ and methane. Through a biorefinery approach, inspired by the biodiversity of nature (insect and microbe platforms), five innovative bio-products are generated that are competitive at a market level: insect protein, disinfectant, microbial protein, ectoin and caproic acid.
- **HE NINFA:** the project develops groundwater monitoring and protection systems, starting with the measurement, modelling and treatment of different pollutants (nutrients, pesticides, pharmaceuticals, hydrocarbons, heavy metals, micro plastics and salinity). The groundwater management and pollution prevention strategy is structured around early detection systems, a better understanding of the effects to achieve synergies and to control the risks of multiple disturbance factors. These elements are combined with predictive methodologies to increase resilience and implement treatment and mitigation solutions.
- **HE CIRSEAU:** project aimed at building a water-smart economy and society.
- **UMI AQUATIM:** its aim is to respond to current challenges, by studying and implementing new technologies throughout the entire water cycle. Innovation, the development of new circular economy models and digitalisation are key factors in obtaining new sources of green energy (H₂ and biogas), new natural resources and their efficient use (nutrients, metals and water). It also includes the protection of ecosystems and biodiversity through nature-based solutions (NBS), the development of new digital technologies (sensors, traceability, models and predictive systems) and the introduction of improvement actions to ensure the quality of water masses.
- **RESURGENCE:** the project pursues a model of circularity in industrial water consumption from a broad perspective: efficient technologies for the circularity of water, the recovery of energy and raw materials, with a view to contributing to climate neutrality, circularity and the competitiveness of the European Union.
- **UNITED CIRCLES:** the project aims to unify efforts, from feasibility studies through to financing for industrial-urban symbiosis driven by circular economy centres.
- **INTERREG GESTEAUR:** project launched in 2024 aimed at implementing sustainable and digitalised water management in rural communities in south-west Europe.
- **INTERREG IDIWATER:** The main aim is to develop advanced and sustainable solutions to common challenges associated with the industrial water cycle, particularly in areas such as desalination, water supply and reclamation, and their linkage with agriculture and energy.

CONSTRUCTION

FCC Construcción promotes an active policy of technological development, constantly bringing innovation to its projects, with a strong commitment to research and development, sustainability and contribution to the quality of life of society as competitive factors. This innovation policy is coordinated with all other business areas of the FCC Group.

The development and use of innovative technologies to carry out the works is an important contribution to added value and is a differentiating factor in today's highly competitive and internationalised market.

The three types of projects developed by FCC Construcción and its investee companies are: internal projects, projects with other companies in the FCC Group and projects in collaboration with other companies in the sector or other related sectors, often with technology-based SMEs, which enables open innovation projects to be carried out with the participation of the value chain and occasionally in horizontal cooperation. In addition, the presence of universities and technology centres is essential in almost all projects.

In addition, the presence of universities and technology centres is essential in almost all projects.

At an **international** level, in 2024 work was undertaken as part of (i) the European R&D&i project “**DigiChecks**”, funded by the EU Research and Innovation Framework Programme, Horizon Europe, as part of which a Digital Environment is being developed to facilitate interoperability and communication between different construction industry platforms, the management of permits and controls accordingly. The project is structured around new technologies (including BIM, GIS, Artificial Intelligence, Blockchain, Digital Twin), using previous international initiatives as a reference, and (ii) the “**EC2**” project financed by EDF-DA (European Defence Fund). The EC2 project consists of the development of software that provides the functional capacity of strategic command and control for a future General Headquarters of the European Union, which will help to achieve the capabilities for planning and conducting military operations, both executive and non-executive. The system will make it possible to centralise all operating capacities in a single point of access.

Meanwhile, the company invested its own funds in 2024 in an **R&D project alongside Qatar Rail** for the development of low carbon footprint concrete through the alkaline activation of waste. This project targets the R&D of alkaline activated (AA) concretes or geo-polymers for civil engineering and construction applications. The aim is to create a low carbon footprint cement using industrial waste as precursors, thus achieving a level of mechanical performance similar to that of Portland cement. In addition, specific AA concretes will be designed for applications such as 3D printing, precast items and poured concrete, thus optimising dosages and consistencies to cater to various construction needs.

In relation to the National Projects undertaken during 2024, the development of the following projects is worth particular note:

- **PRACAN:** included in the call for CDTI Cooperation projects, the aim of which is to develop a robotic platform for the identification, control and monitoring of carcinogenic agents in construction environments. This platform will be structured around a series of mobile nodes, one land-based and one airborne, with the ability to detect/estimate carcinogens, in particular asbestos and respirable crystalline silica (RCS) as well as a decision-making and alarm configuration system for occupational risk prevention (ORP) technicians, which will activate action protocols and recommendations
- **CYBERSEC:** developed by FCC Industrial and Infraestructuras Energéticas, S.A. and financed by the CDTI as part of the CIEN programme, this project entails research into various technologies, techniques, tools, methodologies and knowledge aimed at developing technological solutions for securing against cyber-attacks in highly critical connected environments, such as Industry 4.0, smart cities or critical infrastructures
- **EDIFICTEH:** collaborative project submitted to CDTI that aims to develop a new 4.0 technological solution for the construction sector employing connected and centralised management for the installation of facades

- **SMART CONSTRUCTION MANAGER:** project presented as part of the CDTI national CIEN programme, the objective of which is the development of a new smart and autonomous system for the control and management of works; research into a variety of technologies that allow the main management processes of a project to be digitised and automated, integrating them into a collaborative tool in which the entities involved can share reliable and secure information about the progress made and the materials used, thus promoting transparency.
- **OACCIDENTES:** project submitted as part of the CDTI's CIEN programme, the objective of which is research into new safety and health in construction technologies with 0 accidents: development of a comprehensive cognitive ecosystem for real-time monitoring and prediction of dangerous situations for the safety and health of construction workers, carrying out research that facilitates the collection, interpretation, digitization and smart and automatic management of information generated in different construction environments, based on state-of-the-art sensors, autonomous robotic systems, cyber-secure connectivity ecosystems and various elements of artificial intelligence.
- **ESPADIN:** project developed by FCC Industrial e Infraestructuras Energéticas, S.A., included in the CDTI MISSIONS programme, the objective of which is to make collaborative technological developments dedicated to take the sharing and use of the value of data to industrial practice under the paradigm of the so-called shared data spaces.
- **ECOLOGÍA COTORRAS:** project developed by Mantenimiento de Infraestructuras, S.A., within the framework of the industrial doctoral candidates programme organised by the Community of Madrid; its aim is to delve into the ecology of the Argentine parrot and Kramer's parrot (and its ecological and health impacts) to better understand how biological invasion processes work and integrate the scientific knowledge generated into the management plans in place for these species.
- **CLIMPORT:** project submitted to the Public-Private Collaboration programme, as part of the 2021-2023 State Plan for Scientific, Technical and Innovation Research, within the framework of the Recovery, Transformation and Resilience Plan, the main objective of which is to develop an innovative modular system with new professional methodologies for the design and construction of port infrastructure adapted to climate change
- **BIOPROLIGNO:** project developed by Mantenimiento de Infraestructuras, S.A., submitted to the Public-Private Collaboration programme as part of the 2021-2023 State Plan for Scientific, Technical and Innovation Research, within the framework of the Recovery, Transformation and Resilience Plan, which will investigate the transformation of lignocellulosic waste into bio-products for use in the maintenance of infrastructure and green areas.
- **FOTOVOLPLAS:** project developed by Megaplas, S.A., submitted for one of the electrical self-consumption grants offered by IDEA, the objective of which is the installation of photovoltaic panels on the MEGAPLAS factory roof. The installation consists of 144-cell PERC HALF CELL SILICON MONOCRYSTALLINE photovoltaic panels with 550 Wp, by the JA Solar brand, model JAM72S30 550/MR, up to a total power of 252 kWp (458 units).
- **SOSTEVAL-TEC:** This project, developed by FCC Construcción and MATINSA, has been presented to the Public-Private Partnership programme for R&D&I to support technological innovation projects with a pull-on effect in the Community of Madrid, the aim of which is to research advanced solutions for an integrated automated smart system for the evaluation and improvement of sustainability throughout the life cycle of civil works.
- **DEMOLTECH:** project undertaken alongside by FCC Construcción that has been submitted to the Public-Private Partnership 2023 programme of the State Plan for Scientific, Technical and

Innovation Research as part of the Recovery, Transformation and Resilience Plan, the aim of which is to achieve smart demolition and revaluation processes for the generation of circular raw materials in urban environments.

Research, Development and Innovation (R&DI) is expressly contemplated in the Sustainability Management System under procedure PR/FCC-730. The company holds an RD&I Management System Certificate: RD&I Management System requirements based on Spanish-harmonised standard UNE 166002:2021, certified by AENOR, the Spanish Standardisation and Certification Association. MATINSA and FCC Industrial and Infraestructuras Energéticas are also R&D&I Management System certified pursuant to UNE 166002:2021.

9. OTHER RELEVANT INFORMATION. SHARE PERFORMANCE AND OTHER INFORMATION

9.1. Share performance

Attached is a table detailing the performance of FCC's shares during the year compared to the previous year.

	Jan. – Dec. 2024	Jan. – Dec. 2023
Closing price (€)*	8.89	9.66
<i>Change in the period</i>	<i>(14.5%)</i>	<i>69.1%</i>
Maximum (€)*	10.30	10.50
Minimum (€)*	7.02	3.26
Average daily trading (no. of shares)	26,764	55,044
Average daily trading (million euros)	0.3	0.6
Capitalisation at end of period (million euros)	4,043	6,350
No. outstanding shares	454,878,132	436,106,917

Prices adjusted for 2023 and 2024 scrip dividends

9.2. Dividends

The Company's Board of Directors, at its meeting held on 27 June 2024, agreed to implement the resolution on the distribution of the scrip dividend for the sum of €0.65/share, as passed at FCC's General Shareholders' Meeting held that same day (27 June 2024), under item five on the Agenda, all the foregoing in accordance with the terms and conditions agreed in that resolution passed by shareholders at the General Meeting. Subsequently, in June 2024 to be precise, the holders of 99% of the free allotment rights opted to receive new shares, a percentage similar to previous years. Therefore, the increase in paid-up capital amounted to 18,771,215 shares. Thus, total share capital, after filing the deed formalising the capital increase, amounted to 454,878,132 shares.

10. DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES ACCORDING TO ESMA REGULATIONS (2015/1415en)

EBITDA

We define EBITDA as earnings from continuing operations before tax, earnings of companies accounted for using the equity method, financial result, depreciation and amortisation charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

	Dec. 2024	Dec. 2023
Operating profit/(loss)	725.4	725.9
Amortisation of fixed assets and allocation of grants for non-financial and other assets	635.4	556.1
Impairment and gains/(losses) on disposal of fixed and non-current assets	-15	-5.9
Other gains/(losses)	89.5	9.1
EBITDA	1,435.3	1,285.2

Its calculation is justified by the wide use of this indicator by the different agents of the financial markets, as it is a measure of the operating profit generated before depreciation and amortisation, which does not imply a cash flow for the company and does not depend on its capital structure.

EBIT

This corresponds to the operating profit/(loss) in the consolidated income statement presented in the accompanying consolidated financial statements.

Its calculation is justified by the wide use of this indicator in the economic and financial field, as it is a measure of the operating profit obtained after the amortisation and depreciation of assets that allows the comparison of the company's results without taking into account its capital structure.

BACKLOG

As at any given date, the backlog reflects pending production, that is, amounts under contracts or client orders, net of taxes on production, less any amounts under those contracts or orders that have already been recognised as revenue. We value pending production according to current prices as at the date of calculation. We include in backlog only amounts to which clients are obligated by a signed contract or firm order.

At the Environment division, we recognise the backlog for our waste management contracts only when the relevant contract grants us exclusivity in the geographical area where the plant, landfill or other facility is located.

In our Water business area, we calculate initial backlog on the basis of the same long-term volume estimates that serve as the basis for our contracts with clients and for the tariffs set in those contracts.

In our Construction business area, we recognise the backlog only when we have a signed contract with, or a firm order from, the end client. Once we have included a contract in our backlog, the value of pending production under that contract remains in backlog until fulfilled or cancelled. However, we do adjust the values of orders in the backlog as needed to reflect any price or schedule changes that may be agreed with the client. For example, after the date of calculation, a price may increase or decrease as a result of changes in contractual production due to additional works to be performed. Due to a number of possible factors, we could fail to realise as revenue part or all of our calculated backlog with regard to a given contract or order. Our backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

We calculate the backlog for our Environment, Water and Construction areas because these businesses are characterised by medium and long-term contracts. This indicator is a measure of the expected future income of certain areas of the company.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt (current and non-current) less current financial assets, cash and other cash equivalents. The numerical breakdown is provided in note 30 to these consolidated financial statements.

Helps to determine the situation of a company in terms of its financial debt obligations before third parties from outside the group, less its cash and equivalents. It is often used to assess the solvency of a company and calculate financial indicators.

EBITDA Margin

Considered as EBITDA (or gross operating profit) divided by Net Turnover in each case.

A measure of a company's operating profit compared to its income. Used to determine the efficiency of the operating activities it performs.

EBIT margin

Considered as EBIT (or operating profit) divided by Net Turnover in each case.

A measure of a company's net operating profit compared to its income, before paying taxes and interests.

WORKING CAPITAL

The part of Current Assets financed using long-term funds (Non-Current Liabilities and Net Equity). It is calculated as the sum of Current Assets minus the sum of Current Liabilities.

This is an important when it comes to obtaining an insight into the company's capacity to continue performing its activities and assessing its liquidity to meet short-term obligations.

NET CASH WITH RECOURSE

It is defined as Cash and other equivalent liquid assets, plus short-term Financial Assets, minus the Gross Financial Debt, of the parent company and that of those subsidiary companies that are financially guaranteed with the equity of the forementioned parent company.

Helps to determine the situation of a company in terms of cash and equivalents less its financial debt obligations before third parties from outside the group. It is often used to assess the solvency of a company and calculate financial indicators.

GROSS FINANCIAL DEBT

Debts (current and non-current) with credit institutions, debt instruments and loans, financial lease payables and other financial borrowings from third parties, joint ventures and associates on the Liabilities side of the consolidated balance sheet.

Its calculation provides an overview of a company's financial debt obligations, determining future maturities and its financial situation.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Both indicators are calculated pursuant to GRI 201 (2016). Below is the formula for calculating both indicators, facilitating, as applicable, the reconciliation of the corresponding items of the financial statements (in thousands of euros):

	2024	2023
Economic value generated	9,477,740	8,526,159
Turnover	9,071,416	8,217,292
From renewable sources	406,324	308,867
Other operating income	324,295	231,110
Financial income	82,029	77,757
Economic value distributed	8,419,385	7,618,682
Operating costs	5,326,124	4,846,125
Supplies	3,735,615	3,341,919
Other operating expenses	1,591,020	1,506,972
Change in inventory of finished products and products and those being manufactured	-511	-2,766
Employees	2,703,107	2,403,500
Staff costs	2,703,107	2,403,500
Capital suppliers	236,051	213,897
Financial expenses	264,119	196,449
(-) Other financial profit/(loss)	-28,068	17,448
Taxes	153,170	154,060
Corporate income tax	153,170	154,060
Community	933	1,100
Economic value retained	1,058,355	907,477

“Community” includes donations to non-profit organisations.

Information on the creation and distribution of economic value reflects the economic profile of an organisation and is useful when it comes to looking at how a company generates wealth, through the direct monetary value added to the economies in which it operates. In relation to the headings on the income statement, balance sheet and statements of cash flows provided in note 2.1 of the management report, the following reflects their reconciliation with the corresponding headings on the financial statements of the FCC Group shown in italics:

INCOME STATEMENT

(million euros)

	Dec. 24	Dec. 23
Revenue	9,071.4	8,217.3
<i>Self-constructed assets</i>	68.8	86.4
<i>Other operating income</i>	324.3	231.1
<i>Changes in finished goods and work in progress inventories</i>	0.5	2.8
<i>Procurements</i>	-3,735.6	-3,341.9
<i>Staff costs</i>	-2,703.1	-2,403.5
<i>Other operating expenses</i>	-1,591.0	-1,507.0
Gross operating profit (EBITDA)	1,435.3	1,285.2
EBITDA Margin	15.8%	15.6%
Provision for amortisation of fixed and non-current assets	-644.6	-565.6
<i>Amortisation of fixed and non-current assets and allocation of grants for non-financial and other assets</i>	-635.4	-556.1
<i>Non-financial and other capital grants taken to income (*)</i>	-9.2	-9.5
Other operating income/(losses)	-65.3	6.3
<i>Impairment and gains/(losses) on disposal of fixed assets</i>	15.0	5.9
<i>Other gains/(losses)</i>	-89.5	-9.1
<i>Non-financial and other capital grants taken to income (*)</i>	9.2	9.5
Net operating profit (EBIT)	725.4	725.9
EBIT margin	8.0%	8.8%
Financial income	-182.1	-118.7
<i>Financial income</i>	82.0	77.8
<i>Finance expenses</i>	-264.1	-196.5
Other financial profit/(loss)	28.1	-17.5
P/L of companies accounted for by the equity method	13.2	42.4
Profit/(loss) before tax from continuing activities	584.6	632.1
Company tax on profits	-153.1	-154.0
<i>Income tax</i>	-153.1	-154.0
Income from continuing operations	431.5	478.1
Profit/(loss) for the business year from interrupted operations after tax	136.1	264.1
Net Income	567.6	742.2
<i>Consolidated profit/(loss) for the year</i>	567.6	742.2
Non-controlling interests	-137.7	-153.1
<i>Profit/(loss) attributable to non-controlling interests</i>	-137.7	-153.1
Profit attributable to the Parent	429.9	589.1

(*) In the financial statements, the heading "Amortisation of fixed assets and allocation of grants for non-financial and other assets" includes Apportionment of grants for fixed and non-current assets and others", which in the management report is included under "Other operating profit/(loss)".

BALANCE SHEET

(million euros)

	Dec. 24	Dec. 23
Intangible assets	2,645.0	2,477.0
Property, plant and equipment	3,771.5	3,838.3
Investment property	3.9	2,091.3
Investments accounted for using the equity method	520.7	1,034.3
Non-current financial assets	1,070.8	748.4
Deferred tax assets and other non-current assets	499.9	468.3
Non-current assets	8,511.8	10,657.6
Inventories	423.7	1,234.3
Trade and other receivables	3,194.2	2,957.4
<i>Trade and other receivables</i>	<i>3,124.0</i>	<i>2,886.5</i>
<i>Other current assets</i>	<i>70.2</i>	<i>70.9</i>
Other current financial assets	256.7	260.5
Cash and cash equivalents	1,849.6	1,609.7
Current assets	5,724.2	6,062.0
TOTAL ASSETS	14,236.0	16,719.7
Equity attributable to shareholders of the parent company	2,732.7	4,447.5
Non-controlling interests	1,003.3	1,695.0
Equity	3,736.0	6,142.5
Grants	243.4	226.6
Non-current provisions	1,085.4	1,230.6
Non-current financial debt	4,770.9	4,361.0
<i>Non-current financial liabilities</i>	<i>5,224.6</i>	<i>4,817.0</i>
<i>Other non-current financial assets not included in financial debt (*)</i>	<i>-453.7</i>	<i>-456.0</i>
Other non-current financial liabilities	453.7	456.0
<i>Other non-current financial assets not included in financial debt (*)</i>	<i>453.7</i>	<i>456.0</i>
Deferred tax liabilities and other non-current liabilities	417.7	439.5
<i>Deferred tax liabilities</i>	<i>256.4</i>	<i>289.6</i>
<i>Other non-current liabilities</i>	<i>161.2</i>	<i>149.9</i>
Non-current liabilities	6,971.1	6,713.8
Current provisions	275.1	159.6
Current financial debt	325.7	604.1
<i>Current financial liabilities</i>	<i>526.9</i>	<i>926.8</i>
<i>Other current financial assets not included in financial debt (*)</i>	<i>-201.2</i>	<i>-322.7</i>
Other current financial liabilities	201.2	322.7
<i>Other current financial assets not included in financial debt (*)</i>	<i>201.2</i>	<i>322.7</i>
Trade payables and other accounts payable	2,726.9	2,777.0
Current liabilities	3,528.9	3,863.4
TOTAL LIABILITIES	14,236.0	16,719.7

(*) Non-current and current "Other financial liabilities" include amounts that form part of the financial debt and others that do not. Financial debt is included under "Long/short-term financial debt" and non-financial debt are reported under "Other non-current/current financial liabilities" in the management report.

CASH FLOW

(million euros)

	Dec. 24	Dec. 23
Gross Operating Profit (EBITDA)	1,435.3	1,285.2
<i>Profit/(loss) before tax from continuing operations</i>	584.6	632.1
<i>Amortisation and depreciation</i>	644.6	565.6
<i>Impairment and gains/(losses) on disposal of fixed assets</i>	-15.0	-5.9
<i>Other adjustments to profit/(loss) (net) (*)</i>	221.1	93.4
(Increase)/decrease in working capital	-176.9	-701.8
Changes in working capital	-176.9	-701.8
Corporation tax (paid)/received	-198.7	-97.3
Other operating cash flow	218.2	299.3
<i>Dividend collections</i>	28.9	50.5
<i>Other collections/(payments) from operating activities</i>	189.3	248.8
Operating cash flow	1,277.9	785.4
Investment payments	-1,608.0	-864.8
Proceeds from divestments	53.6	35.8
Other investment cash flows	259.0	-133.4
Investment cash flow	-1,295.4	-962.4
Interest paid	-205.3	-149.4
(Payment)/receipt of financial liabilities	579.8	-71.7
Other financing cash flow	-139.8	431.4
<i>Issuance/(amortisation) of equity instruments</i>	-0.1	-0.2
<i>(Acquisition)/disposal of own shares</i>	-	693.0
<i>Dividends paid and payments on equity instruments</i>	-121.8	-58.3
<i>Other collections/(payments) from financing activities</i>	-17.9	-203.1
Financing cash flow	234.7	210.3
Exchange differences, change in consolidation scope, etc.	22.6	1.0
Increase/(decrease) in cash and cash equivalents	239.9	34.2

(*) "Other adjustments to net income" on the financial statements is divided into two subheadings on the statement of cash flows in the management report, taking EBITDA as a starting point and not the "Profit/(loss) before tax from continuing operations"

11. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report is available on the website of the National Securities Market Commission and on the issuer's website.

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=1&nif=A-28037224>

12. ANNUAL DIRECTORS' REMUNERATION REPORT

The Annual Directors' Remuneration Report is available on the website of the National Securities Market Commission and on the issuer's website.

<https://www.cnmv.es/portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-28037224>

13. NON-FINANCIAL INFORMATION STATEMENT